

Jubilant Pharma Limited
Condensed Consolidated Statement of Financial Position
(All amounts in USD, unless otherwise stated)

	As at 30 September 2021	As at 31 March 2021
ASSETS		
Non-current assets		
Property, plant and equipment	286,318,232	284,380,124
Goodwill	171,673,643	169,619,529
Other intangible assets	110,454,154	110,526,948
Right-of-use assets	29,692,636	31,385,008
Equity accounted investee	25,560,764	27,101,542
Other investments	366,109	422,594
Other financial assets	57,988,656	45,687,437
Income tax assets	73,072	72,633
Deferred tax assets (net)	21,668,307	24,905,493
Other non-current assets	9,838,608	5,114,313
Total non-current assets	713,634,181	699,215,621
Current assets		
Inventories	158,187,232	154,223,965
Trade receivables	109,138,986	105,396,748
Other financial assets	11,471,552	36,877,033
Income tax assets	127,379	3,198,835
Other current assets	29,582,657	28,078,824
Cash and cash equivalents	97,676,254	55,088,585
Total current assets	406,184,060	382,863,990
Total assets	1,119,818,241	1,082,079,611
EQUITY AND LIABILITIES		
Equity		
Equity share capital	326,758,994	326,758,994
Merger reserve	(80,838,832)	(80,838,832)
Retained earnings	374,911,963	350,551,464
Foreign currency translation reserve	(41,495,979)	(47,540,595)
Other components of equity	(12,733,750)	(12,691,993)
Total equity attributable to owners of the Company	566,602,396	536,239,038
LIABILITIES		
Loans and borrowings	348,223,645	347,858,555
Lease liabilities	24,006,792	24,734,010
Employee benefits	4,719,988	4,450,490
Deferred tax liabilities (net)	30,915,213	28,558,008
Provisions	5,712,727	5,577,729
Other non-current liabilities	3,741,163	3,695,981
Total non-current liabilities	417,319,528	414,874,773
Current liabilities		
Loans and borrowings	12,259,194	2,735,747
Lease liabilities	6,044,250	6,393,098
Employee benefits	22,258,596	27,589,832
Trade payables	65,649,806	69,567,478
Other financial liabilities	3,350,966	3,031,590
Income tax liabilities	5,978,766	4,984,164
Provisions	4,392,852	4,164,591
Other current liabilities	15,961,887	12,499,300
Total current liabilities	135,896,317	130,965,800
Total liabilities	553,215,845	545,840,573
Total equity and liabilities	1,119,818,241	1,082,079,611

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Jubilant Pharma Limited
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
(All amounts in USD, unless otherwise stated)

	Quarter ended 30 September 2021	Quarter ended 30 September 2020	Half year ended 30 September 2021	Half year ended 30 September 2020
Revenue from operations	208,287,215	203,935,525	417,744,247	348,517,222
Other income	50,569	173,099	277,905	181,679
Total income	208,337,784	204,108,624	418,022,152	348,698,901
Cost of materials consumed	(45,644,629)	(49,589,255)	(95,909,386)	(81,832,440)
Purchases of stock-in-trade	(6,253,836)	(6,848,332)	(12,885,176)	(11,233,137)
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(7,524,550)	(3,381,029)	127,888	1,344,260
Employee benefits expense	(62,137,231)	(60,534,421)	(124,222,672)	(118,604,199)
Depreciation, amortisation and impairment	(13,390,316)	(11,338,122)	(25,022,546)	(22,064,425)
Other expenses	(45,132,477)	(39,264,723)	(96,379,135)	(72,098,959)
Finance income	830,557	884,392	1,553,965	1,909,747
Finance costs	(4,604,680)	(6,225,843)	(9,250,355)	(12,526,805)
Profit before share of loss of equity accounted investee	24,480,622	27,811,291	56,034,735	33,592,943
Share of loss of equity accounted investee, net of tax	(187,176)	-	(1,540,778)	-
Profit before tax	24,293,446	27,811,291	54,493,957	33,592,943
Income tax expense	(6,706,926)	(8,991,973)	(17,150,642)	(10,527,625)
Profit for the period	17,586,520	18,819,318	37,343,315	23,065,318
Other comprehensive income/(loss)				
<i>Items that will be reclassified to profit or loss</i>				
Exchange differences on translation of foreign operations	(1,543,750)	11,335,330	6,044,616	20,411,985
Income tax relating to items that will be reclassified to profit or loss	-	(517,875)	-	453,688
<i>Items that will not be reclassified to profit or loss</i>				
Changes in fair value of equity investments which are classified at fair value through other comprehensive income	(16,736)	(630,829)	(56,485)	(630,829)
Remeasurements of defined benefit obligations	11,281	(66,269)	22,639	(131,287)
Income tax relating to items that will not be reclassified to profit or loss	(3,942)	23,157	(7,911)	45,877
Other comprehensive income for the period, net of tax	(1,553,147)	10,143,514	6,002,859	20,149,434
Total comprehensive income for the period	16,033,373	28,962,832	43,346,174	43,214,752

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Jubilant Pharma Limited
Condensed Consolidated Statement of Changes in Equity
(All amounts in USD, unless otherwise stated)

	Attributable to owners of the Company							
	Equity share capital **	Merger reserve #	Other capital reserve ##	Fair value reserve @	Remeasurements of defined benefit obligations @@	Foreign currency translation reserve ^	Retained earnings	Total equity
As at 1 April 2020	326,758,994	(80,838,832)	(11,322,840)	-	(567,088)	(86,074,016)	281,607,162	429,563,380
Total comprehensive income/(loss) for the period								
Profit for the period	-	-	-	-	-	-	23,065,318	23,065,318
Other comprehensive income/(loss) for the period, net of tax	-	-	-	(630,829)	(85,410)	20,865,673	-	20,149,434
Total comprehensive income/(loss) for the period	-	-	-	(630,829)	(85,410)	20,865,673	23,065,318	43,214,752
As at 30 September 2020	326,758,994	(80,838,832)	(11,322,840)	(630,829)	(652,498)	(65,208,343)	304,672,480	472,778,132
As at 1 April 2021	326,758,994	(80,838,832)	(11,322,840)	(835,160)	(533,993)	(47,540,595)	350,551,464	536,239,038
Total comprehensive income/(loss) for the period								
Profit for the period	-	-	-	-	-	-	37,343,315	37,343,315
Other comprehensive income/(loss) for the period, net of tax	-	-	-	(56,485)	14,728	6,044,616	-	6,002,859
Total comprehensive income/(loss) for the period	-	-	-	(56,485)	14,728	6,044,616	37,343,315	43,346,174
Transactions with equity holders								
Dividend distribution to shareholder*	-	-	-	-	-	-	(12,982,816)	(12,982,816)
Total transactions with equity holders	-	-	-	-	-	-	(12,982,816)	(12,982,816)
As at 30 September 2021	326,758,994	(80,838,832)	(11,322,840)	(891,645)	(519,265)	(41,495,979)	374,911,963	566,602,396

** No. of shares as at 30 September 2021 and 31 March 2021 is 326,758,994. There is no change in the number of shares during the current period. All issued ordinary shares are fully paid. There is no par value for these ordinary shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company.

Represents difference between the consideration and carrying amount of net assets/liabilities for transactions among entities under common control to transfer out/in of any business or shares of entities under common control.

Primarily represents effect of transactions with shareholders (other than those accounted for in merger reserve).

@ Represents changes in fair value of equity investments designated as fair value through other comprehensive income.

@@ Remeasurement of defined benefit obligations comprises actuarial gains and losses.

^ Exchange differences arising on translation of foreign operations and exchange differences relating to intercompany balances forming part of net investment in foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within the equity. The related cumulative amount is reclassified to profit or loss when the Group dispose or partially dispose off its interest in a foreign operation through sale, liquidation, repayment of share capital or abandonment of all, or part of, that entity.

* The board of directors of the Company at its meeting held on 19 July 2021 declared an interim dividend amounting to USD 12,982,816 (USD 0.04 per equity share) to the shareholder of the Company.

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Jubilant Pharma Limited
Condensed Consolidated Statement of Cash Flows
(All amounts in USD, unless otherwise stated)

Particulars	Half year ended 30 September 2021	Half year ended 30 September 2020
A. Cash flow from operating activities		
Profit before tax	54,493,957	33,592,943
Adjustments for:		
Depreciation, amortization and impairment	25,022,546	22,064,425
Unrealised foreign exchange loss, net	5,158,705	583,140
Finance income	(1,553,965)	(1,909,747)
Finance costs	9,250,355	12,526,805
Loss on disposal of property, plant and equipment (net)	33,894	659,116
Share of loss of equity accounted investee, net of tax	1,540,778	-
Operating cash flow before working capital changes	93,946,270	67,516,682
Increase in trade receivables	(3,187,187)	(2,377,474)
Increase in other assets including other financial assets	(2,083,636)	(10,380,241)
Increase in inventories	(4,394,999)	(11,569,962)
(Decrease)/increase in trade payables	(4,749,706)	7,758,823
(Decrease)/increase in other liabilities including other financial liabilities	(650,710)	4,287,111
Cash generated from operations	78,880,032	55,234,939
Income taxes paid (net of refund)	(8,383,026)	(22,297,404)
Net cash generated from operating activities	70,497,006	32,937,535
B. Cash flows from investing activities		
Acquisition of property, plant and equipment and other intangible assets	(26,791,264)	(21,536,033)
Proceeds from disposal of property, plant and equipment	149,069	600,484
Acquisition of business *	-	(16,954,743)
Loans given to related parties	(16,600,000)	(2,000,000)
Loans received back from related parties	7,600,000	-
Interest received	1,654,284	1,988,562
Change in bank deposits with original maturity of more than three months	22,007,027	(34,340,213)
Net cash used in investing activities	(11,980,884)	(75,938,734)
C. Cash flow from financing activities		
Proceeds from long term loans and borrowings **	-	3,997,104
Payment of lease liabilities	(3,643,154)	(3,206,862)
Proceeds from short term loans repayable on demand, net	9,621,758	3,330,329
Dividend paid	(12,982,816)	-
Finance costs paid	(8,779,422)	(12,478,192)
Net cash used in financing activities	(15,783,634)	(8,357,621)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	42,732,488	(51,358,820)
Effect of exchange rate changes	(144,819)	3,436,118
Cash and cash equivalents at the beginning of the period	55,088,585	138,325,966
Cash and cash equivalents at the end of the period	97,676,254	90,403,264

* During the half year ended 30 September 2020, the Group paid consideration for acquisition of IBP business from Jubilant Life Sciences Limited through a Business Transfer Agreement entered into during the year ended 31 March 2020.

** Includes revolver credit facility of Jubilant HollisterStier LLC amounting to USD 3,997,104 presented on net basis during the half year ended 30 September 2020.

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Jubilant Pharma Limited
Notes to the condensed consolidated interim financial statements
(All amounts in USD, unless otherwise stated)

Note 1. Corporate information

Jubilant Pharma Limited (“JPL, Singapore” or “the Company” or “the Parent Company”) is incorporated and domiciled in Singapore. The address of its registered office is 80 Robinson Road, #02-00 Singapore 068898. The address of its principal place of business is 6 Temasek Boulevard, #20-06 Suntec Tower Four, Singapore 038986. These condensed consolidated interim financial statements comprise the Company and its subsidiaries (including partnerships) (collectively hereinafter referred to as “the Group”).

Jubilant Pharmova Limited (“Jubilant India”) is the immediate and ultimate holding company of JPL, Singapore.

The Group through its subsidiaries in United States, Canada, Europe, Asia and other geographies is engaged in manufacturing and marketing of various pharmaceutical products and services like active pharmaceutical ingredients, dosage forms (tablets and capsules), contract manufacturing of sterile injectables, allergy therapy products and radiopharmaceutical products in various markets spread over United States, Canada, Europe, Asia and other geographies identified on the basis of revenue earned.

Note 2. Basis of accounting

These condensed consolidated interim financial statements have been prepared in accordance with the recognition and measurement principles of IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 March 2021 (‘last annual financial statements’). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

Note 3. Significant accounting policies

The accounting policies applied in these condensed consolidated interim financial statements are same as those applied in the last annual financial statements.

Note 4. Use of judgments and estimates

In preparing these condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2021.

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, inventories, property, plant and equipment, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions, the Group has, as at the date of approval of these condensed consolidated interim financial statements, used internal and external sources of information, including economic forecasts and estimates from market sources, on the expected future performance of the Group. On the basis of evaluation and current indicators of future economic conditions, the Group expects to recover the carrying amounts of these assets and does not anticipate any impairment to these financial and non-financial assets. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Group will continue to monitor any material changes to future economic conditions.

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Note 5. Recent accounting pronouncements

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective.

IAS 16 – Property, plant and equipment - Proceeds before intended use

In May 2020, IASB amended IAS 16, which prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. This amendment is effective for annual reporting period beginning on or after 1 January 2022, although early adoption is permitted. The Group does not expect the amendment to have any significant impact on its recognition of its property, plant and equipment in its condensed consolidated interim financial statements.

IAS 37 – Onerous Contracts - Cost of Fulfilling a Contract

In May 2020, IASB issued Onerous Contracts - Cost of Fulfilling a Contract, which specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. This amendment is effective for annual reporting period beginning on or after 1 January 2022, although early adoption is permitted. The Group does not expect the amendment to have any significant impact on its condensed consolidated interim financial statements.

IFRS 3 – Business Combinations - Reference to the Conceptual Framework

In May 2020, IASB published Reference to Conceptual Framework, that update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. These changes do not significantly change the requirements of IFRS 3. This amendment is effective for annual reporting period beginning on or after 1 January 2022, although early adoption is permitted. The Group does not expect the amendment to have any significant impact on its condensed consolidated interim financial statements.

IFRS 9 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB amended IFRS 9 as part of its Annual Improvements to IFRS Standards 2018-2020. The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. This amendment is effective for annual reporting period beginning on or after 1 January 2022, although early adoption is permitted. The Group does not expect the amendment to have any significant impact on its recognition of its condensed consolidated interim financial statements.

IFRS 16 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB issued an amendment to Illustrative Example 13 accompanying IFRS 16, as part of its Annual Improvements to IFRS Standards - 2018-2020, which removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. The amendment is only as regards the Illustrated Example, therefore, no effective date is stated. The Group does not expect the amendment to have any significant impact on its condensed consolidated interim financial statements.

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IAS 1 – Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the “right” to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. This amendment is effective for annual reporting period beginning on or after 1 January 2023, although early adoption is permitted. The Group does not expect the amendment to have any significant impact on its presentation of liabilities in its condensed consolidated interim financial statements.

IAS 1 – Presentation of Financial Statements - Disclosure of Accounting Policies

In February 2021, IASB issued ‘Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)’ which is intended to help entities in deciding which accounting policies to disclose in their financial statements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. This amendment is effective for annual reporting period beginning on or after 1 January 2023, although early adoption is permitted. The Group does not expect this amendment to have any significant impact in its condensed consolidated interim financial statements.

IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

In February 2021, IASB issued ‘Definition of Accounting Estimates (Amendments to IAS 8)’ to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. This amendment is effective for annual reporting period beginning on or after 1 January 2023, although early adoption is permitted. The Group does not expect this amendment to have any significant impact in its condensed consolidated interim financial statements.

IAS 12 – Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In May 2021, IASB issued ‘Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), which clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. This amendment is effective for annual reporting period beginning on or after 1 January 2023, although early adoption is permitted. The Group does not expect this amendment to have any significant impact in its condensed consolidated interim financial statements.

Jubilant Pharma Limited
Notes to the condensed consolidated interim financial statements
(All amounts in USD, unless otherwise stated)

Note 6. Loans and borrowings (current and non-current)

	Face value	Carrying amount
Balance as at 1 April 2021		350,594,302
Additions		
- Short term loans repayable on demand, net	9,621,758	9,621,758
Others		
- Amortisation of transaction costs	-	365,090
- Foreign currency translation adjustment	-	(98,311)
Balance as at 30 September 2021		360,482,839

Note 7. Fair value measurements

	Note	Level of hierarchy	As at 30 September 2021			As at 31 March 2021		
			FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets								
Other investments	(a)	1	-	366,109	-	-	422,594	-
Trade receivables	(b)		-	-	109,138,986	-	-	105,396,748
Cash and cash equivalents	(b)		-	-	97,676,254	-	-	55,088,585
Other financial assets	(e),(f)	3	-	-	69,460,208	-	-	82,564,470
Total financial assets			-	366,109	276,275,448	-	422,594	243,049,803
Financial liabilities								
Loans and borrowings - Senior Notes	(d),(f)	1	-	-	198,223,645	-	-	197,858,555
Loans and borrowings - Others	(b),(c)		-	-	162,259,194	-	-	152,735,747
Lease liabilities	(b)		-	-	30,051,042	-	-	31,127,108
Trade payables	(b)		-	-	65,649,806	-	-	69,567,478
Employee benefits	(b),(c)		-	-	21,372,874	-	-	26,754,880
Other financial liabilities	(b)		-	-	3,350,966	-	-	3,031,590
Total financial liabilities			-	-	480,907,527	-	-	481,075,358

Jubilant Pharma Limited
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Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques and the significant unobservable inputs used in determination of fair value of the Level 3 financial instruments not measured at fair value:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Other financial assets (loan to related parties)	<i>Discounted cash flows:</i> The valuation model considers the present value of expected receipts discounted using an adjusted discount rate	Adjusted discount rate 6.76% (31 March 2021: 6.75%)	The estimated fair value would increase (decrease) if the adjusted discount rate was lower (higher)

Notes:

- Fair value of quoted financial instruments (including listed debentures and bonds) is based on quoted market price at the reporting date.
- Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments. Further, the fair value disclosure of lease liabilities is not required.
- Fair value of non-current financial liabilities has not been disclosed as there is no significant difference between carrying value and fair value.
- Fair value of loans and borrowings is as below:

	Level of hierarchy	As at 30 September 2021	As at 31 March 2021
Senior Notes 2024	1	207,724,000	210,710,000

- Fair value of other financial assets is as below:

	Level of hierarchy	As at 30 September 2021	As at 31 March 2021
Other financial assets [#]	3	67,141,189	80,033,580

[#] The fair value of loan to related parties is based upon a discounted cash flow analysis that uses the aggregate cash flows from principal and finance income over the life of the asset and current market interest rates. Fair value of other non-current financial assets has not been disclosed as there is no significant difference between carrying value and fair value. Further, the fair value of other current financial assets is considered as approximate to carrying amount due to the short term maturities of these instruments.

- There are no transfers between level 2 and level 3.

Note 8. Scheme of Arrangement

The Board of Directors of the Company at its meeting held on 19 July 2021 approved a proposed demerger of the Active Pharmaceuticals Ingredients undertaking of Jubilant Generics Limited, a wholly owned subsidiary of the Company (“JGL”) and vesting of the same with Jubilant Pharmova Limited, the ultimate holding company (“JPM”), on a going concern basis, to be implemented through a Scheme of Arrangement (“the Scheme”) between JGL and JPM. In September 2021, JGL has filed application for approval of the Scheme with National Company Law Tribunal, Allahabad Bench. Pending approvals and other compliances, the condensed consolidated interim financial statements of the Group do not have any impact of the Scheme.

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Note 9. During the current quarter, in July 2021, the U.S. Food and Drug Administration (“USFDA”) placed the Roorkee facility under import alert, which restricts supplies to the USA from the Roorkee facility. However, the USFDA has exempted certain products from the import alert subject to certain conditions. The Group continues to engage with the USFDA and take all necessary steps, including comprehensive assessment and engaging independent consultants, to ensure further stringent controls to resolve the import alert at the earliest and ensure Current Good Manufacturing Practices (cGMP) compliance for the Roorkee facility.

Note 10. Jubilant DraxImage Inc., Canada (“JDI”), a subsidiary company, changed its functional currency from CAD to USD w.e.f. 1 June 2021. The change was made to reflect that USD has become the predominant currency in JDI, counting for a significant part of JDI’s cash flow, cash flow management and investing, along with purchase of radiopharmacies business from Jubilant Draximage Radiopharmacies Inc, USA (“JDRI”), a fellow subsidiary company of JDI. The change has been implemented prospectively from the date of change.

Note 11. Income tax expense

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management’s best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the condensed consolidated interim financial statements may differ from management’s estimate of the effective tax rate for the annual financial statements.

Reconciliation between average effective tax rate and average applicable tax rate:

	Quarter ended 30 September 2021	Quarter ended 30 September 2020	Half year ended 30 September 2021	Half year ended 30 September 2020
Profit from continuing operations before income tax expense	24,293,446	27,811,291	54,493,957	33,592,943
Weighted average applicable tax rate	17.09%	27.46%	20.14%	26.06%
Tax at weighted average applicable tax rate	4,152,472	7,637,337	10,973,963	8,753,561
Tax effect of amounts which are not deductible (taxable) in calculating taxable income				
Incremental allowance for research and development	(89,207)	(17,125)	(112,553)	(60,809)
Effect of prior year taxes	-	170,359	-	170,359
Effect of state taxes	433,213	543,927	1,180,498	614,563
Change in tax rate	(251,289)	(426,472)	(1,489,936)	(357,280)
Unrecognised deferred tax on business loss	5,072	(6,225)	10,889	13,390
Non-deductible expenses	1,405,777	1,828,908	5,432,915	1,986,916
Others	1,050,888	(738,736)	1,154,866	(593,075)
	6,706,926	8,991,973	17,150,642	10,527,625