B S R & Co. LLP
Chartered Accountants
Unit No.- 502, 5th Floor, Tower- B,
ITES/ IS Complex, Advant Navis Business Park,
Plot No.- 7, Sector- 142, Expressway,
Noida- 201305, UP

Telephone: + 91 120 682 8700
Fax: + 91 120 682 8710

INDEPENDENT AUDITORS' REPORT

To the Members of Jubilant Therapeutics India Limited

(Revised) Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Jubilant Therapeutics India Limited** ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of matter

We draw attention to note 31 of the financial statements which describes that the financials statement of the Company for the year ended 31 March 2020 were earlier approved by the Board of Directors at their meeting held on 29 May 2020 at which time the Composite Scheme of Arrangement ('the Scheme') between the Company and Jubilant Biosys Limited, fellow subsidiary (the demerged company) was subject to approval of the respective shareholders and creditors of the Company and transferor company, National Company Law Tribunal ("NCLT") and Statutory and Regulatory Authorities, as applicable. Accordingly, the Scheme was not given effect to in the financial statements approved by the Board of Directors on 29 May 2020. Subsequently, the Scheme has been approved by the National Company Law Tribunal vide its order dated 29 June 2020, with appointed date of 1 April 2019 and certified copy of the order sanctioning the Scheme filed by the Company with Registrar of the Companies on 28 July 2020.

Though the appointed date as per the NCLT approved Scheme is 1 April 2019, as per the requirements of Appendix C to Ind AS 103 "Business Combination", the combination has been accounted for as if it had occurred from the date of incorporation of the Company which is 20 March 2019. Accordingly, the amounts for the year ended 31 March 2020 include the impact of the business combination for the entire period from 20 March 2019 to 31 March 2020 after recognizing the effect of the amalgamation as above. The Company's management has revised these financial statements to give effect to the Scheme.

Our opinion is not modified in respect of the aforesaid matters.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using thc going concern basis of accounting unless the Board of Directors either intends to liquidatc thc Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Gaurav Mahajan
Partner
Membership No.: 507857
UDIN : 20507857AAAADD1265

Place: Chandigarh
Date: 23 October 2020

Annexure A referred to in our Independent Auditor's Report to the members of Jubilant Therapeutics India Limited on the financial statements for the period from 20 March 2019 to 31 March 2020.

A statement on Paragraph 3 and 4 of the Companies (Auditors' Report) Order, 2016 issued by the Central Government in terms of section 143 (11) of the Companies Act, 2013

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We report that:

(i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment).

(b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its property, plant and equipment by which all fixed assets (property, plant and equipment) are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the above policy, the physical verification has been carried out during the year. As informed to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not own any immovable property. Accordingly, the provisions of paragraph 3(i)(c) of the Order are not applicable to the company.

(ii) The Company is engaged in the business of discovery and development of novel small molecules for the treatment of cancer and scientific consultancy services to its subsidiary companies and does not hold any inventory. Accordingly, the provisions of paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies or other parties covered in the register maintained under Section 189 of the Act. As informed to us, there are no firms or Limited Liability Partnerships covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order is not applicable.

(iv) According to the information and explanations given to us and on the basis of our examination of records, the Company has not provided any guarantees or security or loan to the parties covered under Section 185 and Section 186 of the Act. Further, in respect of investments made by the Company, the provisions of 186 of the Act have been complied with.

(v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, the provisions of para 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies

Act, 2013, for any of the products of the Company. Accordingly, the provisions of paragraph 3(vi) of the order is not applicable to the company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including income-tax, goods and services tax ('GST'), cess other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us the Company did not have any dues on account of provident fund, employees' state insurance, duty of customs, duty of excise, sales tax, service tax and value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax that have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, the Company did not have any loans or borrowings from financial institutions, banks or government or dues to debenture holders.

(ix) According to the information and explanations given to us, the Company did not raise money by way of initial offer or further public offer (including debt instruments) and the term loans during the year.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit for the year.

(xi) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standard. Further, according to the information and explanations given to us and based on our examination of the records of the Company, provisions of Section 177 of the Act are not applicable to the Company.

(xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or person connected with him as referred to in Section 192 of the Companies Act, 2013. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3 (xvi) of the Order is not applicable to the Company.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Gaurav Mahajan
Partner
Membership No.: 507857
UDIN: 20507857AAAADD1265

Place: Chandigarh
Date: 23 October 2020

Annexure B to the Independent Auditors' report on the financial statements of Jubilant Therapeutics India Limited for the period from 20 March 2019 to 31 March 2020.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Jubilant Therapeutics India Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the period from 20 March 2019 to 31 March 2020.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Gaurav Mahajan
Partner
Membership No.: 507857
UDIN: 20507857AAAADD1265

Place: Chandigarh
Date: 23 October 2020

Jubilant Therapeutics India Limited
Balance sheet as at 31 March 2020

(INR in thousands)

	Notes	As at 31 March 2020
ASSETS		
Non-current assets		
Plant property and equipment	3	108
Non Current Investment	4	565,041
Right of use assets	28	-
Financial assets		
i. Loans	5	160
Deferred tax assets (net)	6	2,634
Total non-current assets		**567,943**
Current assets		
Financial assets		
i. Cash and cash equivalents	7	1,400
ii. Other financial assets	8	127,953
Other current assets	9	130
Total current assets		**129,483**
Total assets		**697,426**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	10	570,000
Shares pending issuance	30	296,452
Other equity		(208,997)
Total equity		**657,455**
LIABILITIES		
Non-current liabilities		
Provisions	11	4,363
Total non-current liabilities		**4,363**
Current liabilities		
Financial liabilities		
i. Trade payables	12	
Total outstanding dues of micro enterprises and small enterprises		-
Total outstanding dues of creditors other than micro enterprises and small enterprises		235
ii. Other financial liabilities	13	2,552
Other current liabilities	14	13
Provisions	11	587
Current tax liabilities	15	32,221
Total current liabilities		**35,608**
Total liabilities		**39,971**
Total equity and liabilities		**697,426**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number : 101248W/W-100022

Gaurav Mahajan
Partner
Membership No: 507857
Place : Chandigarh, India
Date : 23 October 2020

For and on behalf of the Board of Directors of
Jubilant Therapeutics India Limited

Shyam Pattabiraman
Director
DIN No. 01338226
Place: Noida, India
Date : 23 October 2020

Sridharan Rajagopal
Whole-time Director
DIN No. 08450717
Place: Bangalore, India
Date : 23 October 2020

Anil Sharma
Company Secretary
Place: Noida, India
Date : 23 October 2020

Arun Kumar Sharma
Chief Financial Officer
Place: Noida, India
Date : 23 October 2020

Jubilant Therapeutics India Limited
Statement of profit and loss for the period 20 March 2019 to 31 March 2020

(INR in thousands)

	Notes	For the period 20 March 2019 to 31 March 2020
Revenue from operations	16	165,365
Total income		**165,365**
Expenses		
Depreciation and amortisation expense	17	206
Employee benefit expenses	18	18,513
Finance cost	19	27
Other expenses	20	20,945
Total expenses		**39,691**
Profit before tax		**125,674**
Tax expense		
Current taxes		32,221
Deferred taxes		(2,398)
Total tax expense		**29,823**
Profit for the year		**95,851**
Other comprehensive income/(loss)		
Items that will not be reclassified to profit or loss		
Re-measurement of defined benefit obligations		(934)
Income tax relating to these items		235
Other comprehensive income/loss for the year, net of tax		(699)
Total comprehensive income for the year		**95,152**
Basic and diluted earnings per share of Rs 10 each	27	1.10

The accompanying notes form an integral part of the financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number : 101248W/W-100022

For and on behalf of the Board of Directors of
Jubilant Therapeutics India Limited

Gaurav Mahajan
Partner
Membership No: 507857

Place : Chandigarh, India
Date : 23 October 2020

Shyam Pattabiraman
Director
DIN No. 01338226

Place: Noida, India
Date : 23 October 2020

Sridharan Rajagopal
Whole-time Director
DIN No. 08450717

Place: Bangalore, India
Date : 23 October 2020

Anil Sharma
Company Secretary
Place: Noida, India
Date : 23 October 2020

Arun Kumar Sharma
Chief Financial Officer
Place: Noida, India
Date : 23 October 2020

Jubilant Therapeutics India Limited
Statement of changes in equity for the period 20 March 2019 to 31 March 2020

A) Equity share capital

	(INR in thousands)
Balance at commencement of financial year	-
Add: Issued during the financial year	570,000
Balance as at 31 March 2020	**570,000**

B) Shares to be issued persuant to demerger

	(INR in thousands)
Balance at commencement of financial year	-
Add:Shares to be issued persuant to demerger	296,452
Balance as at 31 March 2020	**296,452**

C) Other equity

(INR in thousands)

	Capital Reserve	Retained earnings	Total
Balance at commencement of financial year	-	-	-
Adjustment pursuant to demerger*	(304,149)	-	(304,149)
Total comprehensive income for the year	-	95,152	95,152
Balance as at 31 March 2020	**(304,149)**	**95,152**	**(208,997)**

Refer note 10.2 for nature and purpose of equity

* Refer note 30

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number : 101248W/W-100022

Gaurav Mahajan
Partner
Membership No: 507857
Place : Chandigarh, India
Date : 23 October 2020

For and on behalf of the Board of Directors of
Jubilant Therapeutics India Limited

Shyam Pattabiraman
Director
DIN No. 01338226
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Date : 23 October 2020

Anil Sharma
Company Secretary
Place: Noida, India
Date : 23 October 2020

Arun Kumar Sharma
Chief Financial Officer
Place: Noida, India
Date : 23 October 2020

Jubilant Therapeutics India Limited
Statement of cash flows for the period 20 March 2019 to 31 March 2020

(INR in thousands)

	For the period 20 March 2019 to 31 March 2020
A. Cash flow from operating activities	
Net Profit before tax	125,674
Adjustment for scheme of arrangement*	783
Depreciation and amortisation expense	206
Non cash consideration-equity	(40,077)
Finance costs	24
Operating cash flow before working capital changes	**86,610**
Increase in non-current assets	(160)
Increase in other assets and other financial assets	(89,953)
Decrease in trade payables, other financial liability	(1,993)
Cash used in operations	**(5,496)**
Income tax received/(paid)	-
Net cash used in operating activities	**(5,496)**
B. Cash flow from investing activities	
Investment in subsidiaries	(562,796)
Net cash used in investing activities	**(562,796)**
C. Cash flow from financing activities	
Proceeds from issue of equity shares	570,000
Finance costs paid	(24)
Principal repayments under finance lease	(284)
Net cash flow from financing activities	**569,692**
Net increase in cash and cash equivalents (A+B+C)	1,400
Cash and cash equivalents at the beginning of year	-
Cash and cash equivalents at the end of the year (refer note 7)	**1,400**

* Refer note 30

The Statement of Cash Flows have been prepared under the indirect method as set out in Ind AS - 7 "Statement of Cash Flows"

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration number : 101248W/W-100022

For and on behalf of the Board of Directors of

Jubilant Therapeutics India Limited

Gaurav Mahajan
Partner
Membership No: 507857
Place : Chandigarh, India
Date : 23 October 2020

Shyam Pattabiraman
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Date : 23 October 2020

Anil Sharma
Company Secretary
Place: Noida, India
Date : 23 October 2020

Arun Kumar Sharma
Chief Financial Officer
Place: Noida, India
Date : 23 October 2020

Note 1: Corporate Information

Jubilant Therapeutics India Limited (the Company) is a wholly owned subsidiary of Jubilant Life Sciences Limited. Company is domiciled in India and incorporated under the provisions of Indian Companies Act, 2013. The Company is engaged in the business of discovery and development of novel small molecules for the treatment of cancer.

In order to achieve greater management focus in the field of drug discovery and development the business of discovery and development of novel small molecules for the treatment of cancer has been demerged from Jubilant Biosys Limited under a Scheme of Arrangement approved by the National Company Law Tribunal, bench at , Allahabad (NCLT) vide order dated June 29, 2020. Further, the demerger will enable the Company, as an independent entity, to address the significant unmet needs in the treatment of cancer. Also, refer note 31.

Note 2: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. The accounting policies adopted are consistent through the reporting period. The company has also adopted Ind AS 116 "Leases applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and Appendix C, "Uncertainty over Income Tax Treatments", to Ind AS 12, Income during the reporting period.

(a) Basis of preparation

(i) *Statement of Compliance*

These Financial Statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act.

All the amounts included in the financial statements are reported in thousands of Indian Rupees and are rounded to the nearest thousands, except per share data and unless stated otherwise.

The financial statements are authorized for issue by the Company's Board of Directors on 23 October 2020

(ii) *Historical cost convention*

The financial statements have been prepared under historical cost convention on accrual basis, unless stated.

(b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realized within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current assets include the current portion of non-current financial assets.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities; respectively.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle for the purpose of current-noncurrent classification of assets and liabilities.

(c) **Business Combinations**

Business combinations (other than business combinations between common control entities) are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the consideration transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange. The consideration transferred does not include amounts related to the settlement of pre-existing relationships; such amounts are generally recognised in the Statement of Profit or Loss and Other Comprehensive Income. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities & contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business combination are expensed as incurred. The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are revised. The assets and liabilities acquired are recognized at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Company in the same form in which they appeared in the financial statement of the acquired entity. The differences, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

(d) **Property, plant and equipment (PPE) and intangible assets**

(i) **Property, plant and equipment**

All items of property, plant and equipment are stated at cost, which includes capitalized finance costs, less accumulated depreciation and any accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition of its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in- progress.

*(ii)***Depreciation and amortization methods, estimated useful lives and residual value**

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of PPE as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs, except for the following classes of property, plant and equipment which are depreciated based on the internal technical assessment of the management as under:

Category of assets	**Management estimate of useful life**	**Useful life as per Schedule II**
Motor vehicles under finance lease (Vehicles – leased)	Tenure of lease or 5 years whichever is shorter	8 years
Computer servers and networks (included in office equipment)	3 years	6 years

Depreciation and amortization on property, plant and equipment and intangible assets added/ disposed off during the year has been provided on pro-rata basis with reference to the date/month of addition/disposal.

Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(iii) **Derecognition**

A property, plant and equipment and intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

(e) **Impairment of non-financial assets**

The Company's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(f) **Financial instrument**

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition, the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously

(g) **Cash and cash equivalents**

Cash and cash equivalent comprise cash at banks (including imprest) and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(h) **Provisions and contingencies**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liability
A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(i) **Revenue recognition**

Service income is recognised as and when the underlying services are performed. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

Revenues are measured based on the transaction price, which is the consideration, net of tax collected from customers and remitted to government authorities such as Goods and services tax (GST) and applicable discounts and allowances including expected sales return etc. The computation of these estimates using expected value method involves significant judgment based on various factors including contractual terms.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash and only passage of time is required as per contractual terms. Contract liabilities are recognised when there are billings in excess of revenues. Contract liabilities relate to the advance received from customers and deferred revenue against which revenue is recognised when or as the performance obligation is satisfied.

The Licensing revenue is recognized at the time of transfer of intellectual property rights and technical know-how and there are no pending performance obligations.

Revenue from non -cash consideration is recognized on the date on which contractual rights are established and there are no pending performance obligations.

(j) **Employee benefits**

(i) *Short-term employee benefits:* All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

(ii) Post-employment *benefits:* Post employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

(a) Gratuity
The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of Gratuity is recognised in the books of accounts based on actuarial valuation by an independent actuary. The gratuity liability for certain employees of the Company is funded with Life Insurance Corporation of India.

(b) Provident fund

(i) The Company makes contribution to the recognised provident fund - " Regional Provident Fund Commissioner” for all its employees in India, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

For other employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan.

(ii) Company's contribution to the provident fund is charged to Statement of Profit and Loss.

(iii) Other long-term employee benefits:

Compensated absences

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits.

(iv) Termination benefits:

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

The liability in respect of all defined benefit plans and other long term benefits is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows.

The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.
Remeasurment gains and losses are recognised in the Statement of Profit and Loss in the year in which they arise. Remeasurment gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit and loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced)

(k) **Finance costs**

Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Finance cost also includes exchange differences to the extent regarded as an adjustment to the finance costs. Finance costs that are directly attributable to the construction or production or development of a qualifying asset are capitalized as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other finance costs are expensed in the period in which they occur.

(l) **Income tax**

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income tax, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred Tax:

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that effects neither accounting nor taxable profit or loss at the time of the transaction

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which that can be used. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

(m) **Leases**

Leases – Company as a lessee

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contact involves the use of an identified asset; (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and (3) the Company has the right to direct the use of the asset.

The Company's lease asset classes primarily consist of leases for land, buildings and vehicles which typically run for a period of 3 to 5 years, with an option to renew the lease after that date. For certain leases, the Company is restricted from entering into any sub-lease arrangements. At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases). For these short-term leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets and lease liabilities includes the options to extend or terminate the lease when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.
Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.
The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates based on information available as at the date of commencement of the lease.

Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and right-of-use asset have been separately presented in the Balance sheet and lease payments have been classified as financing cash flows.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(n) **Segment reporting**:

Board of Directors of the Company has been identified as the Chief Operating Decision maker (CODM) as defined by Ind AS 108, Operating Segments. Operating Segments have been defined and presented based on the regular review by the CODM to assess the performance of segment and to make decision about allocation of resources. Accordingly, the company has determined drug discovery service as the only reportable segment.

(o) **Foreign currency translation**

(i) Functional and presentation currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at Balance Sheet date exchange rates are generally recognised in Statement of Profit and Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income (OCI).

(p) **Earnings per share**

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

(ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(q) **Measurement of fair values**

A number of accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorized into three different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: input other than the quoted prices include in level1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. Derived from prices).

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

(r) **Critical estimates and judgments**

The preparation of Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes.

- Assessment of useful life of property, plant and equipment and intangible assets – Note 2(d)
- Recognition and estimation of tax expense including deferred tax – Note 2(l)
- Estimated impairment of financial assets and non-financial assets – Note 2(e) and 2(f)
- Fair value measurement- Note 2(q)
- Recognition and measurement of contingency- Note 2(h)
- Lease term- Note 2(m)

(s) The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, property, plant and equipment and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions, the Company, as at the date of approval of these financial statements, has used internal and external sources of information, including economic forecasts and estimates from market sources, on the expected future performance of the Company. On the basis of evaluation and current indicators of future economic conditions, the Company 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 Company will continue to monitor any material changes to future economic conditions

Note 3: Property, Plant and Equipment

(INR in thousands)

Description	Vehicles-leased	Office Equipment	Total
Gross carrying value as at commencement of the year	-	-	-
Add: acquired under demerger	1,314	204	1,518
Add: purchased during the year	-	71	71
Reclassified on adoption of IND AS 116	(1,314)	-	(1,314)
Gross carrying value as at 31 March 2020	**-**	**275**	**275**
Accumulated depreciation as at commencement of the year	-	-	-
Accumulated depreciation on the assets aquired under demerger	1,132	144	1,276
Reclassified on adoption of IND AS 116	(1,132)	-	(1,132)
Depreciation charge for the year	-	23	23
Accumulated depreciation as at 31 March 2020	**-**	**167**	**167**
Net Carrying Amount as on 31 March 2020	**-**	**108**	**108**

Note 4: Non Current Investments

(INR in thousands)

	As at 31 March 2020
Investment in equity shares (at cost)	
Unquoted equity shares (fully paid up)	
Subsidiary company	
Equity shares with $ 0.005 par value	
Jubilant Therapeutics Inc, USA	562,796
Investment in equity shares (at fair value through other comprehensive Income)	
Unquoted fully paid investment in other company (non cash transaction)	
296,670 Equity shares of USD 0.10 each	2,245
Lengo Therapeutics Inc., USA	
Total non current investments	**565,041**

Note 5: Loans

(INR in thousands)

	As at 31 March 2020 Current	Non-current
Unsecured, considered good		
Other Deposits	-	160
Total loans	**-**	**160**

Jubilant Therapeutics India Limited
Notes to financial statements for the period 20 March 2019 to 31 March 2020

Note 6: Deferred tax

Deferred income tax reflect the net tax effect of temporary difference between carrying amount of assets and liabilities for financial reproting purpose and the amount used for income tax purpose. Significant component of the Company's net deferred income tax are as follows:

(INR in thousands)

	As at 31 March 2020
Provision for compensated absences and gratuity	1,247
Expenditure allowed on actual payment basis	445
Losses	-
Accelerated depreciation for tax purposes	(9)
Preliminary expenses	951
Net deferred tax asset/ (liability) at the end	**2,634**

Note 7: Financial assets

Cash and cash equivalents

(INR in thousands)

	As at 31 March 2020
Balances with banks	
- in current accounts	1,400
Total cash and cash equivalents	**1,400**

Note 8: Other financial assets

(INR in thousands)

	As at 31 March 2020
Other receivables*	90,121
Recoverable for securites - Lengo Therapeutics Inc	37,832
	127,953

* Refer note no:27

Note 9: Other current assets

(unsecured, considered good)

(INR in thousands)

	As at 31 March 2020
Balances with government authorities	130
Total other current assets	**130**

Jubilant Therapeutics India Limited
Notes to financial statements for the period 20 March 2019 to 31 March 2020
Note 10: Equity share capital and other equity
10.1 Share capital

(INR in thousands)

	As at 31 March 2020
Authorized	
60,000,000 equity shares of INR 10 each	600,000
	600,000
Issued, subscribed and fully paid up	
57,000,000 equity shares of INR 10 each	570,000
	570,000

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	As at 31 March 2020	
Particulars	**Number of shares**	**INR in thousands**
Equity shares		
At the commencement of the year	-	-
Issued during the year	57,000,000	570,000
At the end of the financial year	57,000,000	570,000

b) Rights, preferences and obligations attached to class of shares:

The company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shares are entitled to receive dividends as declared from time to time. The voting rights of equity shareholders on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the company. Voting rights can not be exercised in respect of shares on which any call or other sums presently payable have not been paid.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the company

	As at 31 March 2020	
Particulars	**Number of shares**	**% holding**
Equity shares of INR 10 each fully paid up held by		
Jubilant Life Sciences Ltd. - the holding company (Including 6 shares held by Jubilant Life Sciences Ltd. jointly with 6 different individuals)	57,000,000	
	57,000,000	100%

10.2 Nature and purpose of other equity

Retained earnings

Retained earnings represent the amount of accumulated earnings of the company.

Capital reserve

Recognised under the scheme of demerger vide NCLT order dated 29th June 2020

Note 11: Provisions

(INR in thousands)

	As at 31 March 2020	
	Current	**Non-current**
Provision for employee benefits (refer note 21)	587	4,363
Total provisions	**587**	**4,363**

Note 12: Trade Payables

(INR in thousands)

	As at 31 March 2020
- Total outstanding dues of micro enterprises and small enterprises	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises *	235
Total trade payables	**235**

* Out of the above INR 64 thousand is payable to related party. (refer note 26)

There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at the end of year. The information as required to be disclosed in relation to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the entity.

Note 13: Other financial liabilities

(INR in thousands)

	As at 31 March 2020
Capital creditors	84
Employee payable	2,468
Total other financial liabilities	**2,552**

Note 14: Other current liabilities

(INR in thousands)

	As at 31 March 2020
Statutory dues payables	13
Total other current liabilities	**13**

Note 15:Current tax liabilities (net)

(INR in thousands)

	As at 31 March 2020
Current income tax liabilities	32,221
Total current tax liabilities	**32,221**

Note 16: Revenue from operations

(INR in thousands)

	For the period 20 March 2019 to 31 March 2020
Sale of services	165,365
Total revenue from operations	**165,365**

In the following table, revenue from sale of services is disaggregated by major service line

(INR in thousands)

	For the period 20 March 2019 to 31 March 2020
Revenue from scientific services	27,195
Revenue from sale of patents	138,170
Total sale of services	**165,365**

Note 17: Depreciation

(INR in thousands)

	For the period 20 March 2019 to 31 March 2020
Depreciation of property, plant and equipment	23
Depreciation of right of use assets (refer note 28)	183
Total depreciation expense	**206**

Note 18: Employee benefit expense

(INR in thousands)

	For the period 20 March 2019 to 31 March 2020
Salaries, wages, bonus, gratuity and allowances	17,756
Contribution to provident fund, superannuation and other funds	714
Staff welfare expenses	43
Total employee benefit expense	**18,513**

Note 19: Finance costs

(INR in thousands)

	For the period 20 March 2019 to 31 March 2020
Finance cost on finance lease obligations	27
Total Finance costs	**27**

Note 20: Other expenses

(INR in thousands)

Particulars	For the period 20 March 2019 to 31 March 2020
Legal and professional fees	7,628
Rates and taxes	4,770
Travel and conveyance	3,550
Patent related expenses	2,740
Advertisement, publicity and sales promotion	1,055
Recruitment and development	763
Payments to auditors (refer note 20 (a) below)	315
Bank charges	69
Repairs and maintenance	
a) Computers	8
b) Vehicles	20
Processing charges	12
Rental charges	12
Foreign exchange loss	3
Total other expenses	**20,945**

Note 20(a): Details of payments to auditors (excluding GST and including out of pocket expenses)

(INR in thousands)

Particulars	For the period 20 March 2019 to 31 March 2020
Payment to auditors	
As auditor:	
Statutory Audit fee	65
In other capacities	
Certification fees	250
Total payment to auditors	**315**

Note 21: Income tax

The major components of income tax expense for the period 20 March 2019 to 31 March 2020

(INR in thousands)

Particulars	For the period 20 March 2019 to 31 March 2020
Current income tax:	
Current income tax charge for the year	32,221
Deferred tax:	
Deferred tax recognised during the year	(2,398)
Income tax expense reported in the statement of profit or loss	**29,823**
OCI section	
Tax related to items that will not be reclassified to Profit & Loss:	(235)
Income tax charged to OCI	**(235)**

Reconciliation between average effective tax rate and applicable tax rate for the period 20 March 2019 to 31 March 2020

(INR in thousands)

	For the period 20 March 2019 to 31 March 2020
Accounting profit before income tax	125,674
At India's statutory income tax rate of 25.17 %	31,631
- DTA created on account of demerger	(1,969)
Others	162
Income tax expense reported in the statement of profit and loss	**29,823**

Note 22: Employee Benefits in respect of the Company have been calculated as under:

(a) Defined Contribution Plans

The Company contributes to the following defined contribution plan

(i) Provident Fund

During the year the Company has contributed following amount:

(INR in thousands)

Particulars	For the period 20 March 2019 to 31 March 2020
Employers contribution to provident fund	623
Employers contribution to employee's pension scheme 1995	58

(b) Defined Benefit Plans

(i) Gratuity

As per Ind AS-19, Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The discount rate assumed is 6.80% p.a. which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 58 years and mortality table is as per IALM (2012-14)

The estimates of future salary increases, considered in actuarial valuation is 10% p.a. for first three years and 6% p.a. thereafter, taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

(INR in thousands)

Particulars	**31 March 2020**
Present value of obligation at the beginning of the period	-
Acquisition adjustment	2,424
Current service cost	277
Interest cost	171
Actuarial (Gain)/loss	934
Benefits paid	(1060)
Present value of obligation at the end of the period	**2,746**

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

(INR in thousands)

Particulars	**31 March 2020**
Present value of obligation at the end of the period	2,746
Fair value of plan assets at the end of the year	-
Net liabilities recognised in the Balance Sheet	2,746

Expense recognized in the statement of profit and loss under employee benefit expense:

(INR in thousands)

Particulars	**For the period 20 March 2019 to 31 March 2020**
Current service cost	277
Interest cost	171
Expense recognised in the statement of profit and loss	448

Amount recognised in the statement of other comprehensive income:

(INR in thousands)

Particulars	**For the period 20 March 2019 to 31 March 2020**
Actuarial (gain)/loss due to Demographic assumption change	-
Acturial Loss due to Financial assumption change	-
Acturial Loss due to experience adjustment	934
Amount recognised in other comprehensive income/loss	934

Sensitivity analysis

Discount rate (INR in Thousands)

Particulars	**31 March 2020**	
Sensitivity level	0.5% increase	0.5% decrease
Impact on defined benefit	(73)	77

Future salary increase **(**INR in Thousands)

Particulars	**31 March 2020**	
Sensitivity level	0.5% increase	0.5% decrease
Impact on defined benefit	76	(73)

The Sensitivity analysis above has been determined based on reasonable possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on the change in the key assumption while holding all other assumption constant.

Other Long Term Benefits (compensatory absences and sick leave)

(INR in Thousands)

Particulars	**As at 31 March 2020**
Present Value at the end of the period	2,204

Maturity profile of defined benefit obligation

(INR in Thousands)

Particulars	**As at 31 March 2020**
Within one year	588
Between one to three years	1104
Between three to five years	827
Later than five years	2431
Total	**4950**

Note 23: Fair value measurements

(INR in thousands)

	Note	Level of hierarchy	31 March 2020		
			FVPL	FVOCI	Amortised cost
Financial assets					
Cash and cash equivalents	(a)		-	-	1,400
Other financial assets	(a)		37,832	-	90,121
Loans	(a)		-	-	160
Total financial asset			**37,832**	**-**	**91,681**
Financial liabilities					
Amortised Cost					
Trade payables	(a)		-	-	235
Other financial liabilities	(a)		-	-	2,552
Total financial liabilities			**-**	**-**	**2,787**

Note:

(a) Fair valuation of financial assets and liabilities with long term and short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

There are no transfers between level 1, Level 2 and Level 3 during the year ended 31 March 2020

Note 24: Financial risk management

a. Financial risk management

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The risk management framework is intended to ensure that risks are taken care with due diligence.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through three layers of defense namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment

The Company has exposure to the following risks arising from financial instruments:

- credit risk (see (i));
- liquidity risk (see (ii));
- market risk (see(iii))

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and from its financing activities, including deposit with banks, investments, foreign exchange transactions and other financial instruments.

The carrying amount of financial assets represents the maximum credit exposure.

Financial assets

With regard to financial assets, management believes these to be high quality assets with negligible credit risk. The management believes that the parties (group Company) from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for excepted credit loss has been provided on these financial assets. Break up of financial assets have been disclosed on balance Sheet.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Management is responsible for managing the short term and long term liquidity requirements.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

(INR in thousands)

As at 31 March 2020		Contractual Cash Flows		
	Carrying Amount	Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Trade payables	235	235	235	
Other financial liabilities	2,552	2,552	2,552	-
	2,787	**2,787**	**2,787**	

iii. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated. The currency in which the company is exposed to risk is USD.

Note 25. Segment reporting

Board of Directors of the Company has been identified as the Chief Operating Decision maker (CODM) as defined by Ind AS 108, "Operating Segments". Operating Segments have been defined and presented based on the regular review by the CODM to assess the performance of segment and to make decision about allocation of resources. Accordingly, the company has determined the services of discovery and development of novel small molecules for the treatment of cancer as the only reportable segment.

Based on the guiding principles given in the Ind AS 108 on "operating segments", as the Company's business activities fall within a single primary segment, the disclosure requirements of the said Ind AS 108 in this regard are not applicable.

Note 26: Capital management

Risk management

The Company's objectives when managing capital are to

- safeguard its ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.
- The company is having nil borrowing as on 31March 2020

Note 27: Related Party Disclosures

Name of the Related Parties

Related Parties where control exist

i. **Holding Company**

Jubilant Life Sciences Limited, India

ii. **Subsidiary**

Jubilant Therapeutics Inc., USA

iii. **Fellow Subsidiary**

Jubilant Biosys Limited, India

iv. **Key Management Personnel**

Dr. Sridharan Rajagopal – Whole-time Director (Joined on 15 May 2019)
Mr. Arun Kumar Sharma – Chief Financial Officer (Joined on 18 September 2019)
Mr. Sankaraiah Rajagopal – Director (Joined on 20 March 2019 and ceased to be Director with effect from 1 April 2020)
Mr. Rajesh Kumar Srivastava- Director (Joined on 20 March 2019)
Mr. Alok Vaish – Director (Joined as on 01 April 2020)

Related Party Transactions

(INRin thousands)

Sl. No.	Particulars	31 March 2020
Description of Transactions:		
1.	**Expense recharged by holding company** Jubilant Life Science Limited	4,632
2.	**Expense charged for facility provided by holding company:** Jubilant Life Sciences Limited	12
3.	**Expenses charged by fellow subsidiaries** Jubilant Biosys Limited	52
4.	**Expenses transferred by fellow subsidiaries on account of Demerger** Jubilant Biosys Limited	34,839
5.	**Remuneration paid to directors:** Dr. Sridharan Rajagopal	5,334
6.	**Income transferred by fellow subsidiaries on account of demerger** Jubilant Biosys Limited	1,65,365
7.	**Transactions undertaken by demerged company as custodian of the company** Jubilant Biosys Limited	90,121
8.	**Investment in subsidiary** Jubilant Therapeutics Inc.	562,796

Outstanding amount as at year end

(INR in thousands)

Sl.No.	Particulars	31 March 2020
1.	**Other Payable**	
	Jubilant Life Sciences Limited	12
	Jubilant Biosys Limited	52
		64
2.	**Other Receivable**	
	Jubilant Biosys Limited	90,121

Note 28: Earnings per share

(INR in thousands)

		For the period 20 March 2019 to 31 March 2020
Profit for the year attributable to equity holders	INR in thousands	95,152
For basic and diluted earnings per share	Nos	
No. of shares outstanding for the period		5,70,00,000
Shares to be issued pursuant to demerger		2,96,45,214
No. of shares for basic and diluted earnings per share		**8,66,45,214**
Earnings per share (face value of Rs 10 each)		
Basic (INR)	INR	1.10
Diluted (INR)	INR	1.10

Note 29: Leases

Leases under Ind AS 116 for the period 20 March 2019 to 31 March 2020

The details of the right-of-use assets held by the company is as follows**:**

(INR in thousands)

Particulars	Depreciation charge for the period 20 March 2019 to 31 March 2020	Net carrying amount as at 20 March 2019
Vehicle	183	183
Total	183	183

Note 30: Micro, Small and Medium Enterprises

There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at the end of year. The information as required to be disclosed in relation to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

	As at 31 March 2020
The principal amount remaining unpaid to any supplier as at the end of the year	-
The interest due on principal amount remaining unpaid to any supplier as at the end of the year	-
The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the year	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-
The amount of interest accrued and remaining unpaid at the end of the year	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act	-

Note 31: During the year ended 31 March 2020, Jubilant Biosys Limited had filed a Composite Scheme of Arrangement (“the scheme”) for demerger of the business of discovery and development of novel small molecules for the treatment of cancer into the Company, with National Company Law Tribunal, Allahabad Bench. The scheme of arrangement approved by the Hon’ble National Company Law Tribunal, Allahabad (NCLT) and passed the order dated 29 June 2020. The company has filed the Certified copy of the NCLT order with Registrar Companies on 28 July 2020.

The Company acquired assets and assumed liabilities pertaining exclusively to the business of discovery and development of novel small molecules for the treatment of cancer from Jubilant Biosys Limited (“Fellow subsidiary company”) through a composite scheme of arrangement with effect from 1 April 2019 (“appointed date”), on a going concern basis, by means of a demerger. This transfer being transaction between common control entities, the assets acquired and liabilities assumed amounting to INR 8,480 thousand have been recorded at historical cost in the financial statements. The excess of consideration over historical cost amounting to INR. 304,149 thousand is reflected as an adjustment to the amalgamation adjustment deficit account.

As per the Scheme, upon the Scheme becoming effective, as consideration for the proposed demerger, the Company shall issue equity shares as fully paid to the equity shareholders of Jubilant Biosys Limited as per the share entitlement ratio. As further enumerated in the scheme, the share entitlement ratio shall be: 100 fully paid equity shares of Jubilant Therapeutics India Limited of INR 10 each fully paid for every 631 equity shares of Jubilant Biosys Limited of INR 10 each fully paid up. Accordingly, the Company will issue 2,96,45,214 equity shares of INR 10 each fully paid up.

Note 32: The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the specified domestic transactions entered into with the specified persons and the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence before the due date of filing of income tax return. The management is of the opinion that its specified domestic transactions and international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

The accompanying notes form an integral part of the financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number : 101248W/W-100022

For and on behalf of the Board of Directors of
Jubilant Therapeutics India Limited

Gaurav Mahajan
Partner
Membership No: 507857
Place : Chandigarh, India
Date : 23 October 2020

Shyam Pattabiraman
Director
DIN No. 01338226
Place: Noida, India
Date : 23 October 2020

Sridharan Rajagopal
Whole-time Director
DIN No. 08450717
Place: Bangalore, India
Date : 23 October 2020

Anil Sharma
Company Secretary
Place: Noida, India
Date : 23 October 2020

Arun Kumar Sharma
Chief Financial Officer
Place: Noida, India
Date : 23 October 2020