

Jubilant Generics Limited

Ind AS Standalone financial statements for the year ended 31 March 2023

Jubilant Generics Limited
Balance Sheet as at 31 March 2023

		INR in million	
	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,615.03	7,445.41
Capital work-in-progress	3	43.59	642.99
Goodwill	4	-	1,371.36
Other intangible assets	4	192.57	284.86
Intangible assets under development	4	2,298.91	3,346.89
Right of use assets	37	52.30	115.12
Financial assets			
i. Investments	5(a)	4,055.00	4,055.00
ii. Loans	5(b)	1.25	3,255.39
iii. Others	5(c)	17.01	44.63
Deferred tax assets (net)	6	1,573.51	1,087.81
Income tax assets (net)		12.68	2.90
Other non-current assets	7	-	17.62
Total non-current assets		11,861.85	21,669.98
Current assets			
Inventories	8	1,629.74	5,014.03
Financial assets			
i. Trade receivables	5(d)	1,040.88	1,927.08
ii. Cash and cash equivalents	5(e)	9.55	5.46
iii. Other bank balances	5(f)	3.60	3.83
iv. Loans	5(b)	0.06	7.22
v. Other financial assets	5(g)	260.31	870.96
Other current assets	9	525.97	1,136.61
Total current assets		3,470.11	8,965.19
Total assets		15,331.96	30,635.17

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Jubilant Generics Limited
Balance Sheet as at 31 March 2023

		INR in million	
	Notes	As at 31 March 2023	As at 31 March 2022
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10(a)	25.80	25.80
Other equity		11,885.36	25,350.54
Total equity		11,911.16	25,376.34
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Lease Liabilities	11(b)	45.59	71.47
Provisions	13	75.00	313.53
Other non-current liabilities	12 (a)	46.80	61.01
Total non-current liabilities		167.39	446.01
Current liabilities			
Financial liabilities			
i. Borrowings	11(a)	1,122.55	640.00
ii. Lease Liabilities	11(b)	19.52	65.56
iii. Trade payables	11(c)		
Total outstanding dues of micro enterprises and small enterprises		33.32	33.11
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,165.05	2,394.73
iv. Other financial liabilities	11(d)	529.50	685.99
Other current liabilities	12 (b)	300.59	894.58
Provisions	13	82.88	93.05
Current tax liabilities (net)		-	5.80
Total current liabilities		3,253.41	4,812.82
Total liabilities		3,420.80	5,258.83
Total equity and liabilities		15,331.96	30,635.17

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



Manish Gupta

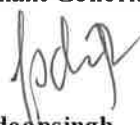
Partner

Membership No: 095037

Place: Noida

Date: 29 May 2023

For and on behalf of the Board of Directors of
Jubilant Generics Limited



**Jasdeepsingh
Gurdeepsingh Sood**

Whole-time Director

DIN: 03383578

Place : Noida

Date: 26 May 2023



**Dr. Jaidev Sanjeev
Rajpal**

Managing Director
& CEO

DIN: - 09734618

Place : Noida

Date: 26 May 2023

Jubilant Generics Limited
Statement of Profit and Loss for the year ended 31 March 2023

		INR in million	
	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
CONTINUING OPERATIONS			
Revenue from operations	14	3,199.65	6,724.23
Other income	15	66.57	88.06
Total income		3,266.22	6,812.29
Expenses			
Cost of materials consumed	16	912.56	1,975.57
Purchases of stock-in-trade		133.14	111.04
Changes in inventories of finished goods, stock-in-trade and work-in-progress	17	38.89	(30.61)
Employee benefits expense	18	1,336.00	1,198.72
Finance costs	19	15.78	24.57
Depreciation, amortisation and impairment expense	20	1,741.74	840.95
Other expenses	21	1,812.01	2,535.83
Total expenses		5,990.12	6,656.08
(Loss)/Profit before tax		(2,723.90)	156.21
Tax expense/(benefits)	22		
- Current tax		0.01	34.45
- Deferred tax charge/(credit)		(836.30)	17.35
Total tax (benefits)/expense		(836.29)	51.81
(Loss)/Profit for the year from continuing operations		(1,887.61)	104.40
DISCONTINUED OPERATIONS			
Profit from discontinued operations	40	-	24.72
Tax expense/(benefits) of discontinued operations	40		
- Current tax		-	6.19
- Deferred tax charge/(credit)		-	(1.37)
Profit after tax of discontinued operations		-	19.90
(Loss)/Profit for the year		(1,887.61)	124.30
Other comprehensive income/(loss)			
a) In respect of continuing operations			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurement of defined benefit obligations		(7.81)	5.05
Income tax relating to items that will not be reclassified to profit or loss	22	2.73	(1.75)
Other comprehensive income for the year, net of tax		(5.08)	3.30
b) In respect of discontinued operations			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurement of defined benefit obligations		-	8.58
Income tax relating to items that will not be reclassified to profit or loss	22	-	(3.01)
Other comprehensive income for the year, net of tax		-	5.58
Total other comprehensive income/(loss)		(5.08)	8.87
Total Comprehensive Income/(Loss)			
In respect of continuing operations		(1,892.69)	107.70
In respect of discontinued operations		-	25.47
Total comprehensive income/(loss)		(1,892.69)	133.17

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Jubilant Generics Limited
Statement of Profit and Loss for the year ended 31 March 2023

	Notes	As at 31 March 2023	INR in million As at 31 March 2022
Total comprehensive income/(loss)		(1,892.69)	133.17
(Loss)/Earning per equity share of INR 10 each (for continuing operations)	36		
Basic (INR)		(731.73)	40.47
Diluted (INR)		(731.73)	40.47
Earning per equity share of INR 10 each (for discontinued operations)	36		
Basic (INR)		-	7.71
Diluted (INR)		-	7.71
(Loss)/Earning per equity share of INR 10 each (for continuing and discontinued operations)	36		
Basic (INR)		(731.73)	48.18
Diluted (INR)		(731.73)	48.18

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



Manish Gupta

Partner

Membership No: 095037

Place: Noida

Date: 29 May 2023

**For and on behalf of the Board of Directors of
Jubilant Generics Limited**

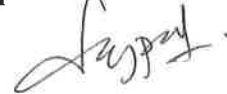


**Jasdeep Singh
Gurdeep Singh Sood**
Whole-time Director

DIN: 03383578

Place : Noida

Date: 26 May 2023



**Dr. Jaidev Sanjeev
Rajpal**
Managing Director
& CEO

DIN: - 09734618

Place : Noida

Date: 26 May 2023

Jubilant Generics Limited
Statement of Changes in Equity for the year ended 31 March 2023

a) Equity share capital

	INR in million
Balance as at 1 April 2021	25.80
Issue of equity shares	-
Balance as at 31 March 2022	25.80
Issue of equity shares	-
Balance as at 31 March 2023	25.80

(b) Other Equity (1)

	Reserves and surplus			Total reserves and surplus and other comprehensive income	Total other equity
	Capital reserve	Securities premium	Retained earnings		
As at 1 April 2021	3,512.42	15,572.04	6,132.91	25,217.37	25,217.37
Profit for the year	-	-	124.30	124.30	124.30
Other comprehensive income	-	-	8.87	8.87	8.87
Total comprehensive income for the year	-	-	133.17	133.17	133.17
As at 31 March 2022	3,512.42	15,572.04	6,266.08	25,350.54	25,350.54
Profit / (Loss) for the year	-	-	(1,887.61)	(1,887.61)	(1,887.61)
Adjustments on account of demerger (Refer note 40)	(3,512.42)	(8,060.07)	-	(11,572.49)	(11,572.49)
Other comprehensive income	-	-	(5.08)	(5.08)	(5.08)
Total comprehensive income for the year	(3,512.42)	(8,060.07)	(1,892.69)	(13,465.18)	(13,465.18)
As at 31 March 2023	-	7,511.97	4,373.39	11,885.36	11,885.36

(1) Refer note 10(b) for nature and purpose of other equity

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

ICAI Firm Registration Number : 101248W/W-100022



Manish Gupta
Partner

Membership No: 095037

Place: Noida

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For and on behalf of the Board of Directors of
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Jasdeep Singh
Gurdeep Singh Sood
Whole-time Director

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Dr. Jaidev Sanjeev
Rajpal
Managing Director
& CEO

DIN: - 09734618

Place : Noida

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Jubilant Generics Limited
Statement of Cash Flows for the Year ended 31 March 2023

	INR in million	
	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Cash flows from operating activities		
(Loss) / Profit before tax from continuing operations	(2,723.90)	156.22
Profit before tax from discontinued operations	-	24.71
(Loss) / Profit before tax	(2,723.90)	180.93
Adjustments :		
Depreciation and amortisation expense	1,741.74	1,147.58
(Gain)/loss on sale/disposal/discard of property, plant and equipment (net)	3.35	(83.24)
Finance costs	15.78	25.98
Unrealised foreign exchange (Gain) / loss	(4.29)	35.63
Allowance for expected credit loss	27.78	24.72
Interest income	(0.08)	(203.61)
Operating cash flows before working capital changes	(939.62)	1,127.99
Decrease / (Increase) in trade receivables, loans, other financial assets	517.61	(467.41)
Decrease / (Increase) in inventories	152.46	(523.73)
Increase / (Decrease) in trade payables, other financial liabilities, other liabilities and provisions	137.25	(158.84)
Cash generated from operations	(132.30)	(21.99)
Income tax paid (net of refunds)	(15.58)	(76.19)
Net cash (used)/generated from operating activities	(147.88)	(98.18)
B. Cash flows from investing activities		
Purchase of property, plant and equipment, other intangible assets (including capital work-in-progress and intangible assets under development)	(366.84)	(684.24)
Proceeds from sale of property plant and equipment	158.09	152.05
Investment in deposits	-	52.72
Loan repaid by fellow subsidiaries	7.00	-
Interest received	17.48	200.64
Net cash used in investing activities	(184.27)	(278.83)
C. Cash flows from financing activities #		
Proceeds from short term borrowings (net of repayments)	482.55	439.99
Finance costs paid	(76.77)	(38.19)
Payment of lease liabilities	(69.39)	(67.23)
Net cash generated/(used in) from financing activities	336.39	334.57
Net (decrease) in cash and cash equivalents (A+B+C)	4.24	(42.44)
Add: cash and cash equivalents at the beginning of year	5.46	47.90
Cash and cash equivalents transferred pursuant to demerger (Refer note 40)	(0.15)	-
Cash and cash equivalents at the end of the year (refer note 5(c))	9.55	5.46

Refer note 11(b) for changes in liabilities arising from financing activities.

Note:

- Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".
- Bank balances of INR 3.83 million (Previous year INR 3.83 million) has restricted use.
- During the year, the Company paid in cash INR 18.63 million (previous year INR 30.55 million) towards corporate social responsibility (CSR) expenditure (included in donation refer note 33).
- For non-cash transaction pursuant to demerger, refer note-40

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

Manish Gupta

Partner

Membership No: 095037

Place: Noida

Date: 29 May 2023

For and on behalf of the Board of Directors of
Jubilant Generics Limited

Jasdeepsingh
Gurdeepsingh Sood
 Whole-time Director

DIN: 03383578

Place : Noida

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Dr. Jaidev Sanjeev
Rajpal
 Managing Director
 & CEO

DIN: - 09734618

Place : Noida

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1. Corporate Information

Jubilant Generics Limited ("the Company") is a public limited company domiciled in India and incorporated on 25 November 2013 under the provisions of Companies Act, 1956. The Company is incorporated to engage in the manufacture and supply of Generics (including Active Pharmaceutical Ingredients (APIs) and Solid Dosage Formulations). The registered office of the Company is situated at Plot No 1A, Sector 16A, Institutional Area, Noida, Gautam Buddha Nagar, Uttar Pradesh 201301. During the year 2020, the Company acquired the India Branded Pharmaceuticals ("IBP") business from Jubilant Pharmova Limited, erstwhile Jubilant Life Sciences Limited, which is a formulations business that caters to the Indian market.

The Scheme of Arrangement ("the Scheme") for demerger of the Active Pharmaceuticals Ingredients business undertaking of Jubilant Generics Limited ("JGL") and vesting of the same with the Jubilant Pharmova Limited (Ultimate Holding Company) on a going concern basis, with an appointed date of 1 April 2022 was approved by Hon'ble National Company Law Tribunal, Allahabad Bench ("the Tribunal") vide its order ("the Order") dated 23 May 2022 (formal order received on 13 June 2022). The Company has filed the certified copy of the Order from the Tribunal with the Registrar of Companies on 1 July 2022 for registration in terms the requirements under the Companies Act, 2013 and therefore the Scheme is effective with effect from 1 July 2022.

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 with those of the previous financial year.

(a) Basis of preparation

(i) Statement of compliance

These Ind AS 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 millions of Indian Rupees and are rounded to the nearest million, except per share data and unless stated otherwise.

The financial statements are authorized for issue by the Company's Board of Directors on 26 May, 2023.

In accordance with Rule 6 of the Companies (Accounts) Rules, 2014, the Company does not prepare consolidated financial statements.

(ii) Historical cost convention

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

The Company classifies all other assets as non-current.

A liability is treated as 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 realisation in cash and cash equivalents. The Company has identified a period of less than twelve months as its operating cycle for the purpose of current / non-current 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

Freehold land is carried at cost. All other 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.

Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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) Intangible assets

• *Goodwill*

Goodwill arising on business combinations is disclosed in the Balance sheet and is carried at cost less accumulated impairment losses.

Internally generated goodwill is not recognised as an asset.

With regard to other internally generated intangible assets:

- Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.
- Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner

as in the case of PPE). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

- Intangible assets that are acquired (including implementation of software system) are measured initially at cost.
- After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

(iii) 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 (Vehicle -Owned)	5 years	8 years
Computer servers and networks (included in office equipment)	5 years	6 years
Dies and punches for manufacture of dosage formulations	1-2 years	15 years
Change parts for manufacture of dosage formulations	5 years	15 years
Employee perquisite related assets (except end user computers) (included in office equipment)	5 years, being the period of perquisite scheme	10 years
Leasehold improvements	10 years	Period of lease

Leasehold land which qualifies as finance lease is amortised over the lease period on straight line basis.

The estimated useful lives of intangibles are as follows:

Internally generated product registration	5 years
Rights	5 years
Software	5 years

Depreciation and amortization on property, plant and equipment and intangible assets added/ disposed of during the year has been provided on pro-rata basis.

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

(iv) Derecognition

Property, plant and equipment and intangible assets are 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) Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, are generally measured at the lower of their carrying amount and fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss. Once classified as held for sale, property, plant and equipment and intangible assets are no longer depreciated or amortised.

A discontinued operation is a component of the Company's business that has been disposed-off or is classified as held for sale and represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Statement of Profit and Loss.

(f) Impairment of non-financial assets

Goodwill, intangible assets that have an indefinite useful life and intangible assets under development are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. The company's other non-financial assets, other than inventories and 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. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

The recoverable amount of an asset or 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 asset or 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.

(g) 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 to retained earnings.

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 and an associate

Investments in subsidiaries and an associate 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.

Derivative financial instruments

The Company uses derivative financial instruments, such as foreign-exchange forward contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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.

(h) Inventories

Inventories are valued at lower of cost or net realisable value except scrap, which is valued at net estimated realisable value.

The Company uses weighted average method to determine cost for all categories of inventories except for goods in transit which is valued at specifically identified purchase cost. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition inclusive of non-refundable (adjustable) taxes wherever applicable. The cost of work in progress and manufactured finished goods include an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

(i) Cash and cash equivalents

Cash and cash equivalent comprise cash at banks and on hand (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.

(j) 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.

(k) Revenue recognition

Revenue from sale of products is recognised upon transfer of control of products to customers at the time of shipment to or receipt of goods by the customers. 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.

Any fees including upfront fees received in relation to contract manufacturing arrangements is recognized over the period over which the company satisfies the underlying performance obligations. In respect of outsourcing contracts for drug development with third party Clinical Research Organization (CRO), revenue is recognized on the basis of actual cost incurred plus mark up as agreed with the customer under each agreement.

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), sales tax, excise duty, value added tax 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, historical experience, estimated inventory levels etc.

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.

Income in respect of entitlement towards export incentives is recognised in accordance with the relevant scheme on recognition of the related export sales. Such export incentives are recorded as part of other operating revenue.

Interest income is recognised using the effective interest method.

(l) 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.

(b) Provident fund

(i) The Company earlier made contribution to the recognised provident fund - "VAM Employees Provident Fund Trust" (a multi-employer trust) for most of its employees in India. During the previous year, the Company transferred the balance in VAM Employees Provident Fund Trust to Regional Provident Fund Commissioner and started making contribution with Regional Provident Fund Commissioner for all the qualified employees with effect from 1 December 2021. This is treated as a defined contribution plan.

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

(ii) *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.

(iii) *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 at the end of the financial year 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 period 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 the Statement of 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 or 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)

(m) 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.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the finance costs eligible for capitalization. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of such borrowings.

(n) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised 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 and any adjustment to the tax payable or receivable in respect of previous years. 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 taxes, 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 recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

• **Deferred tax:**

Deferred tax is recognised 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 recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to freehold land and investments in subsidiaries and an associate, to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the 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 recognised 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. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to the period when the asset is realised 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 a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(o) Leases

(i) Leases – Company as a lessor

The Company, as a Lessor, presents assets subject to operating leases in the balance sheet according to the nature of the asset.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term as per the agreed lease rentals, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

(ii) Leases – Company as a lessee

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 contract 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 10 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 Statements of Profit or Loss and Other Comprehensive Income.

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.

(p) Segment reporting

Board of Directors of the Company had 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 pharmaceutical as the only reportable segment.

(q) 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.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

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).

(r) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

(s) 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.

(t) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into 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: inputs other than quoted prices included in Level 1 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 asset 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 categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises 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.

(u) 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)
- Valuation of inventories – Note 2(h)
- Recognition of revenue – Note 2(k)
- Fair value measurement – Note 2(t) and 25
- Estimation of assets and obligations relating to employee benefits – Note 2(e) and 24
- Recognition and estimation of tax expense including deferred tax – Note 2(n), 6 and 22

- Estimated impairment of financial assets and non-financial assets – Note 2(f) and 2(g)
 - Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 30
 - Lease term: whether the Company is reasonably certain to exercise extension options – Note 2(o) and 37
- (v) The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, inventories, property, plant and equipment, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions, the 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.
- (w) **Recent accounting pronouncements:**
- Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April 2023, as below:
- Ind AS 1 – Presentation of Financial Statements - Disclosure of Accounting Policies**
- The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company is in the process of evaluating the impact of the amendment.
- Ind AS 12 – Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction**
- The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is in the process of evaluating the impact of the amendment.
- Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates**
- The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company is in the process of evaluating the impact of the amendment.

3. Property, plant and equipment and capital work-in-progress

Description	INR in million							
	Land-freehold	Building-factory	Building-Other	Plant and equipment	Furniture and fixtures	Vehicles-owned	Office equipment	Capital work-in-progress (CWIP)
Gross carrying value as at 1 April 2022	597.83	1,672.32	296.20	8,237.19	280.66	11.79	297.71	642.99
Additions/adjustments (3)	-	58.70	7.18	297.23	10.67	-	30.33	164.35
Adjustments on account of demerger (Refer note 40)	-	-	-	(5,560.16)	(64.15)	(3.09)	(132.79)	(351.97)
Deductions/adjustments	-	-	-	(302.56)	(3.28)	(1.13)	(21.54)	(411.78)
Gross carrying value as at 31 March 2023	597.83	1,731.02	303.38	2,671.70	223.90	7.57	173.71	43.59
Accumulated depreciation as at 1 April 2022	-	342.00	55.44	3,221.08	138.59	1.29	189.89	-
Depreciation charge for the year	-	60.70	8.76	237.24	9.67	2.23	33.38	-
Adjustments on account of demerger (Refer note 40)	-	-	-	(1,891.41)	(35.01)	(2.40)	(87.94)	-
Deductions/adjustments	-	-	-	(170.20)	(2.23)	(0.73)	(16.27)	-
Accumulated depreciation as at 31 March 2023	-	402.70	64.20	1,396.71	111.02	0.39	119.06	-
Net carrying value as at 31 March 2023	597.83	1,328.32	239.18	1,274.99	112.88	7.18	54.65	43.59

Description	INR in million							
	Land-freehold	Building-factory	Building-Other	Plant and equipment	Furniture and fixtures	Vehicles-owned	Office equipment	Capital work-in-progress (CWIP)
Gross carrying value as at 1 April 2021	597.83	1,656.82	296.07	7,938.50	273.22	3.96	275.44	287.01
Additions/adjustments (3)	-	15.50	0.13	355.57	8.43	11.30	29.58	776.49
Deductions/adjustments	-	-	-	(56.88)	(0.99)	(3.47)	(7.31)	(420.51)
Gross carrying value as at 31 March 2022	597.83	1,672.32	296.20	8,237.19	280.66	11.79	297.71	642.99
Accumulated depreciation as at 1 April 2021	-	282.10	39.98	2,733.89	116.67	2.37	150.17	-
Depreciation charge for the year	-	59.90	15.46	520.79	22.85	2.32	44.34	-
Deductions/adjustments	-	-	-	(33.60)	(0.93)	(3.40)	(4.62)	-
Accumulated depreciation as at 31 March 2022	-	342.00	55.44	3,221.08	138.59	1.29	189.89	-
Net carrying value as at 31 March 2022	597.83	1,330.32	240.76	5,016.11	142.07	10.50	107.82	642.99

Notes:

- (1) Refer note 31(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- (2) Refer note 19 for finance costs capitalised.
- (3) Includes INR 11.99 million in respect of research and development assets (previous year INR 68.54 million).
- (4) Capital research and development expenditure aggregating to INR 13.75 million (previous year INR 64.18 million) incurred during the year included in additions to property plant & equipment/ capital work-in-progress.

Ageing detail of Tangible capital work-in-progress as at 31 March 2023 is as follows:

Particulars	Amount in capital work-in-progress for a period of				INR in million
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Projects in progress	11.20	2.35	1.91	28.13	43.59

Ageing detail of Tangible capital work-in-progress as at 31 March 2022 is as follows:

Particulars	Amount in capital work-in-progress for a period of				INR in million
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Projects in progress	501.11	60.12	56.15	25.61	642.99

Project execution plans are modulated basis capacity requirement and priority assessment on an annual basis and all the projects are executed as per rolling annual plan.

4. Goodwill, other intangible assets and intangible assets under development

Description	Goodwill	Internally generated product registration/ market authorisation (a)	Rights (b)	Software (c)	Total (a+b+c)	Intangible assets under development
Gross carrying value as at 1 April 2022	1,371.36	2,729.84	15.81	293.54	3,039.19	3,346.89
Additions/adjustments (1)	-	57.96	-	13.19	71.15	212.32
Adjustments on account of demerger (Refer Note 40)	(1,371.36)	-	-	(16.11)	(16.11)	-
Impairment for the year (4)	-	-	-	-	-	(1,202.34)
Deductions/adjustments (3)	-	(177.46)	-	(2.32)	(179.78)	(57.96)
Gross carrying value as at 31 March 2023	-	2,610.34	15.81	288.30	2,914.45	2,298.91
Accumulated amortisation / impairment as at 1 April 2022	-	2,491.56	15.81	246.96	2,754.33	-
Amortisation/impairment for the year	-	129.50	-	13.24	142.74	-
Adjustments on account of demerger (Refer Note 40)	-	-	-	(6.15)	(6.15)	-
Deductions/adjustments (3)	-	(166.91)	-	(2.13)	(169.04)	-
Accumulated amortisation/impairment as at 31 March 2023	-	2,454.15	15.81	251.92	2,721.88	-
Net carrying value as at 31 March 2023	-	156.19	-	36.38	192.57	2,298.91

INR in million

Description	Goodwill	Internally generated product registration/ market authorisation (a)	Rights (b)	Software (c)	Total (a+b+c)	Intangible assets under development
Gross carrying value as at 1 April 2021	1,371.36	2,725.22	15.81	275.90	3,016.93	3,568.33
Additions/adjustments (1)	-	67.76	-	17.64	85.40	378.39
Impairment for the year (4)	-	-	-	-	-	(156.37)
Deductions/adjustments (3)	-	(63.14)	-	-	(63.14)	(443.46)
Gross carrying value as at 31 March 2022	1,371.36	2,729.84	15.81	293.54	3,039.19	3,346.89
Accumulated amortisation / impairment as at 1 April 2021	-	2,286.11	15.81	192.84	2,494.76	-
Amortisation/impairment for the year	-	225.88	-	54.12	280.00	-
Deductions/adjustments (3)	-	(20.43)	-	-	(20.43)	-
Accumulated amortisation/impairment as at 31 March 2022	-	2,491.56	15.81	246.96	2,754.33	-
Net carrying value as at 31 March 2022	1,371.36	238.28	-	46.58	284.86	3,346.89

Ageing detail of Intangible capital work-in-progress as at 31 March 2023 is as follows:

INR in million

Particulars	Intangible capital work-in-progress for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	112.26	138.03	179.49	1,869.13	2,298.91

Ageing detail of Intangible capital work-in-progress as at 31 March 2022 is as follows:

INR in million

Particulars	Intangible capital work-in-progress for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	249.38	298.15	441.26	2,358.10	3,346.89

Project execution plans are modulated basis capacity requirement and priority assessment on an annual basis and all the projects are executed as per rolling annual plan.

Notes:

- (1) Represents INR 57.96 million (previous year INR 67.76 million) in respect of research and development assets.
- (2) Capital research and development expenditure aggregating to INR 212.32 million (previous year INR 378.39 million) incurred during the year included in additions to Intangible assets/Intangible assets under development.
- (3) During the year, the goodwill has been transferred as part of demerger (Refer Note 40). During the previous year, goodwill was evaluated for the purposes of impairment testing. The recoverable amount of the cash generating unit was based on its value in use. The value in use of these units was determined to be higher than the carrying amount and an analysis of the calculation's sensitivity towards change in key assumptions did not identify any probable scenarios where the CGU recoverable amount would fall below their carrying amount.

During the previous year, value in use for goodwill was determined by discounting the future cash flows generated from the continuing use of the CGU. The calculation was based on the following key assumptions:

- i. The anticipated annual revenue growth and margin included in the cash flow projections are based on past experience, actual operating results and the 5-year business plan in all periods presented.

ii. The terminal growth rate of 0.5% was considered for all periods presented, representing management view on the future long-term growth rate.

iii. Discount rate of 11.21% was considered for all periods presented, in determining the recoverable amount of the CGU. The discount rate was estimated based on past experience and industry's weighted average cost of capital.

The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external sources.

- (4) The carrying value of internally generated product registration and other intangibles (including intangible assets under development) is reviewed annually and was last reviewed on 31 March 2023. Based on changed market conditions, recalibrated approach for development of intangibles that stringently evaluates all new developments and prioritize intangibles under development based on technical and financial assessment, INR 1202.34 million (previous year INR 156.37 million) had been charged off during the year ended 31 March 2023 and included under depreciation and amortization expense in the Statement of Profit and Loss.

The Company's process involves significant judgments in estimating the future revenues, expected cost to complete the development and estimating the recoverable amount. The recoverable amount arrived at is the value in use estimated by management. Based on various internal and externally available data, the Company has also taken into consideration various factors such as current import alert placed by the USFDA at the Roorkee facility, number of competitors, future revenues and margins etc. The estimate of value in use was determined by applying discount rate of 12.90% (previous year 11.21%) on the expected future cash flows estimated considering following:

- Cash flows for a period of 10 years by continuing use of the asset considering possible variations and uncertainties and necessary growth or decline
- Net cash flows, if any, to be received or paid at the end of its useful life

Further, the company has sold intangibles under development amounting INR Nil (previous year INR 375.70 million) to its fellow subsidiary Jubilant Cadista Pharmaceuticals Inc.

- (5) Refer Note 19 for finance costs capitalized

5(a) Non-current investments

	INR in million	
	As at 31 March 2023	As at 31 March 2022
Investment in equity shares (at cost)		
Unquoted investment (fully paid up)		
(A) Subsidiary:		
Jubilant Pharma NV	965.00	965.00
[13,900,000 (Previous year 13,900,000) equity shares of face value Euro 1 per share]		
(B) Associate:		
Jubilant Pharma Holdings Inc.	3,090.00	3,090.00
[200 (Previous year 200) equity shares with no par value]		
Total non-current investments	4,055.00	4,055.00
Aggregate amount of unquoted investments	4,055.00	4,055.00

5(b) Loans

	INR in million			
	As at		As at	
	31 March 2023		31 March 2022	
	Current	Non- current	Current	Non- current
Unsecured, considered good				
Loan to related parties (Refer Note 29)	-	-	7.00	3,250.00
Loan to employees	0.06	1.25	0.22	5.39
Total loans	0.06	1.25	7.22	3,255.39

5(c) Others

	INR in million			
	As at		As at	
	31 March 2023		31 March 2022	
	Current	Non- current	Current	Non- current
Deposits accounts with maturity more than twelve months from the reporting date- held as margin money	-	0.23	-	-
Security deposits	-	16.78	-	44.63
Total others	-	17.01	-	44.63

5(d) Trade receivables

	INR in million	
	As at	As at
	31 March 2023	31 March 2022
Unsecured and current		
Trade receivables considered good	327.00	1,343.84
Receivables from related parties (Refer note 29)	713.88	583.24
Trade receivables - credit impaired	52.57	33.90
Less: Expected credit loss allowance (Refer note 26)	(52.57)	(33.90)
Total trade receivables	1,040.88	1,927.08

Jubilant Generics Limited
Notes to the financial statements for the year ended 31 March 2023

Ageing for trade receivables outstanding as at March 31, 2023 is as follows:

Particulars	Outstanding for the following periods from due date of payment						INR in million
	Not Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Trade receivables							
Undisputed Trade Receivable - Considered Good	356.46	489.43	137.19	49.09	1.91	0.03	1034.11
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	0.59	0.64	2.31	44.36	1.73	0.03	49.66
Disputed trade receivables – considered good	-	-	3.62	-	0.43	2.72	6.77
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	0.06	-	0.39	2.46	2.91
	357.05	490.07	143.18	93.45	4.46	5.24	1093.45
Less: Allowance for doubtful trade receivables							(52.57)
							1040.88

Ageing for trade receivables outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for the following periods from due date of payment						INR in million
	Not Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Trade receivables							
Undisputed Trade Receivable - Considered Good	1,311.65	352.74	238.40	17.30	0.47	2.15	1,922.71
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	24.46	5.89	0.51	0.24	0.11	1.06	32.27
Disputed trade receivables – considered good	-	-	-	0.81	0.48	3.08	4.37
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	0.01	0.11	1.51	1.63
	1336.11	358.63	238.91	18.37	1.17	7.80	1960.98
Less: Allowance for doubtful trade receivables							(33.90)
							1927.08

5(e) Cash and cash equivalents

	INR in million	
	As at 31 March 2023	As at 31 March 2022
Balances with banks		
- in current accounts	9.44	5.23
Cash on hand	-	0.11
Others		
- imprest	0.11	0.12
Total cash and cash equivalents	9.55	5.46

5 (f) Other bank balance

	INR in million	
	As at 31 March 2023	As at 31 March 2022
Deposits accounts with maturity up to twelve months from the reporting date- held as margin money	3.60	3.83
Total other bank balance (1)	3.60	3.83

(1) These have restricted use

5(g) Other current financial assets

	INR in million	
	As at 31 March 2023	As at 31 March 2022
Advances recoverable from related parties	226.06	669.74
Interest receivable from related parties	-	16.91
Insurance claim recoverable	0.80	131.74
Contract asset	27.22	38.92
Interest receivable	0.70	2.51
Others	5.53	11.14
Total other financial assets	260.31	870.96

6. Deferred tax

Deferred income tax reflects the net tax effects of temporary differences between the carrying amount of asset and liabilities for financial reporting purposes and the amount used for income tax purposes. Significant component of the Company's net deferred income tax are as follows:

The balance comprises temporary differences attributable to:

Deferred tax assets

	Provision for compensated absences and gratuity	Expenditure allowed on actual payment basis	Tax losses carried forward	MAT Credit Entitlement	Intangibles	Lease Liability	Others	Total
As at 1 April 2021	111.06	33.59	791.13	1588.81	320.79	49.81	23.86	2919.05
(Charged)/Credited:								
- to statement of profit and loss	4.93	3.13	(29.91)	40.46	(85.90)	(16.57)	5.15	(78.71)
- to Other comprehensive income	(4.76)	-	-	-	-	-	-	(4.76)
As at 31 March 2022	111.23	36.72	761.22	1629.27	234.89	33.24	29.01	2835.58
Transferred in Demerger	(61.02)	(12.30)	(350.22)	(749.60)	0.00	(1.37)	(5.24)	(1,179.77)
(Charged)/Credited:								
- to statement of profit and loss	(11.18)	8.59	636.87	(13.59)	(64.43)	(21.66)	7.89	542.49
- to Other comprehensive income	(2.73)	-	-	-	-	-	-	(2.73)
As at 31 March 2023	36.30	33.01	1047.87	866.08	170.46	10.21	31.66	2195.59

The balance comprises temporary differences attributable to:

Deferred tax liabilities:

	PPE, Intangibles and Right of use assets	Difference in tax value and book value of R&D CWIP/ Intangible and Intangibles under development	Others	Total
As at 1 April 2022	996.22	810.11	4.17	1,810.50
(Charged)/Credited:				
- to statement of profit and loss	3.25	(62.04)	(3.94)	(62.73)
As at 31 March 2022	999.47	748.07	0.23	1,747.77
Transferred in Demerger (Refer note 40)	(826.42)	-	-	(826.42)
(Charged)/Credited:				
- to statement of profit and loss	(23.28)	(275.99)	-	(299.27)
As at 31 March 2023	149.77	472.08	0.23	622.08

Reflected in the Balance Sheet as follows:

	INR in million	
	As at 31 March 2023	As at 31 March 2022
Deferred tax assets, net:	2195.59	2835.58
Deferred tax liabilities:	622.08	1747.77
Deferred tax assets, net:	1,573.51	1,087.81

Deferred tax has not been recognized on temporary differences in relation to indexation benefit of investment in subsidiaries and freehold land amounting to INR 358.18 million (previous year INR 303.08 million) and INR 52.80 million (previous year INR 44.68 million) respectively, as the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary differences will not reverse in foreseeable future.

Reconciliation of deferred tax assets (net):

	INR in million	
	As at 31 March 2023	As at 31 Mar 2022
Balance as at the commencement of the year	1,087.81	1,108.55
Amount transferred in Demerger	(353.34)	-
Credit/ (Expense) during the year recognised in statement of profit and loss (including MAT)	836.31	(15.98)
Credit during the year recognised in Capital Reserve	-	-
Credit during the year recognised in OCI	2.73	(4.76)
Balance as at the end of the year	1,573.51	1,087.81

7. Other non-current assets

	INR in million	
	As at 31 March 2023	As at 31 March 2022
Capital advances	-	17.62
Total other non-current assets	-	17.62

8. Inventories

	INR in million	
	As at	As at
	31 March 2023	31 March 2022
Raw materials*	645.72	1,555.20
Work-in-progress	301.74	2,074.26
Finished goods*	307.00	798.74
Traded goods	57.54	50.40
Stores and spares	243.56	439.77
Packing material	71.68	82.29
Others- process chemicals and fuels	2.50	13.37
Total inventories	1,629.74	5,014.03

*Goods in transit, included in above

	INR in million	
	As at	As at
	31 March 2023	31 March 2022
Raw materials	11.39	139.17
Finished goods	-	256.02
Total inventories	11.39	395.19

Total write down of inventories recognised during the year	257.75	438.77
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Cost of inventories (including cost of purchased products) recognised as an expense amounted to INR 3,032.66 million (previous year INR 2,159.81 million).

9. Other current assets

	INR in million	
	As at	As at
	31 March 2023	31 March 2022
Prepaid expenses	93.81	164.07
Recoverable from/ balance with government authorities	327.84	787.06
Advance to employees	2.45	9.16
Advance for supply of goods and services	49.47	162.18
Others	52.40	14.14
Total other current assets	525.97	1,136.61

10. Equity share capital and other equity

10(a) Equity share capital

	INR in million	
	As at	As at
	31 March 2023	31 March 2022
Authorised		
3,000,000 (Previous year 3,000,000) equity shares of INR 10 each	30.00	30.00
	30.00	30.00
Issued and subscribed		
2,579,665 (Previous year 2,579,665) equity shares of INR 10 each	25.80	25.80
	25.80	25.80
Paid up		
2,579,665 (Previous year 2,579,665) equity shares of INR 10 each	25.80	25.80
	25.80	25.80

Movements in equity share capital

	As at 31 March 2023		As at 31 March 2022	
	Number	INR in million	Number	INR in million
At the commencement of the year	2,579,665	25.80	2,579,665	25.80
At the end of the year	2,579,665	25.80	2,579,665	25.80

Terms and rights attached to equity shares

The Company has only one class of shares referred to as equity shares having par value of INR 10 each. Holder of each equity share is entitled to one vote per share. 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.

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

At commencement and end of the year	As at 31 March 2023		As at 31 March 2022	
	Number	% of total shares	Number	% of total shares
Equity shares of INR10 each fully paid-up held by Jubilant Pharma Limited, Singapore - the holding company (including 6 shares held jointly with 6 individuals)	2,579,665	100%	2,579,665	100%

Disclosure of shareholding of promoters:

At commencement and end of the year	As at 31 March 2023		As at 31 March 2022	
	Number	% of total shares	Number	% of total shares
Equity shares of INR10 each fully paid-up held by Jubilant Pharma Limited, Singapore - the holding company (including 6 shares held jointly with 6 individuals)	2,579,665	100%	2,579,665	100%

10(b) Other equity

Nature and purpose of other equity

Capital reserve

Accumulated capital surplus not available for distribution of dividend and expected to remain invested permanently. Represents difference between the consideration and carrying amount of net assets/liabilities for transactions among entities under common control to transfer out/in of any business or shares of entities under common control.

Securities premium

The unutilized accumulated excess of issue price over face value on issue of shares. This reserve is utilized in accordance with the provisions of the Act.

Retained Earnings

Retained earnings represent the amount of accumulated earnings of the Company and re-measurement differences on defined benefit plans.

11(a) Current borrowings

	INR in million	
	As at 31 March 2023	As at 31 March 2022
From banks		
Secured (repayable on demand/short tenor loans)	1,122.55	640.00
Total current borrowings	1,122.55	640.00

Notes:

- Working capital facilities (including cash credit) sanctioned by consortium of banks are secured by a first charge by way of hypothecation, ranking pari-passu inter-se banks, of the entire book debts, receivables and inventories, both present and future, of the Company.
- Short-term loans are availed in Indian rupees. Indian rupee loans carry interest rate ranging from 4.04% to 8.75% p.a. (Previous year interest rate ranging from 3.62% to 7.75% p.a.).
- Inventory and Trade receivables with a carrying amount of INR 1,629.75 million (previous year INR 5,014.03 million), and INR 1,040.88 million (previous year INR 1,927.08 million) respectively are provided as security against borrowing at year end.
- The Company has availed fund based and non-fund based working capital facility of INR 2,450 million (previous year INR 5,000 million) from a consortium of banks. The facility is secured by way of hypothecation of the Company's entire stock of raw materials, semi-finished and finished goods, consumable stores and spares and such other movables current assets including book-debts, receivables, both present and future, on a first charge basis ranking pari-passu with other participating consortium member banks.

The carrying amounts of assets pledged as security for current borrowings are:

	Notes	INR in million	
		As at	As at
		31 March 2023	31 March 2022
Financial assets			
First pari-passu charge			
Receivables	5(d)	1,040.88	1,927.08
Inventories	8	1,629.75	5,014.03
Total current assets pledged as security		2,670.63	6,941.11

- During the previous year, the Company surrendered the overdraft facility of INR 50.00 million availed from a bank, against fixed deposits of INR 52.95 million placed with the bank.

11(b) Reconciliation of movements of liabilities to cash flows arising from financing activities

	INR in million					
	Other movements					
	As at 31 March 2021	Financing cash flows	New finance leases	Finance costs expensed	Finance costs capitalised	As at 31 March 2022
Finance lease liabilities	197.92	(67.23)	6.34	-	-	137.03
Short term loans repayable on demand (net)	200.01	439.99	-	-	-	640.00
Interest accrued	0.02	(38.19)	-	25.98	14.00	1.81
Total	397.95	334.57	6.34	25.98	14.00	778.84

	INR in million					
	Other movements					
	As at 31 March 2022	Financing cash flows	New finance leases	Finance costs expensed	Finance costs capitalised	As at 31 March 2023
Lease liabilities (previous year: finance lease liabilities)	137.03	(74.83)	2.92	-	-	65.11
Short term loans repayable on demand (net)	640.00	482.55	-	-	-	1,122.55
Interest accrued	1.81	(76.77)	-	15.78	62.80	3.62
Total	778.84	330.95	2.92	15.78	62.80	1,191.29

11(c) Trade payables

	INR in million	
	As at 31 March 2023	As at 31 March 2022
Current		
Trade payables		
-Total outstanding dues of micro enterprises and small enterprises (Refer Note 35)	33.32	33.11
-Total outstanding dues of creditors other than micro enterprises and small enterprises	1,165.05	2,394.73
Total trade payables	1,198.37	2,427.84
Amount payable to related parties included in above (Refer Note 29)	542.55	327.37

Ageing for trade payables outstanding as at March 31, 2023 is as follows :

Particulars	Outstanding for the following periods from due date of payment					Total
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME*	14.05	20.77	0.11	-	-	34.93
Others	183.81	796.92	27.65	29.12	17.19	996.44
Disputed dues MSME*	-	-	-	-	-	-
Disputed dues others	-	-	-	-	-	-
	197.86	817.69	27.76	29.12	17.19	1,031.37
Expenses accrued						167.00
Total						1,198.37

Ageing for trade payables outstanding as at March 31, 2022 is as follows :

Particulars	Outstanding for the following periods from due date of payment					Total
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME*	16.90	16.04	0.02	0.12	-	33.08
Others	696.02	824.65	60.80	17.98	15.74	1,615.19
Disputed dues MSME*	-	-	-	-	-	-
Disputed dues others	-	-	-	-	-	-
	712.92	840.69	60.82	18.10	15.74	1,648.27
Expenses accrued						779.57
Total						2,427.84

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006

11(d) Other current financial liabilities

	INR in million	
	As at 31 March 2023	As at 31 March 2022
Interest accrued but not due on borrowings	3.62	1.81
Security deposit	-	2.70
Capital creditors*	12.14	137.99
Employee benefits payable	88.49	148.83
Other payable to related parties#	425.25	394.66
Total other current financial liabilities	529.50	685.99

* Includes payable to Micro, Small & Medium enterprises INR 1.96 million (previous year INR 2.66 million)

Includes overdue payable of INR 247.74 million (previous year INR 228.52 million) for which the Company has made an application to the authorised dealer bank for necessary approval for payment.

12(a) Other non-current liabilities

	INR in million	
	As at	As at
	31 March 2023	31 March 2022
Contract liabilities	16.78	18.28
Deferred income - Government grant	30.02	42.73
Total other non-current liabilities	46.80	61.01

12(b) Other current liabilities

	INR in million	
	As at	As at
	31 March 2023	31 March 2022
Contract liabilities	213.87	719.13
Deferred income - Government grant	7.67	11.72
Statutory dues payables	79.05	163.73
Total other current liabilities	300.59	894.58

13. Provisions

	INR in million			
	As at		As at	
	31 March 2023		31 March 2022	
	Current	Non-current	Current	Non-current
Provision for employee benefits (refer note 24)	71.20	75.00	82.33	313.53
Other provisions	11.68	-	10.72	-
Total provisions	82.88	75.00	93.05	313.53

14. Revenue from operations

	INR in million	
	For the year ended	For the year ended
	31 March 2023	31 March 2022
Sale of products		
- Finished goods	2,175.70	4,388.53
- Traded goods	352.12	2,190.15
Sale of services	485.27	3.29
Other operating revenue	186.56	142.26
Total revenue from operations	3,199.65	6,724.23

Disaggregation of revenue:

In the following table, revenue (other than other operating revenue) is disaggregated by primary geographical market, service lines and sales channels.

	INR in million	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Primary geographical markets		
India	491.11	2,193.62
Americas and Europe	808.10	2,700.94
Rest of the world	1,713.88	1,687.41
Total	3,013.09	6,581.97
Major product/service line		
Dosage	3,013.09	6,581.97
Total	3,013.09	6,581.97
Sales Channels		
Manufacturers	3,013.09	6,581.97
Total	3,013.09	6,581.97

Contract Balances

	INR in million	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Trade receivables	1,040.88	1,927.08
Contract assets	27.22	38.92
Contract liabilities	230.65	737.41

Reconciliation of revenue recognised with the contracted price is as follows:

	INR in million	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Contracted Price	3,027.28	6,589.82
Reductions towards discounts/variable consideration components	14.19	7.85
Revenue recognised	3,013.09	6,581.97

The amount of INR 171.27 million (previous year INR 1,026.39 million for both continuing and discontinued operations) recognised in contract liabilities at the beginning of the period has been recognised as revenue for the current year (also refer note 40). The balance amount of contract liabilities amounting to INR 6.96 million has been transferred as a result of demerger as reported in note 40.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revaluations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations, excluding those where original expected duration of one year or less, amounts to INR 17.81 million (previous year INR 62.34 million) majority of which is expected to be recognised as revenue in next 2 years.

15. Other income

	INR in million	
	For the year ended	For the year ended
	31 March 2023	31 March 2022
Government Grant Income	8.31	-
Interest income	0.08	4.84
Gain on sale/disposal/discard of property, plant and equipments (net)	-	83.22
Rental Income	53.90	-
Other items	4.28	-
Total other income	66.57	88.06

16. Cost of materials consumed

	INR in million	
	For the year ended	For the year ended
	31 March 2023	31 March 2022
Raw materials consumed	912.56	1,975.57
Total cost of materials consumed	912.56	1,975.57

17. Changes in inventories of finished goods, stock-in-trade and work-in-progress

	INR in million	
	For the year ended	For the year ended
	31 March 2023	31 March 2022
Opening balance		
Work-in-progress	2,074.26	1,862.18
Finished goods	798.74	554.24
Stock-in-trade	50.40	70.29
Total opening balance	2,923.40	2,486.71
Adjustment / Transfer pursuant to the demerger Scheme (Refer note 40)	(2,218.24)	-
Closing balance		
Work-in-progress	301.74	2,074.26
Finished goods	307.00	798.74
Stock-in-trade	57.52	50.40
Total closing balance	666.26	2,923.40
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	38.89	(436.69)
Less : Net increase/(decrease) in inventory on account of transfer	-	(406.08)
Net Change in inventories	38.89	(30.61)

18. Employee benefits expense

	INR in million	
	For the year ended	For the year ended
	31 March 2023	31 March 2022
Salaries, wages, bonus, gratuity and allowances	1,183.80	1,080.38
Contribution to provident fund and other funds (refer note 24)	65.67	59.57
Employee share-based payment expense	25.15	-
Staff welfare expenses	61.38	58.77
Total employee benefits expense	1,336.00	1,198.72

19. Finance costs

	INR in million	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense*	15.44	21.25
Other borrowing costs	0.34	3.32
Total finance costs	15.78	24.57

* Includes interest INR nil under section 234B and 234C of the Income-tax Act, 1961 (previous year INR 10.39 million). Also includes INR 7.26 million interest paid on custom duty (previous year nil).

Note:

- (1) Finance costs on general borrowings amounting to INR 62.24 million (previous year INR 14 million) has been capitalised during the year with a capitalisation rate of 2.55% (previous year 0.84%).

20. Depreciation, amortisation and impairment expense

	INR in million	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of property, plant and equipment	351.98	372.52
Amortisation of right of use assets (refer note 37)	48.17	34.93
Impairment of intangible assets (including intangibles under development) (refer note 4)	1,202.34	156.37
Amortisation of intangible assets (refer note 4)	139.25	277.13
Total depreciation, amortisation and impairment expense	1,741.74	840.95

21. Other Expenses:

	INR in million	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Power and fuel	164.86	157.62
Consumption of stores and spares and packing materials	229.61	464.14
Processing charges	140.25	830.19
Rental charges (refer note 29 & 37)	1.37	-
Rates and taxes	157.65	152.62
Insurance	20.49	16.68
Advertisement, publicity and sales promotion	123.15	82.50
Travel and conveyance	73.25	40.87
Repairs and maintenance		
Plant and machinery	79.52	45.44
Buildings	11.24	9.21
Others	227.20	111.28
Office expenses	34.83	34.84
Vehicle running and maintenance (refer note 29)	5.02	4.79
Printing and stationery	3.53	3.75
Telephone and communication charges	12.56	9.91
Staff recruitment and training	8.86	5.93
Donation (including corporate social responsibility expenditure) (refer note 33)	18.63	30.55
Payments to auditors (refer note 21 (a))	1.25	1.80
Legal and professional fees	373.59	261.00
Freight and forwarding (including ocean freight)	33.23	140.36
Directors' sitting fees	0.19	0.36
Subscription	15.05	18.10
Bank charges	1.49	4.41
Claims and other selling expenses	20.43	67.24
Commission on sales	8.26	11.48
Net foreign exchange loss	2.28	8.81
Allowance for expected loss	27.78	21.95
Loss on sale/disposal/discard of property, plant and equipments (net)	3.35	-
Miscellaneous expenses	13.09	-
Total other expenses	1,812.01	2,535.83

21B. Details of payments to auditors (excluding applicable taxes and including out of pocket expenses)

	INR in million	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Payment to auditors		
As auditor:		
Audit fee	1.05	1.06
In other capacities		
Certification and other service fees	0.20	1.30
Total payments to auditors	1.25	2.36

22. Income tax expense

The major components of income tax expenses for the year ended 31 March 2023 and 31 March 2022 are:

	INR in million	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Profit or loss section		
Current tax:		
Current tax charge for the year	-	34.27
Adjustments in respect of current income tax of previous years	0.01	0.18
	0.01	34.45
Deferred tax:		
Deferred tax on profits for the year	(845.51)	21.71
Adjustments in respect of deferred tax of previous years	9.21	(4.36)
	(836.30)	17.35
Income tax expense of continuing operations	(836.29)	51.81
Income tax expense of discontinued operations	-	4.82
Income tax expense / (benefit)	(836.29)	56.63
OCI section:		
Tax related to items that will not be reclassified to profit or loss	-	-
Tax related to items that will be reclassified to profit or loss	(2.73)	4.76
	(2.73)	4.76
Income tax expense/(benefit) of continuing operations	(2.73)	1.75
Income tax benefit of discontinued operations	-	3.01
Income tax expense/(benefit)	(2.73)	4.76
Income tax expense of continuing operations	(839.02)	53.56
Income tax expense of discontinued operations	-	7.83
Income tax expense / (benefit)	(839.02)	61.39

Reconciliation between average effective tax rate and applicable tax rate for the year:

	INR in million	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before income tax from continuing operations	(2,723.90)	156.21
Profit before income tax from discontinued operations	-	24.72
Profit before income tax	(2,723.90)	180.93
At India's statutory income tax rate of 34.944% (31 Mar 2022 34.944%)	(951.84)	63.22
Effect of non-deductible expenses and exempt income	127.20	15.34
Effect of change in tax rate on opening deferred tax balance	-	-
Effect of lower tax rate on temporary difference of current year	(13.94)	(27.05)
Effect of prior year re-assessments	9.22	(4.18)
Others	(6.93)	9.30
Income Tax expenses reported in the Statement of Profit and Loss	(836.29)	56.63
Income Tax expense of continuing operations	(836.29)	51.81
Income Tax expense of discontinued operations	-	4.82

23. Research and development expenditure incurred (excluding cost of acquired intangibles, finance cost, depreciation and amortization expense) comprises:

Revenue expenditure	INR in million	
	For the year ended 31 March 2023	For the year ended 31 March 2022#
Cost of material consumed	116.80	212.62
Employee benefits expense	208.09	417.96
Utilities- power	25.20	36.76
Other expenses	56.85	291.77
Total revenue expenditure (A)	406.94	959.11

Out of above INR 212.32 million pertains to discontinued operations

Out of the above total expenditure, the amount of R&D expenditure transferred to Intangibles/ Intangible assets under development is INR 212.32 Million (previous year INR 366.38 million). This should also be read in conjunction with other disclosures made in the financial statements.

Capital expenditure (equipment)

Capital expenditure	INR in million	
	For the year ended 31 March 2023	For the year ended 31 March 2022#
Equipment	13.75	64.18
Total capital expenditure (B)	13.75	64.18
Total (A+B)	420.69	1,023.29

Out of above INR 30.88 million pertains to discontinued operations

24. Employee benefits in respect of the Company have been calculated as under:**(A) Defined Contribution Plans**

The Company has certain defined contribution plan such as employee state insurance, employee pension scheme, wherein specified percentage is contributed to them. During the year, the Company has contributed following amounts to:

	INR in million	
	For the year ended 31 March 2023	For the year ended 31 March 2022#
Employer's contribution to provident fund (refer note 24(B)(ii))	44.03	24.40
Employer's contribution to employee's pension scheme 1995	20.43	33.00
Employer's contribution to employee state insurance	1.21	2.06

out of above INR 25.54 million pertains to discontinued operations

(B) Defined Benefit Plans**i. Gratuity**

In Accordance with Ind AS 19 "Employee benefits" an actuarial valuation has been carried out in respect of gratuity.

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 7.35% p.a. (Previous year 7.2 % 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 (Previous year 58 years) and mortality table is as per IALM (2012-14) (Previous year 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 (Previous year 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.

During the previous year, plan assets were maintained with Life Insurance Corporation of India in respect of gratuity scheme for certain employees at Nanjangud manufacturing unit of the Company, which has been transferred out as a result of demerger Scheme (Refer note 40). The details of investments maintained by Life Insurance Corporation were not available with the Company, hence not disclosed. The expected rate of return assumed on plan assets was 6.80 % p.a.

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

	INR in million	
	As at 31 March 2023	As at 31 March 2022
Present value of obligation at the beginning of the year	277.13	260.72
Current service cost	14.71	36.23
Transfer In / Out (including transferred pursuant to the demerger Scheme, refer note 40)	(163.42)	1.78
Interest cost	8.18	17.73
Actuarial (gain)/loss	7.81	(13.63)
Benefits paid	(57.02)	(25.70)
Present value of obligation at the end of the year	87.39	277.13

Fair Value of Plan Assets:**

	INR in million	
	As at 31 March 2023	As at 31 March 2022
Plan assets at the beginning of the year	29.67	32.07
Expected return on plan assets	-	2.12
Contribution by employer	-	2.84
Actual benefits paid	-	(6.64)
Fund management charges	-	(0.72)
Transferred pursuant to the demerger Scheme (refer note 40)	(29.67)	-
Plan assets at the end of the year	-	29.67

** In respect of certain employees of Nanjangud manufacturing unit of the Company, which has been transferred out as a result of demerger Scheme (Refer note 40).

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

	INR in million	
	As at 31 March 2023	As at 31 March 2022
Present value of obligation at the end of the year	87.39	277.13
Fair value of plan assets at the end of the year	-	(29.67)
Net liabilities recognised in the Balance Sheet	87.39	247.46

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

	INR in million	
	For the year ended 31 March 2023	For the year ended 31 March 2022#
Current service cost	14.71	36.23
Interest cost	8.18	15.55
Expenses recognised in the Statement of profit and loss	22.89	51.77
# out of above INR 25.54 million pertains to discontinued operations		

Amount recognised in the other comprehensive income:

	INR in million	
	For the year ended 31 March 2023	For the year ended 31 March 2022#
Actuarial loss/(gain) on arising from change in demographic assumption	(0.96)	(1.27)
Actuarial loss/(gain) on arising from change in financial assumption	(0.94)	(5.20)
Actuarial loss/(gain) on arising from experience adjustment	9.70	(7.17)
Actuarial loss/(gain) on plan assets	-	-
# out of above INR (8.58) million pertains to discontinued operations		

Company's best estimate of contribution during next year is INR 19.7 million (previous year INR 59.16 million).

As at 31 March 2023 there are no plan assets, and as at 31 March 2022, 100% of the plan assets were invested in insurer managed funds.

Sensitivity analysis

Particulars	INR in million			
	31 March 2023		31 March 2023	
Assumptions	Discount rate		Future salary increase	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(0.62)	0.63	0.64	(0.63)

Particulars	INR in million			
	31 March 2022		31 March 2022	
Assumptions	Discount rate		Future salary increase	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(9.15)	9.73	9.74	(9.25)

The sensitivity analysis above has been determined based on reasonably 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 a change in the key assumption while holding all other assumptions constant.

ii. Provident Fund:

The Company made monthly contributions to the recognised provident fund - "VAM Employees Provident Fund Trust" (a multi-employer trust) for most of its employees in India, for the period starting with 1 April 2021 till 30 November 2021. Post 1 December 2021, these contributions are made with the regional provident fund authority for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Company has contributed INR 65.67 million to Provident Fund Trust (previous year: INR 48.30 million) during the year.

(C) Other long term benefits (Compensated absences)

INR in million		
	As at 31 March 2023	As at 31 March 2022
Present value of obligation at the end of the year	58.80	148.39

25. Fair value measurements

INR in million							
Note	Level of hierarchy	31 March 2023			31 March 2022		
		FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets (excluding investment in subsidiaries)							
Trade receivables	(a)	-	-	1,040.88	-	-	1,927.08
Loans	(c)	3	-	1.31	-	-	3,262.61
Cash and cash equivalents	(a)	-	-	9.55	-	-	5.46
Other bank balances	(a)	-	-	3.60	-	-	3.83
Other financial assets	(a)	-	-	277.32	-	-	870.96
Total financial assets		-	-	1,332.66	-	-	6,069.94
Financial liabilities							
Borrowings	(a)	3	-	1,122.55	-	-	640.00
Trade payables	(a)	-	-	1,198.37	-	-	2,427.84
Other financial liabilities	(a)	-	-	529.50	-	-	685.99
Lease liability	(a)	-	-	65.11	-	-	137.03
Total financial liabilities		-	-	2,915.53	-	-	3,890.86

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
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Loans to related parties	<i>Discounted cash flows:</i> The valuation model considers the present value of expected cashflows discounted using an adjusted discount rate		
	Adjusted discount rate: Nil (2022: 6.75%)	The estimated fair value would increase (decrease) if the adjusted discount rate was lower (higher)	

Note:

- (a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
(b) Fair valuation of non-current financial assets has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.
(c) Fair value of loans is as below:

(INR in million)			
	Level	Fair Value	
		31 March 2023	31 March 2022
Loans	3	1.31	3,274.58
Borrowings	3	1,122.55	640.00

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2023 and 31 March 2022.

26. Financial risk management

A. Financial risk management

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

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 Company, through three layers of defense namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversees the formulation and implementation of the Risk management policies. The risks are identified at business unit level and mitigation plan are identified, deliberated and reviewed at appropriate forums.

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

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

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments. The carrying amount of financial assets represents the maximum credit risk exposure.

Trade receivables and other financial assets

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are compared according to their credit characteristics, including whether they are an individual or a legal entity, whether they are an institutional dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

Expected credit loss for trade receivables:

Based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more

than six months (net of expected credit loss allowance) is INR 193.24 million (Previous year INR 253.50 million)

Company's exposure to credit risk for trade receivables using provision matrix is as follows:

	As at 31 March 2023			As at 31 March 2022		
	Gross carrying amount	Allowance for credit losses *	Net carrying amount	Gross carrying amount	Allowance for credit losses	Net carrying amount
Not due	357.05	0.59	356.46	1,336.11	24.46	1,319.90
0-90 days	235.50	0.48	235.02	249.83	5.89	243.94
90-180 days	254.57	0.17	254.40	108.80	0.51	109.74
180-270 days	134.31	0.85	133.46	147.61	0.25	147.36
270-360 days	8.87	1.53	7.34	91.30	0.22	87.64
More than 360 days	103.15	48.95	54.20	27.33	2.57	18.50
	1,093.45	52.57	1,040.88	1,960.98	33.90	1,927.08

Movement in the expected credit loss allowance of trade receivables are as follows:

	INR in million	
	31 March 2023	31 March 2022
Balance at the beginning of the year	33.90	10.20
Transferred pursuant to the Scheme of demerger (refer note 40)	(8.03)	-
(Less)/add: Reversed/provided during the year (net of reversal)	26.70	23.70
Balance at the end of the year	52.57	33.90

* Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company.

Expected credit loss with respect to other financial assets:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties 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 expected credit loss has been provided on these financial assets. Break up of financial assets other than trade receivables 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 Company's treasury department is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily by the treasury department. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Exposure to liquidity risk

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

31 March 2023	INR in million			
	Contractual Cash flows (1)			
	Carrying Amount	Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings	1,122.55	1,122.55	1,122.55	-
Lease liability	65.11	65.11	19.52	45.59
Trade payables	1,198.37	1,198.37	1,198.37	-
Other financial liabilities	529.50	529.50	529.50	-
	2,915.53	2,915.53	2,869.94	45.59

(1) Contractual cash flow excludes interest payable

31 March 2022	INR in million			
	Contractual Cash flows (1)			
	Carrying Amount	Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings	640.00	640.00	640.00	-
Lease liability	137.03	137.03	65.56	71.47
Trade payables	2,427.84	2,427.84	2,427.84	-
Other financial liabilities	685.99	685.99	685.99	-
	3,890.86	3,890.86	3,819.39	71.47

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 currencies in which the company is exposed to risk are USD, Euro, CAD and Other.

The Company follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	As at 31 March 2023				As at 31 March 2022			
	USD	Euro	CAD	Other	USD	Euro	CAD	Other
Trade and other receivables	647.27	103.77	15.11	274.16	1,874.56	191.66	32.87	139.03
Cash and cash equivalents	-	-	-	-	-	-	-	-
Trade and other payables	(708.65)	(26.84)	(7.25)	(15.67)	(1,581.53)	(73.89)	(25.58)	(35.17)
Net statement of financial position exposure	(61.38)	76.93	7.86	258.49	293.03	117.77	7.29	103.86

Sensitivity analysis

A reasonably possible strengthening/weakening of the USD, Euro, CAD and others against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact on forecast sales and purchases.

	INR in million			
	Profit or loss (before tax)		OCI (before tax)	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2023				
USD (1% movement)	(0.61)	0.61	-	-
Euro (1% movement)	0.77	(0.77)	-	-
CAD (1% movement)	0.08	(0.08)	-	-
Other (1% movement)	2.58	(2.58)	-	-
31 March 2022				
USD (1% movement)	2.93	(2.93)	-	-
Euro (1% movement)	1.18	(1.18)	-	-
CAD (1% movement)	0.07	(0.07)	-	-
Other (1% movement)	1.04	(1.04)	-	-

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in INR with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

The following table provides a break-up of the Company's fixed and floating rate borrowings and floating rate loan given:

	INR in Million	
	As at 31 March 2023	As at 31 March 2022
Floating rate borrowings	1,122.55	640.00
Floating rate loan given to ultimate holding company & fellow subsidiary	-	3,257.00

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 25 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2023 would decrease / increase by INR 2.81 million (previous year decrease / increase by INR 1.60 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

27. 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 pharmaceutical as the only reportable segment.

Information about Geographical segments:

The geographical information analyses the Company's revenue (other than other operating revenue) and non-current assets by the Company's country of domicile and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets were based on the geographical location of the assets.

	INR in million	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Primary geographical markets		
India	491.11	2,193.62
Americas and Europe	808.10	2,700.94
Rest of the world	1,713.88	1,687.41
Total	3,013.09	6,581.97

	INR in million	
	As at 31 March 2023	As at 31 March 2022
Non-current assets (by geographical location of assets)*		
Within India	6,233.34	16,527.17
	6,233.34	16,527.17

*Non-current assets are excluding financial instruments and deferred tax assets.

Major customers comprising more than 10% of total revenue

	INR in million	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Sawai Pharmaceutical Co. Ltd.	670.38	-
Arrow Pharmaceuticals Pty Ltd.	331.44	-
Jubilant Cadista Pharmaceuticals Inc.	201.19	2,082.79
Jubilant Pharma Holdings Inc.	151.87	1,416.26

28. Capital management

Risk management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that it can continue to provide returns for its shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents and other bank balances) divided by 'Total equity' (as shown in the Balance Sheet).

The gearing ratios were as follows:

	INR in million	
	As at	As at
	31 March 2023	31 March 2022
Net debt	1,109.17	630.71
Total equity	11,911.16	25,376.34
Net debt to equity ratio	0.09	0.02

29. Related Party Disclosures

i) Related parties of the Company

Ultimate Holding Company
Jubilant Pharmova Limited

Holding Company
Jubilant Pharma Limited

Fellow Subsidiaries (including partnership firm)

Jubilant HollisterStier LLC
Jubilant Biosys Limited
Jubilant Cadista Pharmaceuticals Inc.
Jubilant DraxImage Inc.
Jubilant Pharma Holdings Inc.
Jubilant Pharma Australia Pty Limited
Jubilant Draximage Limited
Jubilant Pharma South Africa Pty Limited
Jubilant Business Services Limited
Jubilant Pharma UK Limited
Jubilant HollisterStier General Partnership
Jubilant Pharma ME FZ - LLC

Subsidiary
Jubilant Pharma NV

Step-down Subsidiaries
Jubilant Pharmaceuticals NV
PSI Supply NV

Other Entities
Jubilant Agri and Consumer Products Limited

Vam Employees Provident Fund Trust
Jubilant Enpro Private Limited
Jubilant Bhartia Foundation
Jubilant Ingrevia Limited
Jubilant Foodworks Limited (with effect from 19 July 2021)
Jubilant Life Sciences Limited (Sanghai) (with effect from 31 March 2022)
Jubilant Sports Car Pvt. Limited (with effect from 21 October 2021)

Key Managerial Personnel

Ms. Sudha Pillai

Mr. Jasdeepsingh Gurdeepsingh Sood

Mr. Arvind Chokhany, appointed as Director with effect from 3 June 2021

Dr. Jaidev Sanjeev Rajpal, appointed as Additional Director and Managing Director and CEO of the Company with effect from 11 October 2022

Mr. Anant Pande, resigned as Director of the Company with effect from 31 March 2022

Mr. Christopher Stanely Krawtschuk – appointed as Director with effect from June 3, 2021 and resigned as Director of the Company with effect from 14 September 2022

Mr. Pramod Yadav, resigned as Director of the Company with effect from 14 September 2022

Mr. Ramamurthi Kumar, appointed as Director with effect from 1 April, 2022, and resigned as Director of the Company with effect from 30 June 2022

INR in million

Sr.No	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
1	Description of Transactions:		
	Sales of goods and services:		
	Jubilant Cadista Pharmaceuticals Inc.	201.19	2,082.79
	Jubilant Pharma Holding Inc.	151.87	1,416.26
	Jubilant Pharma ME FZ –LLC	12.84	-
	Jubilant HollisterStier LLC	55.27	0.18
	PSI Supply NV	90.82	239.43
	Jubilant DraxImage Inc.	80.72	-
	Jubilant Pharma UK Ltd	183.22	-
	Jubilant Ingrevia Limited	0.18	-
	Jubilant Pharmova Limited	183.47	-
	Jubilant HollisterStier General Partnership	21.14	-
	Jubilant Pharma SA (Pty) Ltd	85.86	47.15
		1,066.58	3,785.81
2	Rental and other expenses:		
	Jubilant Pharmova Limited	48.57	80.21
	Jubilant Ingrevia Limited	5.25	10.78
		53.82	90.99
3	Purchase of goods and services:		
	Jubilant Pharma Australia PTY LTD	2.45	-
	Jubilant Pharmova Limited	308.20	-
	Jubilant Pharma Australia Pty Limited	-	3.01
	Jubilant Biosys Limited	6.47	20.19
	Jubilant Pharma SA (Pty) Ltd	9.40	16.38
	Jubilant Business Services Limited	-	60.05
	Jubilant Pharma UK Ltd	12.83	17.66
	Jubilant Ingrevia Limited	-	2.49
		339.35	119.78
4	Interest income		
	Jubilant Pharmova Limited	-	197.38
	Jubilant Draximage Limited	0.23	0.42
		0.23	197.80
5	Sale of Merchandise Exports from India Scheme scrip:		
	Jubilant Ingrevia Limited	83.75	-
6	Sale of Intangible assets & Intangibles under devolepment		
	Jubilant Cadista Pharmaceuticals Inc.	-	522.61
7	Net assets transferred pursuant to demerger Scheme (Refer note 40)		
	Jubilant Pharmova Limited	11,572.49	-

INR in million

Sr.No	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
	Description of Transactions:		
8	Recovery of expenses:		
	Jubilant HollisterStier General Partnership	-	20.58
	Jubilant HollisterStier LLC	-	51.31
	Jubilant Pharmova Limited	439.84	-
	Jubilant Cadista Pharmaceuticals Inc.	-	29.33
	Jubilant Biosys Limited	-	11.68
	Jubilant DraxImage Inc.	-	87.05
	Jubilant Pharma Holdings Inc.	-	73.54
	Jubilant DraxImage Radiopharmacies Inc.	-	16.57
	Jubilant Pharma Limited	0.10	1.48
	Jubilant Business Services Limited	2.00	0.23
	Jubilant Agri and Consumer Products Limited	-	5.98
	Jubilant Ingrevia Limited	0.04	-
	Jubilant Pharma Holding Inc.	12.62	-
		454.60	297.75
9	Sale of property plant and equipment:		
	Jubilant Cadista Pharmaceuticals Inc.	33.15	-
	Jubilant Biosys Limited	21.31	-
	Jubilant DraxImage Inc.	22.73	-
		77.19	-
10	Purchase of property plant and equipment:		
	Jubilant Sports Cars Private Limited	-	11.40
11	Reimbursement of expenses:		
	Jubilant Pharma Holding Inc.	96.34	291.44
	Jubilant Pharma UK Ltd	2.40	-
	Jubilant Cadista Pharmaceuticals Inc.	11.04	84.37
	Jubilant DraxImage Inc.	0.27	0.03
	Jubilant Pharma SA (Pty) Ltd	4.09	-
	Jubilant Pharmova Limited	55.45	150.74
	Jubilant Pharmaceuticals NV	55.52	51.63
	PSI Supply NV	0.20	2.68
	Jubilant Pharma Limited	81.05	96.85
	Jubilant Pharma Australia Pty Limited	-	1.33
	Jubilant Business Services Limited	-	0.02
	Jubilant Pharma South Africa Pty Limited	-	1.08
	Jubilant Pharma Australia PTY LTD	0.58	-
	Jubilant Ingrevia Limited	57.51	129.87
	Jubilant Food Works Limited	0.01	0.92
	Jubilant Life Sciences (Shanghai) Ltd	-	27.11
		364.46	838.07

		INR in million	
Sr. No.	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
	Description of Transactions:		
12	Donations:		
	Jubilant Bhartia Foundation	18.63	28.50
		18.63	28.50
13	Remuneration and Related Expenses*:		
	Mr. Jasdeepsingh Gurdeepsingh Sood	22.54	20.40
	Dr. Jaidev Sanjeev Rajpal	43.11	-
		65.65	20.40
14	Sitting fees:		
	Ms. Sudha Pillai	0.19	0.36
		0.19	0.36
15	Company's Contribution to PF Trust :		
	Vam Employee Provident Fund Trust	-	48.30
		-	48.30
16	Recovery of Payments made on behalf of API:		
	Jubilant Pharmova Limited	230.19	-
		230.19	-
17	Collections made on behalf of API:		
	Jubilant Pharmova Limited	74.36	-
		74.36	-
18	Rental Income		
	Jubilant Pharmova Limited	63.60	-
		63.60	-
19	Employee Benefit Transfer:		
	Jubilant Pharmova Limited	14.27	-
	Jubilant Ingrevia Limited	0.53	-
		14.80	-

Jubilant Generics Limited
Notes to the financial statements for the year ended 31 March 2023

		INR in million	
Sr.No	Particulars	As at	
		31 March 2023	31 March 2022
20	Amount Outstandings:		
	Trade payables:		
	Jubilant Pharma Australia Pty Ltd	1.13	-
	Jubilant DraxImage Inc.	0.31	0.07
	Jubilant HollisterStier General Partnership	-	0.35
	Jubilant Pharmova Limited	141.37	59.56
	Jubilant Pharma Holding Inc.	113.91	149.23
	Jubilant Biosys Limited	-	5.98
	Jubilant Pharmaceuticals NV	24.66	39.56
	Jubilant Pharma Australia Pty Limited	-	1.10
	PSI Supply NV	-	0.88
	Jubilant Life Sciences Limited	94.86	-
	Jubilant Business services Limited	-	0.59
	Jubilant Pharma SA (Pty) Ltd	0.03	3.69
	Jubilant Pharma Limited	111.08	28.37
	Jubilant Life Sciences (Shanghai) Ltd	-	27.11
	Jubilant Ingrevia Limited	55.20	6.88
	Jubilant Pharma UK Ltd	-	4.00
	Jubilant Cadista Pharmaceuticals Inc.	-	-
		542.55	327.37
21	Other payables:		
	Jubilant Cadista Pharmaceuticals Inc.	425.25	394.66
22	Advance from customers		
	Jubilant Cadista Pharmaceuticals Inc.	165.09	560.17
		165.09	560.17

Sr.No	Particulars	INR in million	
		As at	
		31 March 2023	31 March 2022
23	Interest receivable:		
	Jubilant Pharmova Limited	-	16.77
	Jubilant Draximage Limited	-	0.14
		-	16.91
24	Receivable against inter corporate deposit		
	Jubilant Pharmova Limited	-	3,250.00
	Jubilant Draximage Limited	-	7.00
		-	3,257.00
25	Trade receivables:		
	Jubilant Pharma Holdings Inc.	81.50	303.49
	Jubilant Pharma ME FZ –LLC	12.98	-
	PSI Supply NV	100.27	221.04
	Jubilant Biosys Ltd	2.37	10.12
	Jubilant Pharma SA (Pty) Ltd	56.01	48.59
	Jubilant Pharma UK Ltd	187.82	-
	Jubilant Cadista Pharmaceuticals Inc.	136.54	-
	Jubilant Draximage Inc.	12.69	-
	Jubilant HollisterStier General Partnership	3.52	-
	Jubilant HollisterStier LLC	7.27	-
	Jubilant Pharmova Limited	112.92	-
		713.88	583.24
26	Other receivables:		
	Jubilant Cadista Pharmaceuticals Inc.	34.46	546.35
	Jubilant Biosys Limited	18.93	1.53
	Jubilant Draximage Inc.	22.54	31.35
	Jubilant Pharma Holding Inc.	0.78	-
	Jubilant Draximage Radiopharmacies	-	8.16
	Jubilant HollisterStier LLC	0.00	20.54
	Jubilant HollisterStier General Partnership	(0.01)	14.32
	Jubilant Pharma Holdings Inc.	-	25.50
	Jubilant Pharmova Limited	143.48	10.24
	Jubilant Ingrevia Limited	5.85	6.09
	Jubilant Agri and Consumer Products Limited	-	5.47
	Jubilant Pharma Limited	0.02	0.18
		226.06	669.73

* As the liabilities for the gratuity and compensated absences are provided on an actuarial basis, and calculated for the company as a whole, the said liabilities pertaining specifically to KMP are not known and hence, not included in the above table.

Breakup of remuneration to key management personnel were as follows:

	INR in million	
	As at 31 March 2023	As at 31 March 2022
Short term employment benefits	64.81	19.56
Post employment benefits	0.84	0.84
Sitting fees	0.19	0.36

30. Contingent liabilities to the extent not provided for:

Claims against the Company, disputed by the Company, not acknowledged as debt:

	INR in million	
	As at 31 March 2023	As at 31 March 2022
Service Tax	-	0.79
Central Excise	7.83	7.83
Customs	-	4.44
Goods and Service Tax	3.71	11.18
Others	126.80	153.31

Including claims in respect of IBP business acquired from Jubilant Pharmova Limited (formerly known as Jubilant Life Sciences Limited), though the litigations may be continuing in the name of Jubilant Pharmova Limited (formerly known as Jubilant Life Sciences Limited), however any liability arising in future relating to these disputes will be borne by the Company.

Excluding claims in respect of API business of the Company demerged into Jubilant Pharmova Limited (formerly known as Jubilant Life Sciences Limited), though the litigations may be continuing in the name of the Company, however any liability arising in future relating to these disputes will be borne by Jubilant Pharmova Limited (formerly known as Jubilant Life Sciences Limited) (refer note 40).

Additionally, the Company is involved in other disputes, lawsuits, claims, governmental and/ or regulatory inspections, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business.

The Company believes that none of these matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements.

In July 2021, the U.S. Food and Drug Administration ("USFDA") placed the Roorkee facility under import alert, which restricts supplies to the USA from the Roorkee facility. The USFDA earlier exempted certain products from the import alert subject to certain conditions. Also, subsequent to the USFDA inspection in July, 2022, the inspection classification has been concluded as "OAI" (Official Action Indicated) in October 2022. The Company continues to engage with the USFDA and take all necessary steps, including comprehensive assessment and engaging independent consultants, to ensure continuous quality improvements to resolve the import alert at the earliest. Manufacturing and supply of pharmaceutical products continues from Roorkee facility to all other markets including an exempted product to the USA.

The above does not include all other obligations resulting from claims, legal pronouncements having financial impact in respect of which the Company generally performs the assessment based on the external legal opinion and the amount of which cannot be reliably estimated.

31. Commitments as at period end

a) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) is INR 0.55 million (previous year INR 404.46 million).

b) Other Commitments:

Export obligation undertaken by the Company under EPCG scheme to be completed over a period of six years on account of import of Capital Goods at concessional import duty and remaining outstanding is INR 127.39 million (previous year INR 385.54 million). Similarly, export obligation under Advance License Scheme/DFIA scheme on duty free import of specific raw materials, remaining outstanding is INR 3.04 million (previous year INR 120.02 million).

32. Disclosure pursuant to section 186(4) of the Companies Act, 2013 in respect of unsecured loans to group companies [Refer note 29]:

		INR in million	
	Purpose of term loan	31 March 2023	31 March 2022
	General business purpose and interest rate		
Outstanding as at the beginning of the period	nil (Previous year 5.25% to 6.75% p.a.)	-	3,257.00
Outstanding as at the end of the period		-	3,257.00

33. Corporate Social Responsibility (CSR) Expense

		INR in million	
Particulars		31 March 2023	31 March 2022
Prescribed CSR expenditure as per Section 135 of the Companies Act, 2013		18.63	30.55
Details of CSR spent during the period			
a) Construction / acquisition of any asset		-	-
b) On purposes other than (a) above (1)		18.63	30.55

(1) Included in Donation (Refer note 21 and note 29)

34. Government grant recoverable INR 18.15 million (Previous year INR 22.78 million) and Government grant recognized INR 37.19 million (Previous year INR 53.65 million) in Statement of Profit and Loss.

35. 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 period. 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.

Particulars	INR in million	
	As at 31 March 2023	As at 31 March 2022
The principal amount remaining unpaid to any supplier as at the end of the period	33.32	33.08
The interest due on principal amount remaining unpaid to any supplier as at the end of the period	-	0.03
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 period	-	-
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 period) but without adding the interest specified under the MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of the period	-	0.03
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	-	-

36. Earnings per share

		For the year ended	
		31 March 2023	31 March 2022
(Loss)/Profit from continuing operations for basic and diluted earnings per share of INR 1 each	INR in million	(1,887.61)	104.40
Profit from discontinued operations for basic and diluted earnings per share of Rs. INR each	INR in million	-	19.90
(Loss)/Profit for basic and diluted earnings per share of INR 1 each	INR in million	(1,887.61)	124.30
Weighted average number of equity shares used in computing earnings per share			
For basic earnings per share	Nos.	2,579,665	2,579,665
For diluted earnings per share:			
No. of shares for basic earnings per share	Nos.	2,579,665	2,579,665
Add: Potential dilutive effects of stock options Nos.	Nos.	-	-
No. of shares for diluted earnings per share	Nos.	2,579,665	2,579,665
(Loss) / earnings per equity share of INR 1 each for continuing operations			
Basic	INR	(731.73)	40.47
Diluted	INR	(731.73)	40.47
(Loss) / earnings per equity share of INR 1 each for discontinued operations			
Basic	INR	-	7.71
Diluted	INR	-	7.71
(Loss) / earnings per equity share of INR 1 each for continuing and discontinued operations			
Basic	INR	(731.73)	48.18
Diluted	INR	(731.73)	48.18

37. Leases

a) As a Lessee:

Leases under Ind AS 116 for the period ended 31 March 2023

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

Description	INR in million			
	Operating Building (a)	Operating Vehicle (b)	Finance Vehicle (c)	Total (a+b+c)
Gross carrying value as at 1 April 2022	266.13	1.94	11.67	279.74
Additions/adjustments	-	-	2.92	2.92
Deductions/adjustments on account of demerger (#Refer Note 42)	(4.94)	-	(1.09)	(6.03)
Deductions/adjustments	(158.90)	-	(3.60)	(162.50)
Gross carrying value as at 31 March 2023	102.29	1.94	9.90	114.14
Accumulated amortisation as at 1 April 2022	157.12	1.93	5.57	164.62
Amortisation charge for the period	45.82	0.01	2.33	48.16
Deductions/adjustments on account of demerger (#Refer Note 42)	(0.60)	-	(0.43)	(1.03)
Deductions/adjustments	(146.32)	-	(3.60)	(149.92)
Accumulated amortisation as at 31 March 2023	56.02	1.94	3.87	61.84
Net carrying value as at 31 March 2023	46.27	0.00	6.04	52.30
Net carrying value as at 1 April 2022	109.01	0.01	6.10	115.12

Description	INR in million			
	Operating Building (a)	Operating Vehicle (b)	Finance Vehicle (c)	Total (a+b+c)
Gross carrying value as at 1 April 2021	269.55	1.94	10.27	281.76
Additions/adjustments	4.94	0.00	1.40	6.34
Deductions/adjustments	(8.36)	-	-	(8.36)
Gross carrying value as at 31 March 2022	266.13	1.94	11.67	279.74
Accumulated amortisation as at 1 April 2021	101.00	1.36	2.71	105.07
Amortisation charge for the period	56.12	0.57	2.86	59.55
Deductions/adjustments	-	-	-	-
Accumulated amortisation as at 31 March 2022	157.12	1.93	5.57	164.62
Net carrying value as at 31 March 2022	109.01	0.01	6.10	115.12

INR 5.21 million (previous year INR 14 million) amortisation capitalised during the period.

Amount recognised in Statement of Profit or Loss:

	INR in million	
	For the year ended 31 March 2023	For the year ended 31 March 2022*
Interest on lease liabilities #	8.12	14.92
Rental expense relating to short term leases	1.37	5.90
Total	9.49	20.82

INR 0.57 million interest has been capitalised during the year (previous year INR 2.39 million).

* represents amount in respect of continuing and discontinued operations

Amount recognised in statement of cash flows:

	INR in million	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Total cash outflow for leases	(69.39)	(67.23)
Total	(69.39)	(67.23)

b) As a Lessor:

The details of assets included in note 3, given on operating lease are as follows:

Particulars	As at 31 March 2023			INR in million
	Gross Block	Accumulated Depreciation	Net Block	Lease Rent Received
Land	374.60	-	374.60	
Building	1131.53	282.01	849.52	53.90
Total	1506.13	282.01	1224.12	53.90

The Company has given its land and building at Nanjangud on lease vide lease deed dated 29 July 2023 to Jubilant Pharmova Limited for the purposes of occupation and to conduct its business with effect from 1 July 2022 for a period of 3 years till 30 June 2025. The deed can be extended for a period of 3 years on mutually agreed terms by way of a fresh deed.

38. 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.

39. Ratios:

Ratio	Numerator	Denominator	31-03-2023	31-03-2022	% change	Reason for variance
Current ratio	Current assets	Current liabilities	1.07	1.86	-43%	Refer Note 1 below
Debt-Equity ratio	Total debt = Non-current borrowings (gross of transaction costs) + current borrowings	Total equity	0.09	0.03	274%	Increase in working capital loans at the end of the year
Debt service coverage ratio	Earnings for debt service = Profit before tax + depreciation and amortisation expense + finance costs + exceptional items	Debt service = Finance costs + scheduled principal repayments (excluding prepayments) during the year for non-current borrowings (including current maturities) and lease liabilities	-61.24	52.14	-217%	Reduction in profitability during the year as compared to previous year
Return on equity ratio	Profit for the year	Average total equity	-10.12%	0.49%	-2166%	Reduction in profitability during the year as compared to previous year
Inventory turnover ratio	Revenue from operations	Average inventory	0.96	2.65	-64%	Refer Note 1 below
Trade receivable turnover ratio	Revenue from operations	Average trade receivable	2.16	6.65	-68%	Refer Note 1 below
Trade payable turnover ratio	Net purchases = Gross purchases - purchase return + other expenses net of non cash expenses and donations	Average trade payables	3.28	5.75	-43%	Refer Note 1 below
Net capital turnover ratio	Revenue from operations	Average working capital = Average (current assets – current liabilities)	1.46	3.23	-55%	Increase in average working capital during the year as compared to previous year
Net profit ratio	Profit for the year	Revenue from operations	-58.99%	0.99%	-6059%	Reduction in profitability during the year as compared to previous year
Return on capital employed	Earnings before interest and taxes = Profit before tax + finance costs + exceptional items	Average capital employed = Average (total equity + borrowings (gross of transaction costs) + deferred tax liabilities - deferred tax assets)	-14.88%	0.84%	-1872%	Reduction in profitability during the year as compared to previous year
Return on investment	Net fair value gain/(loss) on investments + net gain/(loss) on sale of investments + dividend income	Average investments	NA	NA	NA	

Note 1: Significant change in ratio is on account of demerger of the API business of the Company as per demerger Scheme (refer note 40).

40. The Scheme of Arrangement (“the Scheme”) for demerger of the Active Pharmaceuticals Ingredients business undertaking of Jubilant Generics Limited (“JGL”) and vesting of the same with the Jubilant Pharmova Limited (“Ultimate Holding Company”) on a going concern basis, with an appointed date of 1 April 2022 was approved by Hon’ble National Company Law Tribunal, Allahabad Bench (“the Tribunal”) vide its order (“the Order”) dated 23 May 2022. The Company has filed the certified copy of the Order from the Tribunal with the Registrar of Companies for registration in terms the requirements under the Companies Act, 2013, to make the Scheme effective.

Scheme of Arrangement for Demerger of the API Undertaking of the Company

The Board of Directors of the Company at its meeting held on 16 July 2021 had approved the Scheme of Arrangement (“Scheme”) and subsequently filed with the Tribunal for demerger of the API Undertaking of the Company and vesting of the same with Jubilant Pharmova Limited, on a going concern basis with an appointed date of 1 April 2022. The Scheme was approved by Honourable NCLT, Allahabad Bench (“the Tribunal”) vide its order dated 23 May 2022 (formal order received on 13 June 2022). The said NCLT order was filed with the Registrar of Companies registration in terms the requirements under the Companies Act, 2013 by both the Company and Jubilant Pharmova Limited on 1 July 2022 thereby making the Scheme effective on 1 July 2022.

Accounting of the demerger of the API Undertaking as per the approved Scheme:

Upon this Scheme coming into effect on the Effective Date on 1 July 2022, and with effect from the Appointed Date, the Company accounted for the demerger of the API Undertaking in its books of accounts as under:

- (i) The Company reduced the book values of assets and liabilities of the API Undertaking as at the close of business on the day immediately preceding the appointed date of 1 April 2022 in its books of accounts; and
- (ii) the Company made an adjustment equal to the book values of the API Undertaking, first in the Capital Reserve to the extent available, and thereafter residual balance in the Securities Premium under the head "Other Equity".

The book value of assets and liabilities transferred as at the appointed date are as under:

	INR in Million
	As at
	31 March 2022
ASSETS	
Non-current assets	
Property, plant and equipment	3,743.43
Capital work-in-progress	351.97
Goodwill	1,371.36
Other intangible assets	9.96
Right of use assets	4.99
Financial assets	
i. Loans	3,253.15
ii. Others	27.83
Deferred tax assets (net)	353.34
Other non-current assets	15.79
Total non-current assets	9,131.82
Current assets	
Inventories	3,231.82
Financial assets	
i. Trade receivables	1,114.78
ii. Cash and cash equivalents	0.15
iii. Other financial assets	149.83
Other current assets	319.38
Total current assets	4,815.96
Total assets (A)	13,947.78
LIABILITIES	
Non-current liabilities	
Financial liabilities	
i. Lease Liabilities	3.62
Provisions	182.47
Other non-current liabilities	6.49
Total non-current liabilities	192.58
Current liabilities	
Financial liabilities	
i. Lease Liabilities	1.82
ii. Trade payables	1,516.75
iii. Other financial liabilities	132.15
Other current liabilities	501.41
Provisions	30.58
Total current liabilities	2,182.71
Total liabilities (B)	2,375.29
Net assets transferred pursuant to the demerger Scheme (A) - (B)	11,572.49

Utilisation of reserves for transfer of net assets pursuant to the demerger Scheme

	INR in Million
	As at
	31 March 2022
Capital Reserve	3,512.42
Securities Premium	8,060.07
	11,572.49

The Company presented the API business undertaking as discontinued operations during the year ended 31 March 2022 in accordance with Ind AS 105 as below:

(a) Results of discontinued operations	INR in million
	For the year ended 31 March 2022
Revenue from operations	6,445.23
Other income	200.32
Total income	6,645.55
Expenses	
Cost of materials consumed	3,702.61
Purchases of stock-in-trade	26.28
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(406.08)
Employee benefits expense	1,144.30
Finance costs	1.40
Depreciation, amortisation and impairment expense	306.63
Other expenses	1,845.69
Total expenses	6,620.83
Profit before tax	24.72
Tax expense/(benefits)	
- Current tax	6.19
- Deferred tax charge/(credit)	(1.37)
Total tax expense/(benefits)	4.82
Profit for the year from discontinued operations	19.90
Other comprehensive income/(loss) from discontinued operations	
Items that will not be reclassified to profit or loss	
Re-measurement of defined benefit obligations	8.58
Income tax relating to items that will not be reclassified to profit or loss	(3.01)
Other comprehensive income for the year, net of tax	5.58

(b) The net cash flows attributable to the discontinued operations are as follows:

	INR in Million
	For the year ended 31 March 2022
Net cash generated from operating activities	167.91
Net cash used in investing activities	(157.57)
Net cash used in from financing activities	(1.99)
Net increase in cash and cash equivalents	8.35

41. The Company has foreign currency receivables aggregating to INR 55.24 million (previous year INR 101.58 million) which are outstanding for more than nine months as at March 31, 2023 and foreign currency payables aggregating to INR 693.44 million (previous year INR 583.92 million) which are outstanding for more than six months as at March 31, 2023. The Company is in the process of applying to its authorised dealer bank for extension of time for receipt of above mentioned receivables. The Company has already applied to its authorised dealer bank for obtaining approval for payment of INR 247.74 million (previous year INR 228.52 million). The Company is in the process of applying to its authorised dealer bank for extension of time for payment of other payables.

42. Transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956:

Name of struck off company	Nature of Transaction	Balance outstanding		Relationship with the struck off company, if any
		As at 31 March 2023	As at 31 March 2022	
Rachana Rubbers Private Limited	Advance for supply of goods and	-	0.60	-

43. Additional Information:

- No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- The Company has not been declared as willful defaulter by any bank or financial Institution or other lender.
- The Company has not entered any transactions with the companies struck off under section 248 of the Companies Act, 2013, or section 560 of Companies Act, 1956 except as disclosed in financial statements (refer note 42).
- There are no transaction which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.
- There are no funds which have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- There are no funds which have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - Provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- The Company (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company.

44. Previous year figures have been regrouped / reclassified to confirm to current period's classification. Also refer to note 40.

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

ICAI Firm Registration Number.: 101248W/W-100022



Manish Gupta
Partner

Membership No: 095037

For and on behalf of the Board of Directors of
Jubilant Generics Limited



**Jasdeep Singh
Gurdeepsingh Sood**
Whole-time Director

DIN: 03383578



**Dr. Jaidev Sanjeev
Rajpal**
Managing Director
& CEO

DIN: - 09734618

Place: Noida
Date: 29 May 2023

Place: Noida
Date: 26 May 2023

Place: Noida
Date: 26 May 2023