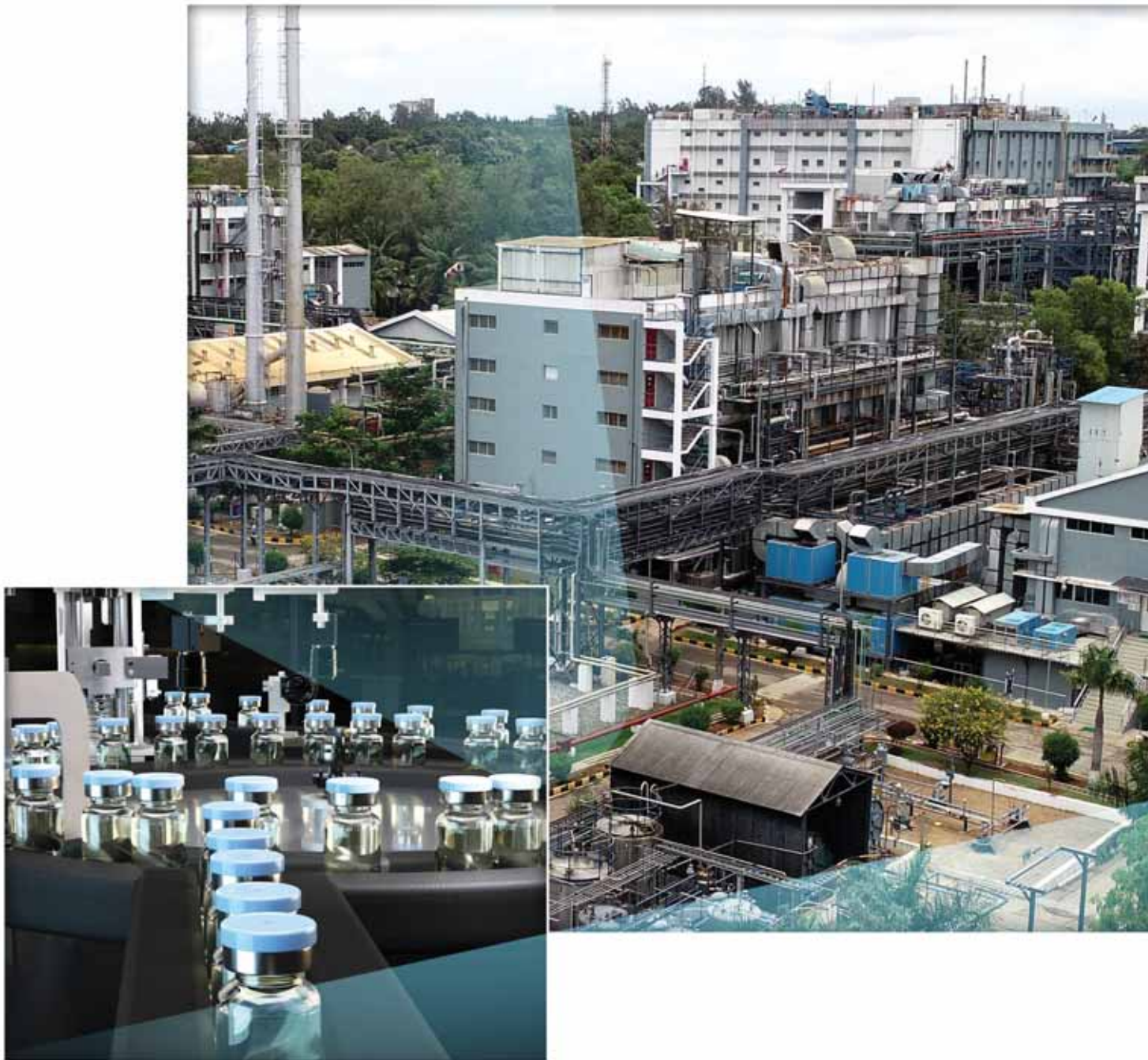


Jubilant Pharmova Limited  
Annual Report **2022-23**

Strengthening Businesses  
Building Capacity



## Strengthening Businesses | Building Capacity

To ensure sustainable growth for our various stakeholders we have undertaken several measures to further strengthen Radiopharmacies, Generics and Active Pharmaceutical Ingredients (APIs) businesses and to significantly augment capacity in CDMO Sterile Injectables and Drug Discovery Services.

We are continuously enhancing our efforts in the areas of quality improvements, new product launches, entry into new markets, cost optimisations and leveraging IT, digital and latest technologies such as AI/ML.





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# Board of Directors



**Shyam S. Bhartia**  
Chairman



**Hari S. Bhartia**  
Co-Chairman\*



**S. Sridhar**  
Independent Director



**Sudha Pillai**  
Independent Director



**Dr. Ashok Misra**  
Independent Director



**Sushil Kumar Roongta**  
Independent Director



**Shirish G. Belapure**  
Independent Director



**Vivek Mehra**  
Independent Director



**Arun Seth**  
Independent Director



**Priyavrat Bhartia**  
Managing Director\*



**Arjun Shanker Bhartia**  
Joint Managing Director\*



**Arvind Chokhany**  
Group Chief  
Financial Officer and  
Whole-time Director



**R. Kumar**  
Whole-time Director

\* change of Designations w.e.f. June 1, 2023



# Senior Leadership Team



**Shyam S. Bhartia**  
Chairman

*43 years of industry experience in pharma,  
specialty chemicals, foods, oil and gas,  
aerospace and IT*



**Hari S. Bhartia**  
Co-Chairman

*37 years of industry experience in pharma,  
specialty chemicals, foods, oil and gas,  
aerospace and IT*



**Priyavrat Bhartia**  
Managing Director  
*26 years of industry experience*



**Arjun Shanker Bhartia**  
Joint Managing Director  
*16 years of industry experience*



**Arvind Chokhany**  
Group Chief  
Financial Officer and  
Whole-time Director  
*27 years of industry experience*



**Shantanu Jha**  
Group Chief Human  
Resources Officer  
*27 years of industry experience*



**Pramod Yadav**  
CEO –  
Jubilant Radiopharma  
*36 years of industry experience*



**Dr. Syed Kazmi**  
President & CEO –  
Jubilant Therapeutics Inc.  
*30 years of industry experience*



**Giuliano Perfetti**  
CEO – CRDMO  
(Jubilant Biosys Limited)  
*23 years of industry experience*



**Chris Preti**  
CEO - CDMO  
*31 years of industry experience*



**Dr. Jaidev S. Rajpal**  
MD & CEO - Jubilant Generics Limited  
*27 years of industry experience*



**Shyam S. Bhartia**  
Chairman



**Hari S. Bhartia**  
Co-Chairman



# Chairmen's Message

## *Dear Fellow Shareholders,*

During FY 2023, we witnessed stable revenues driven by growth in Radiopharmacies, CDMO-API, Allergy Immunotherapy and Drug Discovery Services businesses. This was offset by lower revenues in CDMO Sterile and Generics businesses. While Radiopharmacies business witnessed growth from launch of new products, CDMO-API, Allergy Immunotherapy and Drug Discovery Services businesses reported higher volumes. During the year, the Generics business was impacted by pricing pressure in the US market, lower volumes due to import alert and decline in Remdesivir sales as the COVID-19 pandemic eased. The CDMO Sterile business reported lower revenues as in preceding year it witnessed higher one-off COVID-19 related business.

In Q4 FY 2023, the Company's Nanjangud API facility received the US FDA clearance with 'Voluntary Action Indicated' classification. In May 2023, for the CMO Montreal facility we received the 'Official Action Indicated' (OAI) classification from the US FDA pursuant to the regulatory agency's audit in February 2023. We have further strengthened the quality governance at the Board level in our efforts to implement best in class quality and compliance standards across our various operating facilities. We are engaging with the US FDA and are aiming towards quick resolution of the Import Alert situation at the Company's Roorkee manufacturing facility and of the OAI classification at the CMO Montreal facility.

In CY 2022, global economy witnessed slowdown in growth impacted by the Ukraine – Russia conflict, persistently high inflation levels across all major economies in the world and slowdown in the Chinese economy that was affected by numerous lockdowns imposed to control the COVID-19 pandemic.

As per IMF, the global economic output stood at 3.4% in 2022 from 6.1% in 2021. The global economy's growth is forecast to further slow to 2.8% in 2023 driven by significant slowdown in major Advanced Economies such as the US, EU, UK and Canada. The slowdown in the Advanced Economies is led by the tight monetary

and fiscal policies adopted in these countries to rein-in the stubbornly high inflation levels that reached several decade high marks. While inflation in most key markets have started trending lower, it is expected to continue at higher than desired levels for longer than previously expected.

The Indian economy grew by 7% in FY 2023 as compared with 9.1% growth in FY 2022. Full year GDP was affected by margin compression in industrial sectors owing to higher commodity prices, which was moderated by strong performance in the services sector. As per World Bank, in FY 2024, the GDP is expected to grow by 6.3%. Higher energy prices and a less than normal Southwest monsoon in 2023 pose downside risks to the Indian economy.

## **Business Objectives**

We are an integrated global pharmaceuticals company, present across the entire pharmaceutical value chain. We take pride in our positioning as one-stop-shop in the global pharmaceutical market supplying products and services to customers in over 85 countries. Our diversified businesses are segmented in six major verticals namely 'Radiopharma', 'Allergy Immunotherapy', 'CDMO Sterile Injectables', 'CRDMO', 'Generics' and 'Proprietary Novel Drugs'.

We are globally recognised as a 'Partner of Choice' by leading pharmaceutical companies and our strength lies in the unique offerings of pharmaceuticals and services, especially in niche Specialty businesses of Radiopharma and Allergy Immunotherapy.

We are engaged in continuous improvement of products and processes to enhance quality and cost competitiveness in order to build value for our customers. As a responsible corporate citizen, we are committed to safeguarding the environment and maintaining a triple bottom line approach of sustainability through delivering a high social, environmental and economic performance.





In Generics business, we have undertaken a large scale business transformation focused on Strategic re-organisation of the Generics business, cost optimisations and re-prioritising geography-mix to accelerate growth in branded markets in India and in select International markets.

The Company is engaged in manufacturing and supply of Radiopharmaceuticals with a network of 46 Radiopharmacies in the US, Allergy Immunotherapy, Active Pharmaceutical Ingredients (APIs), Solid Dosage Formulations and in the Contract Manufacturing of Sterile and Non-Sterile products through six manufacturing facilities that cater to all the regulated markets including the US, Europe and other geographies. We have created several competencies including an innovative product portfolio in Radiopharma and Allergy Immunotherapy with high entry barriers and limited competition, market leadership in key products and business segments.

The Drug Discovery Services business provides collaborative research and partnership for Drug Discovery through two world class research centers in India. The business has doubled its capacity at the Greater Noida facility, which became operational in August 2021. We are further adding capacity in this business given the robust long term growth outlook.

In the 'Proprietary Novel Drugs', our lead program – LSD1/HDAC6 inhibitor is undergoing Phase I/ II clinical trials and another program PRMT5 has received Investigational New Drug Application (IND) approval and is expected to start clinical trials in FY 2024. The Company has two other molecules which are on track to receive IND approval.

From FY 2023 onwards, we have reorganised our reporting segments as below:

- Radiopharma
- Allergy Immunotherapy
- CDMO Sterile Injectables
- Contract Research Development and Manufacturing Organisation (CRDMO)
- Generics
- Proprietary Novel Drugs

### Digital and Information Technology

At Jubilant Pharmova, we have embarked on a transformational journey to become a digitally agile company, transforming patient and stakeholder experiences. This endeavour empowers us to reimagine our operations across the entire value chain. Over the past year, we have embarked on a journey to setup a robust foundation for the transformation and preparing for an exciting digital future. As we move forward into an exciting digital future, we continue to invest across people, process and emerging technologies to build a Jubilant Pharmova 2.0 with best in class technology platforms to support the Company in creating value and driving growth for its stakeholders.

### Performance Review

Total Revenue from Operations in FY 2023 stood at ₹62,817 million vs. ₹61,302 million in FY 2022. International revenue was at ₹60,911 million, with a share of 97% to the total revenue.



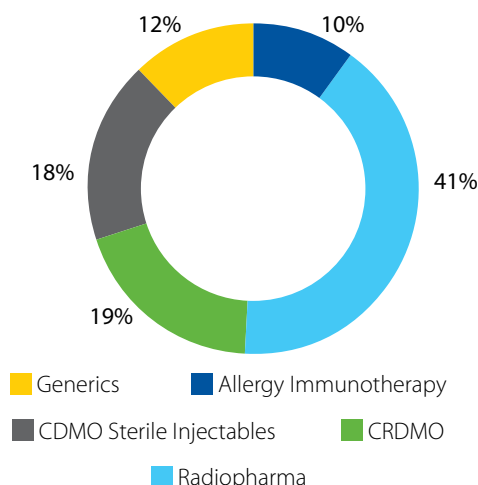


In the CDMO Sterile Injectables business, we are making investments of US\$370 million to double the capacity over next 5+ years in a phased manner.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) was at ₹8,146 million vs. ₹11,676 million, with a margin of 13.0% as compared with 19.0% in FY 2022. Depreciation and amortisation in FY 2023 was at ₹5,540 million vs. ₹3,817 million in FY 2022. In FY 2023, Depreciation and Amortisation included an impairment charge of ₹1,714 million related to intangible assets vs. ₹154 million in previous year.

Finance cost stood at ₹1,882 million vs. ₹1,455 million last year. Profit After Tax came in at ₹(649) million as against ₹4,130 million in FY 2022.

### FY 2023 – Segment Wise Revenue Split



### Dividend

The Board has proposed a dividend of 500% per equity share of 1 face value for the year.

### Outlook

The Company has several growth levers across its various businesses, which shall drive sustainable growth for the company and its stakeholders.

In Radiopharma business, we have a strong pipeline of products, with addressable market of over US\$1 billion, which we will launch during FY 2024 - FY 2027. We are focused on maintaining leadership position in stable high margin core portfolio in North America, e.g., lung functional imaging and thyroid targeted radiotherapeutics and launch of new products. In the distribution

business we are laying emphasis on accelerating sales of high growth new products, e.g., Ga-PSMA and other SPECT products and to explore expansion of presence into the PET space.

In the Allergy Immunotherapy business, we are targeting growth through further penetration in the US market and expansion of presence in the non-US markets.

In the CDMO Sterile Injectables business, we are making investments of US\$370 million to double the capacity over next 5+ years in a phased manner. These investments are funded through a mix of internal accruals, Cooperative agreement with US Government for US\$149.6 million and concessional loan from Canadian Government for ~US\$48 million. Our focus is to ensure on-time and at-cost execution of these capexes.

In Generics business, we have undertaken a large scale business transformation focused on Strategic re-organisation of the Generics business, cost optimisations and re-prioritising geography-mix to accelerate growth in branded markets in India and in select International markets.

In Drug Discovery Services business, we are expanding capacities and are focused on leveraging our state of the art facilities and differentiated technical know-how, e.g., Integrated Drug Discovery, DMPK to drive new customer acquisitions.

In the CDMO API business, we are focused on driving higher capacity utilisation including through launch of new products and by acquiring new customers globally.

In Proprietary Novel Drugs business we have several high potential programs, which are at the preclinical / clinical stage. In this business, our emphasis is on cost optimised operating model with a focus on value creation.

We continue to stay focused on our strategy of being closer to the customer and of further strengthening our leadership position in defined businesses.

### Conclusion

We would like to thank all our valued stakeholders, including our customers, vendors, lenders and shareholders for continuing their support and upholding their confidence and trust in us. We remain deeply grateful to all our employees globally for their contribution and commitment to the Company.

Warm regards

**Shyam S. Bhartia**  
Chairman

**Hari S. Bhartia**  
Co-Chairman





# Management Discussion and Analysis

## Cautionary Statement

Statements in the Annual Report, particularly those, which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute forward-looking statements within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ significantly.





## Key Economic and Industry Trends

In CY 2022, global economy witnessed slowdown in growth impacted by the Ukraine – Russia conflict, persistently high inflation levels across all major economies in the world and slowdown in the Chinese economy that was affected by numerous lockdowns imposed to control the COVID-19 pandemic.

As per IMF, the global economic output stood at 3.4% in 2022 from 6.1% in 2021. The global economy's growth is forecast to further slow to 2.8% in 2023 driven by significant slowdown in major Advanced Economies such as the US, EU, UK and Canada. The slowdown in the Advanced Economies is led by the tight monetary and fiscal policies adopted in these countries to rein-in the stubbornly high inflation levels that reached several decade high marks. While inflation in most key markets have started trending lower, it is expected to continue at higher than desired levels for longer than previously expected.

The Indian economy grew by 7% in FY 2023 as compared with 9.1% growth in FY 2022. Full year GDP was affected by margin compression in industrial sectors owing to higher commodity prices, which was moderated by strong performance in the services sector. As per World Bank, in FY 2024 the GDP is expected to grow by 6.3%. Higher energy prices and a less than normal Southwest monsoon in 2023 pose downside risks to the Indian economy.

The COVID-19 pandemic was one of the most challenging global public health crisis in about a century and through it emerged the resilience of global health systems and the ability

of pharmaceutical companies to deliver COVID-19 vaccines at a record pace, which helped in moderating the severity of the disease and ended up saving millions of lives globally.

COVID-19 vaccinations are likely to be the largest driver of medicine spending from 2022 to 2027 driven by the need for rapid inoculation of a large number of people followed by frequent booster shots. As per IQVIA, spending on COVID-19 vaccines and novel therapeutics are expected to generate more than US\$300 billion in spending between 2020-2026 and the outlook is a cumulative US\$133 billion higher than projected prior to the pandemic. The global medicine market is expected to grow at 3–6% CAGR between 2020-2026, to reach about US\$1.8 trillion in total market size in 2026, including spending on COVID-19 vaccines.

Amongst categories, oncology and immunology are forecast to witness higher growth and deliver 9–12% and 6–9% CAGR through 2026, respectively, driven by significant increases in new treatments and medicine use. Oncology is projected to add 100 new treatments over five years, contributing nearly US\$120 billion in new spending and bringing the total market to more than US\$300 billion in 2026.

The Indian pharma industry has played an exemplary role in the battle against the COVID-19 pandemic by developing and supplying COVID-19 vaccines and medicines globally over the past two years. Indian vaccine industry developed the COVID-19 vaccine with indigenous technology in collaboration with research institutions such as Indian Council of Medical Research (ICMR) and National Institute of Virology (NIV) within record times.



Despite global trade disruptions, drop in demand for COVID-19 related medicines and Ukraine Russia war, India's pharmaceutical exports grew in FY 2023 to US\$25.3 billion from US\$24.6 billion in the previous year.

Indian pharma industry has created a strong position in the global pharmaceuticals market with 60% of the world's vaccines and 20% of generic medicines coming from India. India ranks 3rd worldwide for production by volume and 14th by value.

## Radiopharma Segment

The Radiopharma segment comprises development, manufacturing and commercialisation of products through Radiopharmaceuticals business and distribution through the Radiopharmacies business. Our Radiopharmaceuticals products are used in the diagnosis and treatment of various diseases, including Pulmonary Embolism, Cancer, Coronary Artery Disease and many others. We are a leading player in nuclear medicine delivering robust quality and real value to our customers.

Jubilant Pharmova's Radiopharmacies business is the second largest radiopharmacy network in the US with 46 pharmacies distributing nuclear medicine products to the largest national Group Purchasing Organisations (GPOs), regional health systems, stand-alone imaging centres, cardiologists and hospitals. This business has over 30 years of experience in serving the US nuclear medicine community and its current geographical reach enables it to serve over four million patients yearly. The Radiopharmacies business complements the Company's niche Radiopharmaceuticals business and provides it with direct access to hospital networks.

During FY 2023, the Radiopharma business reported a revenue of ₹25,524 million in FY 2023 as compared to ₹21,228 million in FY 2022. The growth in revenues was driven by launch of new products in the radiopharmacy business and recovery in elective nuclear diagnostic procedures in the US market.

During the year, our I131-MIBG program for high-risk neuroblastoma made significant progress with record-high enrolment of patients in the OPTIMUM Phase II clinical trial.

The RUBY-Fill Cardiac PET franchise delivered a record year with the largest number of new contracts and installations since launch. In 2023, we received the US FDA approval to use RUBY Rubidium Elution System and RUBY-FILL (Rubidium Rb82 generator) in mobile settings. This will allow us to expand the use of Ruby-Fill into smaller community hospitals, in rural settings, and in areas with relatively lower volumes but need for cardiac

The Company is working on several active pipeline projects, which it plans to launch in the next few years. In its Radiopharmacies business, the Company is executing a detailed turnaround plan to grow top-line strongly with new customer wins, expand network to service newer geographies, increase product basket and enhance cost and procurement efficiencies.

PET diagnostics. Jubilant's application for Ruby-Fill Mobile and the subsequent approval demonstrates its commitment to expand the PET Cardiac imaging modality and to increase patient access to this crucial test. Strong growth outlook, a dedicated sales team and adequate manufacturing capacity will contribute to strong double-digit growth in RUBY-FILL over the next decade.

Our strategic partner SOFIE Biosciences Inc., in which the Company has a 25% of equity holding, delivered a record number of PYLARIFY® (piplufolastat F18) injection, an F18-labeled prostate-specific membrane antigen (PSMA) targeted Positron Emission Tomography (PET) imaging agent, which it manufactures and distributes as a CMO.

The Company has successfully built an integrated ecosystem including a dedicated Research & Development team, specialised manufacturing facilities, best-in-class regulatory affairs, sales and marketing operations. This business has promising growth through the Company's own vertically integrated Radiopharmacies as well through 3rd party radiopharmacies.

The Company is working on several active pipeline projects, which it plans to launch in the next few years. In its Radiopharmacies business, the Company is executing a detailed turnaround plan to grow top-line strongly with new customer wins, expand network to service newer geographies, increase product basket and enhance cost and procurement efficiencies.

The Company is well positioned in the North American nuclear medicine market, which is expected to grow across the therapeutic segments of oncology, neurology and cardiology over the next five years. The Company aspires to be the leading manufacturer of nuclear medicine products in North America. With a strong presence in North America, it is expanding its distribution channels in the Latin America, European and Asian markets.



### Allergy Immunotherapy Segment

The Allergy Immunotherapy business provides products in the US and also exports to several international markets such as Canada, Europe and Australia. We supply bulk extracts to physicians who then use the products for diagnostic testing and to administer immunotherapy treatment. Allergenic extracts in our portfolio are offered in the form of consistent, high-quality, differentiated products along with a range of specialised diagnostic devices for skin testing. We are the sole manufacturer and supplier of venom immunotherapy products in the US.

A differentiated business of manufacturing and marketing of allergenic extracts is backed by one of the oldest and most trusted brands, HollisterStier, which has been in existence for over 100 years. The Company has been focusing on expanding market coverage and this has been bearing fruit with better performance. In addition to expanding the market, we have focused on building supply and ensuring robust offering of our antigens to customers. As a result, the extract volumes (ml) administered for patients have grown in high single digits. In addition, we have increased capacities in lyophilization and are further increasing capacities in the Allergy Immunotherapy manufacturing facility to ensure consistent and reliable supply of our flying insect venom products. During FY 2023, the business reported a revenue of ₹6,028 million vs. ₹4,894 million last year.

This business continues to build on the development of innovative products to address various allergies. It is our endeavour to expand the leadership that our products enjoy on the back of a robust product pipeline. The Company is expanding its footprint beyond the US and is building networks in other regions outside of North America including European Union (EU), Middle East and Africa (MEA) and Asia-Pacific (APAC) with a focus on our venom immunotherapy products in these regions.

### CDMO Sterile Injectables Segment

We are a fully integrated leading Contract Manufacturing (CMO) player based out of North America with operations in Spokane, US and Montreal, Canada. The facilities offer manufacturing services including sterile fill and finish injectables (both liquid and lyophilization), full-service ophthalmic offer (liquids, ointments & creams) and ampoules.

We are among the leading mid-size contract manufacturers in North America for sterile fill and finish injectables. Our facilities have been approved by regulators across the world including the US Food and Drug Administration (US FDA), Health Canada, Agencia Nacional de Vigilancia Sanitaria (ANVISA) Brazil, Pharmaceuticals and Medical Devices Agency (PMDA) Japan, Medicines and Healthcare products Regulatory Agency (MHRA), and various others. Our CMO Montreal facility is under the OAI classification from the US FDA since May 2023 and we are engaging with the regulatory agency for quick resolution of this situation.

The products manufactured at both facilities are sold in over 50 countries globally. We also lay strong emphasis on the highest level of compliance and Intellectual Property Rights (IPR) with a lean operation setup and supply of quality products in a timely manner to our customers. These efforts are instrumental in helping us further grow the order book. Injectable forms an increasing proportion of new approvals by innovators for which there is shortage of capacity in the industry for high-quality manufacturing sterile facilities, which we have the capability to offer.

The CMO business has continued to play an integral role in the injectables space, with established contracts for manufacturing of both vaccines and therapeutic drugs. The business witnessed stable revenues during the year as COVID-19 related contracts tapered off in H2 FY 2022. Revenues were at ₹11,547 million in FY 2023 as against ₹13,340 million in FY 2022. We expect the CMO business to operate at normal healthy pre-COVID-19 levels for next 2-3 years before new capacity comes upstream and drive volumes.





Additionally we are investing in the area of sterile ophthalmics by setting up a 200 bottle per minute plant at the Montreal, Canada facility given the high Requests for Proposals (RFPs) we are witnessing in this field, which is led by the increasing aging population across the globe. This ophthalmic line is currently undergoing validations. Once operational in Q2 of CY 2024, it is expected to further encourage growth for the CMO business. With commissioning of this line, we would become the first contract manufacturer in North America that would offer additive free ophthalmics augmenting our full-service ophthalmic offering for ointments, liquids and creams.

We are also continuing to invest at our Spokane, US and Montreal, Canada manufacturing facilities to address future growth opportunities. In May 2021 for our Spokane US facility, we had announced a US\$92 million investment to expand sterile injectable manufacturing capacity. This investment is being made to set up a high-speed 400 vials a minute injectable fill line with isolator technology, which will enhance Spokane facility's capacity by 50%. This expansion, which will also include two 300 sqft lyophilisers, will be spread over 50,000 sqft at the Spokane facility and will be commercially operational the first half of FY 2026. We have all the approvals lined up and the construction of the building is already underway.

In May 2022, we further announced another expansion at the Spokane facility, which will involve setting up of one more new line to increase the total injectable filling production capacity at the plant by 100% from current levels at a cost of US\$192 million.

Both these expansions will be part funded through the cooperative agreement of US\$149.6 million that the Company's subsidiary Jubilant Hollisterstier LLC entered into with the Army Contracting Command, in coordination with the Joint Program Executive Office for Chemical, Biological, Radiological and Nuclear Defence (JPEO- CBRND) on behalf of Biomedical Advanced Research and Development Authority (BARDA), within the US Department of Health and Human Services. This expansion is expected to commercialise by end of FY 2028.

At the CMO Montreal facility, we have undertaken an investment of ~US\$73 million towards expansion of our liquid and lyo sterile fill operations. Of the total investment, ~US\$48 million will be funded through concessional loan from the Canadian Governments and balance from internal accruals. The expanded capacity is planned to be operational by end of FY 2028.

## Generics Segment

The Generics business includes development, manufacturing, distribution, sales and marketing of generics formulations. While initially, we focused on the US market, which is one of the largest market for generics, we are now extensively expanding in Europe & Rest of the World (RoW) markets like UK, Asia, Middle East, Latin America and Africa. We have promising plans for growth in India branded pharmaceutical space in the near future. The broad therapeutic areas covered include Cardiovascular System (CVS), Central Nervous System (CNS), Gastrointestinal (GI) and multi-speciality (MS).

The business derives benefit of strength of two sources: Captive APIs and qualifying alternate suppliers for key APIs with an objective to de-risk our API source. This helps us continually reduce cost and manage risks.

We manufacture our products in Salisbury, US and Roorkee, India. A few products are also in-licensed from external partners. Our Roorkee facility is approved by Federal Agency for Medicines and Health Products (FAMHP) Belgium, Pharmaceuticals and Medical Devices Agency (PMDA) Japan, Therapeutic Goods Administration (TGA) Australia and South African Health Products Regulatory Authority (SAHPRA). While our Salisbury facility is US FDA approved, our Roorkee facility received an Import Alert in July 2021 followed by July 2022 inspection that got concluded with Official Action Indicated classification in October 22 from the US FDA. The Company is committed for regulatory compliance and engaging with the agency and is taking help from consultants to resolve the Import Alert at the earliest and ensure cGMP compliance.

As of March 31, 2023, the business had 15 commercial products in the US, 15 in Canada, 29 in Europe, and 32 in RoW. Additionally, we filed a total of 100 ANDA filings in US, 38 in Europe, 25 in Canada and 44 filings in other RoW countries so far. Additionally, we have received 62 approvals in the US, 37 in Europe, 24 in Canada and 42 in RoW markets.

Revenue during the year stood lower due to the impact of Import Alert, withdrawal of exemption for three products, pricing pressure in the US market and lower Remdesivir sales. Computer Systems and cleaning validation in H1 FY 2023 adversely impacted commercial production at Roorkee manufacturing facility. The total revenue from this business in FY 2023 was ₹7,616 million as compared to ₹11,569 million in FY 2022.

Our aim is to enhance focus on the key non-US (EU & ROW) markets and on India market, wherein we foresee significant growth opportunities. Currently, we have obtained approvals in the key markets of Asia and Africa (including South Africa, Philippines and Malaysia) and a number of these approved products are already commercialised. In Latin America and, Middle East markets, our growth will be driven by new filings and new product launches in key markets, including UAE and Chile.

Further, we continue to expand our operations in Europe, which has been a consistent revenue contributor for our global business over the year. UK continues to be a key growth market where we have established our subsidiary and are strengthening our team and product portfolio. During the financial year 2022-23, we commenced our sales in UK Direct to market through our subsidiary and as on 31st March 2023, we have import approval from Medicines and Healthcare Products Regulatory Agency (MHRA) for 7 products and 8 more products are expected to be added in next FY 2024. We have built a strong base with more than 35 B2B customers in Europe and UK and we are continuously strengthening our product portfolio with them. Similarly, we have established our subsidiary in UAE, which would focus on expanding operations in Middle East as part of our growth plan. Our businesses in Middle East, Canada and Australia are expected to see significant growth based on new launches and new partnerships.

In our Generics business, we are witnessing pricing pressure in some of the product categories in the US market.



## Contract Research Development and Manufacturing Organisation (CRDMO) Segment

Our CRDMO segment includes Drug Discovery Services and CDMO-API businesses. Revenue for this segment stood at ₹11,847 million in FY 2023 vs. ₹10,050 million in FY 2022.

### Drug Discovery Services

This business provides Drug Discovery and Development services under Jubilant Biosys Limited. Jubilant Biosys Limited operates from Bengaluru, Noida and Greater Noida in India, offering integrated as well as functional drug discovery and development services to global innovators. Total revenue from this business in FY 2023 was ₹5,222 million compared to ₹4,574 million in FY 2022.

In our Drug Discovery Services business, we focus on offering integrated solutions to our pharmaceutical customers, which maximises speed to develop a new lead. Our service offering includes early Drug Discovery Services, mg to kilo non-GMP and GMP scale up of novel compounds, intermediates and New Chemical Entities (NCEs). This provides an integrated solution (from early phase discovery and development to commercialisation of the molecule) to pharmaceutical customers. In FY 2023, our

portfolio of projects encompassed Full Time Equivalent (FTE), Fee For Service (FFS) and Integrated Drug Discovery (IDD) contracts.

It is our objective to provide solutions and services to the pharmaceutical companies and biotech industry as well as academic institutions during their research, preclinical and early clinical phases of drug development. Our therapeutic areas of expertise include Oncology, Metabolic Disorders, Central Nervous System (CNS), Pain and Inflammation.

We are continually strengthening our relationships in this sector by expanding our service offering through investments in new technologies and capabilities which will enhance our knowledge in select therapeutic areas. During the year, the Chemistry Innovation Research Centre at Greater Noida, India, was further expanded by 7000 sqft to provide in vitro ADME services to complement our chemistry services. Moreover, to better cater our customer needs, centres of excellence in drug discovery chemistry have been established with a focus on lipids, PROTACs, photoredox electrochemistry, solid phase peptide synthesis carbohydrate chemistry synthesis, solid form chemistry and library synthesis.



Our business presents a vastly capable and effective alternative to customers seeking world-class research and development services that are designed for speed to reach critical milestones. Our chemical development facility adheres to GMP and is capable of conducting multi-kilogram manufacturing campaigns for both pre-clinical toxicology and early clinical stage requirements.

We are strategically investing in capacity expansion and remain focused on integrated programs as well as discrete Full Time Equivalent (FTE) and Fee for Service (FFS). \* specialised in clinical trials, offers Cloud/ SaaS (Software as a Service) based on Artificial Intelligence /Machine Learning proprietary platform for clinical trials.

The eClinical suite includes TrialStat® Orbit for electronic database capture, TrialStat® CTMS for Clinical Trial Management Software and TrialStat Portal for analytics and customer interface software. The business is further expanding capacity in Greater Noida for Chemistry services to drive growth in the near term.

## CDMO - API

APIs, also known as drug actives, are responsible for rendering the therapeutic action to the final formulation of a drug. As per IQVIA, global API Market was valued at about US\$210 billion in 2022 of which the small molecule API segment is ~US\$174 billion. The global API consumption grew at a CAGR of 5% in last five years and expected to grow at 6% in next 5 years. Growth drivers for the API market include rise in chronic diseases & geriatric population, favorable government policies for API production, increase in R&D expenditures and advancements in API manufacturing.

Our APIs business further adds value to the organisation by virtue of supplying cost-effective and high-quality APIs to our Solid Dosage Formulations business in the US, Europe, and Rest of the World (RoW). In FY 2023, revenue from the API business was ₹6,625 million as compared to ₹5,477 million in FY 2022. We are on track to obtain approval from the European Directorate for the Quality of Medicines & HealthCare (EDQM) for two APIs in FY 2024. As of March 2023, we filed 98 Drug Master Files (DMFs) in the US, 46 Certification of Suitability (CEPs) in Europe, 113 Active Substance Master Files (ASMFs) in the Europe, 42 DMFs in Canada, 15 DMFs in Japan, 14 DMFs in Australia and 3 CADIFA DMF Filings in Brazil. We have completed 15 filings in FY 2023 including 6 in Europe, 2 each in CADIFA, Canada & Malaysia and 1 each for ANVISA, Singapore & Philippines and balance in others. GMP of 21 APIs has been submitted to Brazil regulatory authority as part of CADIFA.

In March 2023, we received the Voluntary Action Indicated (VAI) classification from the US FDA for the Nanjangud, India API facility. With this the regulatory position stands resolved and we are hopeful of increasing volumes to the US market in coming years.

In line with our commitment towards our partners, we are leading various initiatives to reduce costs by continuously streamlining our operations, enhancing yield, refocusing on R&D, on-boarding alternative vendors, de-risking our operations and supply chain and optimising input material costs. We have relied on our patented in-house technology, supply chain robustness and

Our new product development philosophy is innovation-led affordability and quality-by-design, giving our customers access to cost-effective APIs, while maintaining consistent global quality standards.

optimised input material costs. Several cost improvement and process innovation programs are being undertaken for various commercial APIs as a part of product life cycle management. This will help us improve profitability and maintain market share despite increasing competition and pricing pressure.

According to estimates, 70% of India's APIs requirement is met through China. We are aggressively working on reducing the dependence on China for raw materials by ramping up domestic capacity and developing reliable local vendors for sustainability & quality. For the critical APIs, the Company is aiming to secure the entire value chain through backward integration and in this context, we have already started the production of two Key Starting Materials (KSMs) in India using in-house technologies. We are creating an action plan for implementation of continuous manufacturing or flow chemistry for the KSMs.

In FY 2023, we initiated new project to re-set the organisation to increase our competitiveness & profitability by portfolio rationalisation, R&D reshaping, cost reduction and operational improvements.

Many digital initiatives have been started and planned for next three years at our manufacturing facility. Digital initiatives implemented during FY 2023 includes Distributed Control System (DCS) & Data Acquisition System (DAS) at API manufacturing facility.

Another initiative that has been planned for implementation in FY 2024 is capacity enhancement to add GMP Kilo Lab plant at Nanjangud for small volumes APIs and custom development.

The Company offers a broad portfolio comprising of around 100 different APIs from various therapeutic categories such as Central Nervous System (CNS), Cardiovascular System (CVS), anti-infectives and anti-diabetics. We are global leaders in Carbamazepine, Oxcarbazepine and Pinaverium. We have a diversified & large external customer base to drive growth across multiple regions.

Our new product development philosophy is innovation-led affordability and quality-by-design, giving our customers access to cost-effective APIs, while maintaining consistent global quality standards. Aided by strong process and analytical chemistry capabilities and IP and regulatory expertise, we will continue to focus on developing new products and filings for key markets.





# Proprietary Novel Drugs Segment (Jubilant Therapeutics)

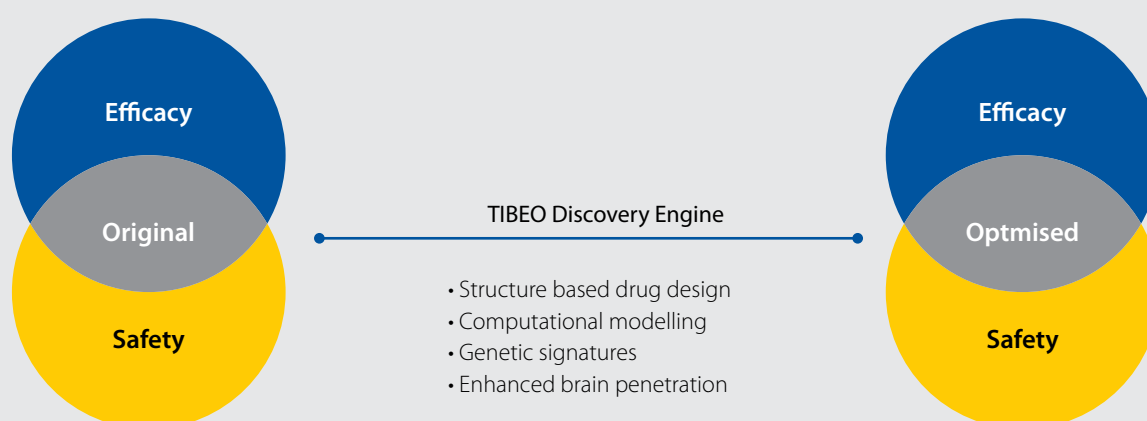
Jubilant Therapeutics is a clinical stage precision therapeutics company advancing potent and selective small molecule modulators to address unmet medical needs in oncology and autoimmune diseases. Its advanced discovery engine integrates structure-based design and computational algorithms to discover and develop novel, precision therapeutics against both first-in-class and validated but intractable targets in genetically defined patient populations. The Company's most advanced program - first in class dual inhibitor of LSD1/HDAC6 is undergoing Phase I/II clinical trials. The second program (PRMT5 inhibitor) has received IND approval and is likely to start clinical trials in FY 2024. Two additional preclinical programs, first-in-class PAD4 and small molecule brain-penetrant PDL1 inhibitor, are on IND track.

## The Company's key strengths include:

- State-of-the-art discovery engine
- Differentiated pipeline and platform
- Multiple near term catalysts including Phase II data
- Experienced leadership and globally renowned advisory board members
- Premier research collaborations including with Memorial Sloan Kettering, Boston Children's hospital, Wistar Institute, Tel Aviv University
- Publications and recognitions in world class scientific conferences such as ASCO, AACR and peer reviewed journals such as Nature Scientific Reports

## Therapeutic Index & Brain Exposure Optimisation (TIBEO™) –

Jubilant Therapeutics' advanced platform to develop highly differentiated novel drugs.



## Pipeline Overview

Program	Mechanism	Indications	Lead Optimisation	Pre-Clinical (IND)	Phase I/II	Milestones
JBI-802	coREST Inhibitor/ Epigenetic Modulating agent	ET/MPN and neuro Epigenetic endocrine tumors				Prelim human data available; Phase II in ETI MPN in 2023
JBI-778	PRMT5 Inhibitor Brain Penetrant	Advanced tumors with specific genetic mutations				IND approved; Phase I planned in 2023
JBI-2174	PD-L1 Inhibitor Brain Penetrant	Brain tumor and metastases				On IND track
JBI-1044	PAD4 Inhibitor	Oncology and auto-immune disease				On IND track
Other	Various	Various		Undisclosed research programs		
EGFR <sup>1</sup>		Oncology				
BRD4		Oncology				

<sup>1</sup>Jubilant Therapeutics out licensed its EGFR program to Lengo Therapeutics (Frazier Healthcare entity)  
Blueprint Medicines acquired Lengo Therapeutics for US\$250M in cash plus US\$215M in milestone payments



Within few years of inception, the Company has had many successes to its credit:

- Two programs received US FDA clearance of IND filing for clinical trials
- Received multiple orphan drug designations by US FDA
- Lead program transitioning to Phase II stage
- Validation of drug discovery platform with partnering of two programs that will continue to bring in milestone based revenues; one of the partnered programs was acquired by Blueprint Medicines (NASDAQ: BPMC), a formidable biotech and has proceeded to Phase I
- Invited to present at several global institutional investor conferences

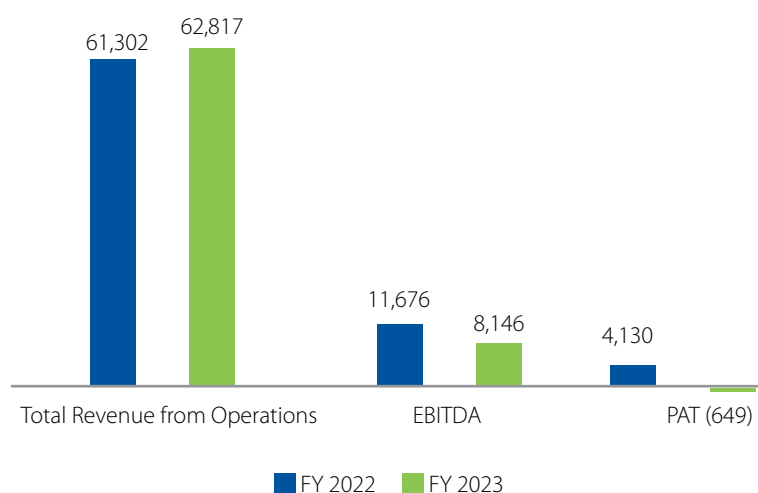
The biotech sector faced significant headwinds in FY 2023 with the S&P Biotech Index down nearly 50%, however green shoots are emerging with Fed pausing interest rate hikes. Value has moved from preclinical stage to clinical stage biotechs with superior patient data. In this context, we are expecting larger value to be created going forward as we have successfully transitioned to clinical stage. Large pharma companies globally are facing major patent cliff in the next few years and are looking to innovative biotechs such as ourselves to replenish their novel drug pipeline.

Our drugs under development have the potential to address high unmet medical needs globally with multi-billion-dollar market size and the space that we operate in is marked by handful of peer companies commanding significant intrinsic value in recent transactions.



# Financial Performance

## Key Financial Metrics



Particulars	FY 2022	FY 2023
Unit	₹Million	₹Million
Total Revenue from Operations	61,302	62,817
Adjusted Revenue <sup>1</sup>	54,119	61,615
Reported EBITDA	11,676	8,146
EBITDA Margin	19%	13%
Adjusted EBITDA <sup>1</sup>	6,233	7,180
Adjusted EBITDA Margin	11.5%	11.7%
Impairment of Intangible Assets	154	1,714
Profit Before Tax	6,304	278
Normalised Profit Before Tax <sup>2</sup>	6,458	2,556
Reported PAT	4,130	(649)
Normalised PAT <sup>2</sup>	4,256	1,199

1 Adjustments to revenue and EBITDA include non-recurring / one-off revenues related to Remdesivir sales, one-time customer settlement in Generics business and COVID-19 related revenues in CDMO Sterile Injectables business.

2 Normalised PBT/PAT is calculated after adjustment in FY 2023 for exceptional items of ₹568 million (foreclosure charges related to bond repayment and balance due to write-off of capitalised debt origination costs) and impairment of intangible assets of ₹1,714 million.

## Revenue

Total revenue from operations during the year was at ₹62,817 million as compared to ₹61,302 million in FY 2022. Adjusted revenue from operations during the year was at ₹61,615 million as compared to ₹54,119 million in FY 2022.

Revenue from Radiopharma segment was at ₹25,524 million vs. ₹21,228 million in FY 2022 and contributed 41% to overall revenue. For Allergy Immunotherapy, the revenue was at ₹6,028 million vs. ₹4,894 million in previous year, 10% of total revenue.

Revenue from CDMO Sterile Injectables segment was at ₹11,547 million vs. ₹13,340 million in FY 2022 and contributed 18% to overall revenue. CDMO Sterile's adjusted revenue was at ₹10,630 million vs. ₹8,809 million in previous year.

For Generics, the revenue was at ₹7,616 million vs. ₹11,569 million in previous year, 12% of total revenue. Generics segment's adjusted revenue was at ₹7,331 million vs. ₹8,917 million in FY 2022.

Revenue from CRDMO segment was at ₹11,847 million vs. ₹10,050 million in FY 2022 and contributed 19% to overall revenue.





## Expenditure

Expenditure for operations was at ₹55,054 million in FY 2023 as compared to ₹49,738 million in the previous year. Material cost and change in inventory stood at ₹16,257 million vs. ₹12,864 million in FY 2022. Employee benefit expense in FY 2023 was at ₹21,660 million. Other expense was at ₹14,615 million as compared to ₹14,424 million in FY 2022.

## Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)

The Reported EBITDA from operations was at ₹8,146 million in FY 2023 as compared to ₹11,676 million in the previous year. Adjusted EBITDA in FY 2023 was at ₹7,180 million as compared to ₹6,233 million in the previous year.

EBITDA from Radiopharma segment was at ₹3,784 million vs. ₹3,051 million in FY 2022. For Allergy Immunotherapy, the EBITDA was at ₹2,055 million vs. ₹1,641 million in previous year. EBITDA from CDMO Sterile Injectables segment was at ₹3,451 million vs. ₹6,131 million in FY 2022. CDMO Sterile's Adjusted EBITDA was at ₹2,579 million vs. ₹1,827 million in previous year.

For Generics, the EBITDA was at -ve ₹2,304 million vs. -ve ₹566 million in previous year. Adjusted EBITDA of Generics was at -ve ₹2,399 million as compared with -ve ₹1,705 million in FY 2022.

EBITDA from CRDMO segment was at ₹1,993 million vs. ₹2,304 million in FY 2022.

## Finance Cost and Depreciation

Depreciation and Amortisation was at ₹5,540 million in FY 2023 vs. ₹3,817 million in FY 2022. Finance cost was at ₹1,822 million as compared to ₹1,455 million in FY 2022. Average blended interest rate for FY 2023 stood at 5.43% as against 4.56% in FY 2022.

## Profit Before Tax

Profit Before Tax was at ₹278 million as compared to ₹6,305 million in FY 2022.

## Tax Expenses

Tax Expenses were at ₹927 million in FY 2023 as compared to ₹2,174 million in the previous year.

## Profit After Tax

Profit After Tax was at -ve ₹649 million vs. ₹4,130 million in the previous year. Earnings per Share (EPS) was at -ve ₹3.83 vs ₹26.00 in FY 2022.

Normalised Profit After Tax was at ₹1,199 million vs. ₹4,256 million in FY 2022.



## Segment Results

Particulars	FY 2022	FY 2023	YoY Growth	Revenue Mix FY 2023
	₹Million	₹Million	(%)	(%)
<b>Radiopharma</b>	21,228	25,524	20%	41%
Radiopharmaceuticals	8,199	8,717	6%	14%
Radiopharmacies	13,028	16,807	29%	27%
<b>Allergy Immunotherapy</b>	4,894	6,028	23%	10%
COMO Sterile Injectables	13,340	11,547	-13%	18%
<b>Generics</b>	11,569	7,616	-34%	12%
<b>Contract Research, Development and Manufacturing Organisation</b>	10,050	11,847	18%	19%
Drug Discovery Services	4,574	5,222	14%	8%
CDMO - API	5,477	6,625	21%	11%
<b>Proprietary Novel Drugs</b>	18	38	108%	
Unallocable Corporate Income	203	218	8%	
<b>Total Revenue</b>	<b>61,302</b>	<b>62,817</b>	<b>2%</b>	

Key Financial Ratios	Units	FY 2022	FY 2023
Debtor Turnover	times	6.5	6.4
Inventory Turnover	times	4.8	4.5
Interest Coverage	times	8.0	3.3
Current Ratio	times	2.2	2.1
Debt Equity Ratio	times	0.4	0.5
Operating Profit Margin	%	19%	13%
Net Profit Margin	%	7%	(1%)
Return on Net Worth	%	8%	(1%)

Net profit margin and Return on Net Worth were impacted by exceptional items of ₹568 million (foreclosure charges related to bond repayment and balance due to write-off of capitalised debt origination costs) and impairment of intangible assets of ₹1,714 million. Adjusted for these expenses, Net Profit margin and Return on Net Worth is at 2% each.



Our R&D continues to lead to new, innovative processes and knowledge driven products that increase the efficiencies of our production and allow us to capitalise on opportunities for growth in competitive markets.

## Business Enablers

### Research & Development and Intellectual Property

#### Pharmaceuticals Businesses

Our Research & Development (R&D) is an ever evolving centre for excellence and remains strong on its belief towards innovation and quality to magnify the Company's business aspirations.

The focus of our R&D is to enhance innovation, scientific efficiency and effectiveness in compliance with Jubilant's core values and support execution of business strategies. Our R&D centres are located in North America with expertise in the development of novel, robust and non-infringing processes for specialised and niche formulations and designs for radiopharmaceuticals and other products. Our R&D continues to lead to new, innovative processes and knowledge driven products that increase the efficiencies of our production and allow us to capitalise on opportunities for growth in competitive markets.

The multi-skilled R&D teams, with specialisation across the value chain of pharmaceuticals, focuses on novel drug delivery systems research, radiopharmaceuticals, allergenic extracts research, analytical research and biological support including clinical studies. R&D supports the activities of our various businesses by developing breakthrough technologies in new products,

process chemistry, analytical chemistry, process intensification and establishing technologies at commercial scale. All the R&D centres are process driven and promote a disciplined work culture. Our strong internal audit framework ensures overall regulatory compliance. The R&D team keeps itself updated with the regulations, upcoming technological trends and proactively ensures pharmacopeial compliance while adopting best industry practices.

Our Radiopharmaceuticals business has a focused R&D team with radiochemistry expertise, based in Montreal, Canada and the team works on nuclear medicine for the diagnosis, treatment and monitoring of various diseases.

It serves hospital-based customers (nuclear medicine physicians and technologists) and radiopharmacies, globally, with high quality and reliable specialty products. The business is backed by a dedicated R&D team, specialised manufacturing, strong regulatory and medical affairs and commercial operations using radiation safety protocols. The areas of specialisation include cardiac, lung, bone and thyroid diseases. This team supports existing products and leads the development of new products.

We are continually engaged in the development of new products that have yielded a pipeline of products that will be introduced



in the future. We are striving to enhance the product offerings across diagnostics and therapeutics to increase the bandwidth of products and their applications.

The Company is also working in the space of allergy diagnostics and therapeutics for treating allergies caused by companion animals (cats and dogs), mites, pollen, dust etc. Allergy R&D has expertise in biopharmaceuticals— specifically sterile liquid vaccines. The core focus is on allergen (natural) extracts for immunotherapy with a range of vaccines to immunise patients against IgE mediated allergen specific hypersensitivity. The Allergy Immunotherapy business has evolved into a global player in providing high-quality products to the global immunotherapy market for diagnosis and treatment of allergies. Its cGMP facility manufactures products to meet the high-quality standards followed in the allergy industry. Over the years, the Company has extended its customer base to include allergists, ENT doctors and clinics, primary care physicians, hospitals and pharmacies in the US, Canada, Australia and many other international markets. It currently has over 200 allergenic extracts (standardised grass

pollen extracts, non-standardised tree, grass and weed pollen extracts, Acetone Precipitated product line of extracts, standard mite extract, standardised venom, mold extracts and foods and mixes and a line of specialised skin-test devices) in the market. We have evolved our production technologies including specialised proprietary know-how over a period of time with the help of R&D. We keep our options to licence- in/licence out technologies/ know-how to accelerate businesses of interest.

Our Intellectual Property (IP) - enabled innovative R&D efforts helped us avoid IP disputes after developing outstanding designing capabilities by identifying newer opportunities, better understanding of emerging challenges, developing alternative/ innovative research strategies and creating intellectual property which is well-protected in the geographies of our business interests. Our efforts have fructified into intellectual properties, which have grown over the years creating a strong position for the generic pharmaceutical business in regulated markets.





Our scientists collaborate across technology and therapeutic platforms to identify and validate novel small molecules and platforms that will enable first or best-in-class healthcare solutions of our collaborators.

We protect our inventions by filing patent applications in India, US, Europe, Canada, Australia, China, International Patent Applications (PCT) and other countries.

In FY 2023, Generics business recalibrated its R&D strategy, to continually deliver innovative, high quality products for various markets. The new strategy leverages variety of product opportunities through in-licensing and/or external product development in collaboration with specialised Contract Research Organisation (CROs). This is expected to accelerate product introduction as well as deliver the products in to harness opportunities in timely and cost-effective manner.

Our lean and experienced R&D team engages with external CROs on development of niche generic products across the spectrum of available dosage formulation technologies including, but not limited to development of immediate release, extended release products and novel drug delivery system based products. This includes ophthalmic products, injectable products and formulations for veterinary business. Our broad development pipeline comprises dosage formulations ranging from immediate release oral formulations to more complex generics based on matrix, reservoir, Multi-Unit Particulate (MUPS) technologies and powder or granules for oral suspension. Solid Dosage Formulation R&D skill set includes development of various forms of immediate release of tablets, capsules, powder for oral suspensions, MUPS dosage forms, modified release dosage forms, inlay tablets, oral liquids, sterile dosage forms including prefilled syringes and lyophilized powders for injection, ophthalmic dosage forms, topical dosage forms and veterinary products. Our developed technologies and products are Intellectual Property (IP), regulatory and quality compliant.

### Drug Discovery Services

Drug Discovery Services business offers state-of-the-art capabilities in small molecule discovery and pre-clinical development. These include capabilities in Discovery Informatics, Molecular Modelling, Structural Biology, Medicinal Chemistry, Synthetic Chemistry, in-vitro Biology, in-vivo Biology, DMPK studies, Pharmacology, Toxicology, Scale up and GMP. Our disease biology expertise spans across multiple therapy areas including oncology, metabolic disorders, neurological disorders and inflammation.

Drug discovery is driven by the passion of our scientists, to provide affordable drugs to patients worldwide in areas of unmet needs. Our scientists collaborate across technology and therapeutic platforms to identify and validate novel small molecules and platforms that will enable first or best-in-class healthcare solutions of our collaborators. The competence of our team has been

demonstrated by the progression of molecules to candidates and beyond starting from targets in a span of less than three years. The ISO 27001-certified facility is designed to firewall collaborations for scientific, operational and data exclusivity.

We are constantly adding new technologies into our operations, and the additions in the current year include liquid handling systems including mosquito® Xtal3, mass spectrometers, and the IVIS® Spectrum in vivo imaging system. IVIS® Spectrum combines 2D and 3D optical tomography on one platform and helps in non-invasive monitoring of disease progression. This, in essence, helps minimise the use of experimental animals. The system is currently being used to conduct advanced imaging-based animal studies, including cell trafficking and gene expression patterns in living animals. The mosquito® Xtal3 combines speed, accuracy, and performance in crystallisation drop set-up and is currently being used by our structural biology group. The onboarding of mosquito® Xtal3 has greatly enhanced our success rate in obtaining protein crystals and co-crystals and helps accelerate the gene-to-structure determination of our customer programs. We have made significant progress in our AI/ ML enabled drug design and validation.

Digital initiatives were rolled out to improvise day-to-day operations, notebook keeping and customer engagement. We have launched a customer satisfaction survey and 80% of our customers are promoters of our services with peers and colleagues in the industry. In parallel, numerous investments were made to enhance Environment, Health & Safety (EHS) standards in the laboratories. Together, these strategic actions and investments will pave the way for business growth in the coming years. We have on boarded new customer programs in the disease areas of oncology and immuno-inflammation. Targeted therapeutics is a growing area, and with our specialisation in disease biology, we are currently supporting several drug discovery programs in this area. We have also successfully nominated developmental candidates in some of our research programs in the areas of liver diseases and inflammation. Our scientists have published the research being carried out by the business in reputed scientific journals. We continue to maintain a healthy pipeline of client programs that can help offset attrition and we continue our efforts to expand the business base.



## Manufacturing

The manufacturing operations continue to be streamlined with a strong focus on the key enablers.

- Compliance: Compliance with diverse international regulations to maintain high-quality standards and a global customer base
- Customer service: Heightened awareness of our customer needs and striving towards delivering a quality product on time
- Capacity and Capabilities Enhancement: Sufficient capacity to meet demand as well as respond to market opportunities while implementing technology advancements
- Cost Leadership: Continue to improve our conversion cost to remain competitive and establish a long-term presence in the market
- Continuous Improvement: Review and revise our processes using business excellence models and lean strategies
- Continuity: Business continuity through risk mitigation and sustainability measures

## Compliance

As a pharmaceutical manufacturer, our manufacturing facilities are required to comply with all applicable quality and regulatory authority requirements of the country of origin and country of export, including ensuring that the quality and manufacturing processes conform to current Good Manufacturing Practices (cGMP).

## Continuous Improvement

- We are committed to continuous business process improvements by means of automation and providing timely training to our workers, establishing clear Standard Operating Procedures (SOPs) and process guidelines, which will lead to a reduction in cycle time and improvement in productivity
- We continue to deliver safe and effective products to our clients in a timely manner. In the true spirit of continuous improvement and to be in line with the latest industry standards and trends, we will continue to make significant investments in our people, strengthen our processes, bring state-of-the-art technologies and further develop in-house expertise like computer system validation
- We have formed a dedicated team to address the import alert issue. This team includes highly specialised consultants, who have wide experience in resolving such issues. This team will not only remediate the gaps identified by US FDA but will also take a holistic approach towards further improvising our cGMP quality systems, in addition to implementing a comprehensive program to improve our processes, this team will also proactively address all the gaps identified

- We are working very closely with the Agency and are providing them with regular updates and progress on the highlighted findings during the inspection

We continue to improve and harmonise our quality systems to ensure compliance with ever-evolving regulations. At Jubilant Pharmova Limited, we always strive to stay ahead of the curve to ensure compliance with regulations while meeting patient needs. During the financial year ending on March 31, 2023, various regulatory authorities inspected our facilities. Our North America facilities were inspected by Health Canada (CMO Montreal and Radiopharmaceuticals facilities) and by US FDA (CMO Spokane, CMO Montreal and Radiopharmaceuticals facilities). The Health Canada inspection at CMO Montreal in October 2021 concluded with the GMP certificate being issued following the close of the inspection. The US FDA inspected the CMO Spokane facility in August 2021 resulting in the inspection being classified as Voluntary Action Indicated. The US FDA inspected the Radiopharmaceuticals Montreal site in June 2022 resulting in the inspection being classified as Voluntary Action Indicated. The US FDA inspected the CMO Montreal site in February 2023 and our response to inspection observations has been provided to the agency. The Company's facilities in North America are operating in a state of GMP compliance based on the inspection history at each of the sites.

During FY 2019, US FDA inspected the API Nanjangud, India manufacturing facility and consequently in March 2019, the facility was put under US FDA's Inspection Classification status of Official Action Indicated (OAI). As a result, while supplies of the approved products to the US continued, the approvals of pending applications or supplements for products to US were withheld. The Company undertook a holistic review to implement necessary Corrective and Preventive Actions (CAPA) and also engaged third party cGMP consultants to support and identify areas of improvement and has been voluntarily updating US FDA. The Company's Nanjangud facility completed all identified CAPA actions and updated to the Agency. The site was inspected again by the US FDA in December 2022 resulting in the inspection being classified as Voluntary Action Indicated removing the previous classification of OAI.

Our Roorkee, India manufacturing facility received an Import Alert in July 2021 followed by an inspection in July 2022 that got concluded with Official Action Indicated classification in October 2022 from US FDA. The Company continues to engage with the US FDA and take all necessary steps, including comprehensive assessment and engaging independent consultants, to ensure further controls to resolve the import alert at the earliest and ensure cGMP compliance. Additionally, no other regulatory agency so far suggested or recommended similar action for any other market



and/ or product. Manufacturing and supply of pharmaceutical products are continuing from Roorkee facility to all markets including and for non-restricted products to the US. The Company is engaging with the agency and is taking help from consultants to resolve the import alert at the earliest and ensure cGMP compliance.

In our Radiopharma business, we operate 46 compounding nuclear pharmacies (Radiopharmacies) including three Positron Emission Tomography (PET) drug manufacturing facilities across twenty-two states in the US. Our products are viewed as reliable and trusted in the industry, as we procure, prepare and deliver the highest quality US FDA approved products and fully support and comply with the State Boards of Pharmacy (BOP) and USP compounding standards. Our pharmacies are 'open formulary', providing customers with a full array of options that allow clinicians to achieve the greatest benefits for their patients.

The regulatory standards for compounding radiopharmacy facilities have been undergoing constant and stringent changes over the past few years. During the end of the financial year on March 31, 2023, many of our facilities underwent successful inspections by multiple regulatory agencies, including the State Boards of Pharmacy, US FDA, State Departments of Health and Radiation Safety, and Environmental Protection Agency. No major observations were noted during the regulatory inspections within the financial year. All minor observations during inspections have been corrected and confirmed as per the requisite standards. The business has a good compliance history and good standing with regulatory agencies.





## Environment, Health, Safety & Sustainability

For Jubilant Pharmova, Environment, Health & Safety (EHS) compliance is a key decision enabler for any process implementation. Our vision is to achieve and maintain the highest standards of EHS performance that ensure compliance to regulatory requirements and strengthen our commitment towards our stakeholders. Leaving minimal environmental footprint is integral to our EHS philosophy.

Over the years, EHS excellence has been extensively promoted as a part of our culture. It is also clearly reflected in our policies on sustainability, EHS, climate change and green supply chain. Performance reviews across the business regularly look at EHS key performance indicators (both lagging and leading) to reinforce leadership commitment towards employee safety, well-being and environmental sustainability. Inputs are also integral to our major business decisions, such as new product development, facility enhancements and contractor/vendor relations.

Caring for the environment is a core corporate promise and as a part of this commitment, requisite capital expenditure is being incurred on process improvements as well as upgradation of environmental management facilities using the latest technologies. While end-of-the-pipe solutions are implemented, we are also making progress on initiatives for the reduction of waste at source. Efforts to process more by-products and waste to make them reusable are paying off in terms of ecological and economic impact.

We are aware of the rapid changes in the business environment such as increased global competition; more rigorous customer and societal demands; and extensive investor requirements. To tackle these challenges and ensure sustainability, excellence in cost, quality and services, we treat Environment, Health and Safety as a topic of utmost importance to us.

The Company takes appropriate steps to ensure that our employees, the community at large and the environment, including natural resources, are protected. On the road to achieving excellence, we have adopted a top-down approach and have been enhancing the impact of initiatives by making it a line function responsibility through active employee consultation and

participation. Efforts have been regularly implemented to drive a common governance approach on EHS across the board, and to adopt management programs and systems that follow a standard framework for deployment, but with the flexibility to tailor-fit local regulatory and other location specific requirements.

The Company's operations are spread across different geographical regions and are subject to a wide range of EHS laws and regulations. In North America, we are regulated by various safety, health and environmental agencies and authorities including the United States Environmental Protection Agency (US EPA), Occupational Safety and Health Administration (OSHA), United States Nuclear Regulatory Safety Commission, Committee on Standards, Equity, Health and Safety at Work (CNESST, Quebec), Canadian Nuclear Safety Commission (CNSC), United States Boards of Pharmacy and Environment and Climate Change Canada. In India, we are regulated by various environmental agencies and authorities including the Central Pollution Control Board (CPCB) and State Pollution Control Boards.

In FY 2023, we deployed the 'Conformity' tool for compliance management across our facilities in North America. The tool helps in linking compliances to our processes and where required, changing business processes/policies. The tool provides real-time MIS capability for the reviewer/approver and management. The compliance reports are reviewed by the Board periodically.

In FY 2023, we developed and deployed an EHS management system, which provides the structure for implementing proactive risk management solutions to ensure the safety of our people, ensure compliance with internal and external requirements, drives continuous improvement and support the overall strategy to operate in a safe and sustainable environment.

All our facilities have a process for employees to report workplace EHS issues and concerns. We also encourage dialogue with employees through educational initiatives and functional and cross functional committees. Our leadership team members are required to conduct regular GEMBA's not only to identify and address improvement opportunities but also to engage in EHS-focused conversations as part of building a culture of safety and caring. At our manufacturing facility level and at





Radiopharmacies, EHS programs are put in place including training and awareness to keep our employees, community and other stakeholders educated in key EHS aspects relevant to their operations. Contractors working at our facilities are educated and trained to conduct their activities safely and in an environmentally responsible manner. The operations leadership team reviews the progress made by the facilities on their EHS management system implementation during the monthly global EHS call.

Our manufacturing facilities in India are well-equipped with Occupational Health Centres (OHCs) run by experienced professionals. A comprehensive health assessment program is ensured for all the people working in our various facilities. The OHC provides curative, advisory and health promotion services to the employees. In North America, we work closely with local health care providers to ensure timely medical support for our employees.

We have regularly made investments for the up-gradation of process safety and enhanced process controls at our facilities. We have an EHS solution, GenSuite, which is a cloud-based management system that provides integrated EHS applications into a suite of tools specific for each business. The applications are related to the management of corrective actions, incidents recording, incident investigation, data mining, auto notifications, compliance calendar among others. GenSuite allows for greater flexibility in data collection that matches our business needs and helps drive consistency in terms of tracking EHS challenges and ultimately improve our overall performance.

We worked on enhancing the capabilities of Gensuite as part of our continual improvement strategy, to help provide a better user experience and reporting of data. One such enhancement is the development of a safety observations reporting tool called iCare in Jubilant Pharma Limited covering all of our North American facilities. Safety observations tool use computer as well as mobile technology to capture safe and unsafe behaviours and conditions and are tracked in the system till closure. Another enhancement in Gensuite is to unify all incidents and accidents reporting under one common reporting system to provide a better user experience and tracking and reporting of data. We also implemented 'HumanTech' which is a cloud-based software utilising artificial intelligence technology to assess ergonomic risks in our manufacturing operations and provide solutions to systematically address them.

Our Radiopharmacies business in the US has introduced a driver safety training program called 'Driver Insights' offered in collaboration with our fleet management vendor ARI which includes an electronically delivered Driver Skill Assessment and training to specifically address skill gaps. Our fleet in the US also utilises GeoTab which is a GPS based telematics solution which provides crucial driver behaviour information and helps in ensuring the overall efficient operation of our vehicles.

Jubilant Radiopharmacies network across the US completed 54 inspections, by environmental agencies, health agencies, radiation agencies and fire departments that did not have Notices of Noncompliance (NONs). The solid dosage manufacturing facility at Salisbury, Maryland, US completed a virtual inspection by the Maryland, US Department of the Environment for RCRA programs, a periodic inspection by Maryland, US Department of

the Environment/ City of Salisbury, Maryland storm water division where all findings were abated within the allotted time-frame. An inspection by the City of Salisbury, Maryland wastewater treatment was conducted without any findings. Canadian Nuclear Safety Commission (CNSC) performed a compliance inspection of the Radiopharmaceuticals business' activities under the Nuclear Substance and Radiation Device License. No notices of non-compliance were issued as part of this inspection. There were 12 recommendations focused on improving the training program which we responded to and followed up within the allotted time.

The API facility at Nanjangud, India operates on Zero Liquid Discharge (ZLD). Actions towards water conservation measures, improvement made in segregation of effluent streams, adoption of new technology SCALEBAN for cooling tower, etc. have resulted in improvement in ZLD operations with reduced operational cost. The construction of additional infrastructures have helped achieve improvement in compliance with hazardous waste management rules. With additional tanks being constructed for spent solvent handling, substantial improvement shall be achieved during FY 2023 taking the site to a benchmark in the sector for hazardous waste management. Enhanced focus on hazardous waste destruction through co-incineration in cement kilns is progressively reducing environmental footprint.

Our Roorkee, India facility has full fledge effluent treatment & sewage treatment facilities with a capacity of 130 KL & 70 KL respectively. It is a Zero Liquid Discharge facility and the treated water is used for irrigation as per the Consolidated Consent & Authorisation (CCA). There are also plans currently explored to utilise treated water in our cooling towers.

We continue to engage external subject matter experts to assess our operations and we jointly work with the help of their expertise to enhance our risk reduction efforts. These types of engagements include process safety, machinery safety & lockout tag out, electrical safety, ergonomics, industrial hygiene, investigation and root cause analysis, etc. In FY 2023, we engaged a Scotland based consulting company called STC Insisio to deliver Incident Investigation and Root Cause Analysis training for a group of our EHS & operations managers on their flagship and trusted investigation and root cause analysis solution 'COMET' which is considered the best in class at reactive investigations and also provides users with the ability to pivot into proactive investigations. More training is planned this financial year as part of our competency building efforts. We engaged with an external expert agency for strengthening our safety management system as part of our Occupational Health and Safety strategy. The two-year project includes implementation of global OH&S Standards, competency building of the people, development of safety KPIs and driving safety governance across all the levels of the organisation till top management level.

Comprehensive safety improvement and capacity building exercises have been undertaken to improve the knowledge, competency, expertise and commitment level of the people through an external safety consultant.



## Customer Service

Our operations fundamentally focus on Supply Level Adherence (SLA) and Right First Time (RFT). By achieving excellence in these two key metrics, high levels of customer service are automatically achieved. Bringing in customer centricity in our operations by leveraging excellent tools and methodology to unlock the Overall Plant Efficiency (OPE) and On-Time in Full (OTIF) is important to achieve a competitive advantage to support the business growth.

## Capacity and Capabilities Enhancement

The Radiopharma business has undertaken several facility improvement initiatives throughout FY 2023. These include the implementation of ISO 7/8 classified cleanrooms per USP. Atlanta and Chicago were relocated where new office areas, laboratory and modular cleanrooms were installed and certified. The two new sites were inspected by their respective state boards of pharmacy at preopening with both obtaining approvals. Additional renovations were completed in FY 2023 to meet USP requirements at St. Paul, Cleveland, Pittsburgh, Harrisburg, Portland, and Loma Linda sites. Facility improvement projects were also completed in FY 2023 including the Savannah site. Two sites were closed during FY 2023, Valdosta, Georgia, US and Myrtle Beach, South Carolina, US. Additional USP compliance projects which have been initiated in FY 2023 in the US are Plainview, New York (relocation), Oakland, California (relocation), Detroit, Michigan (relocation) and Saginaw, Michigan (remodel) to be completed in FY 2023.

Over the last couple of years, we have optimised the process with an added Isolator technology at our Montreal, Canada manufacturing facility resulting in a 100% capacity increase as well as reduced radiation exposure to our employees. We have also automated our RUBY-FILL® manufacturing processes by installing automated loading stations resulting in a 15% capacity expansion, efficiency gains and improved compliance.

At both of our CMO facilities - Spokane US and Montreal, Canada, equipment reliability programs have been initiated and several initiatives are in progress to strengthen and improve the processes around equipment reliability as well as maintenance and engineering capabilities, spare parts management and overall plant capacity.

At our CMO operations in Montreal, Canada, we upgraded our filling line and are in the process of procuring additional ophthalmic manufacturing and filling capacities. The new ophthalmic line will have the capability to manufacture preservative free ophthalmic solutions and is expected to be operational by the Q2 CY 2024. We continue to contribute during the pandemic by manufacturing both drugs and vaccines at both our injectable facilities.

We have also been engaging and collaborated with various 3rd party CMOs in India, US and Europe and plan to continue to do so to de-risk and enhance our serviceability. We have plans to automate several other manual processes to enhance efficiencies and compliance while ensuring the health and safety of our employees.

Our Roorkee, India and Salisbury, US manufacturing sites are equipped with state-of-the-art facilities and machinery having sufficient capacity to cater to the growing demand. Our Salisbury, has undergone an upgrade in terms of overhauling the HVAC system for the GMP space.

As part of the transformation, various measures for increase in efficiencies coupled with reduction in the conversion cost is underway to make the products not only competitive but also affordable.

Several capacity de-bottlenecking projects have been implemented and facilities and processes have been upgraded to enhance GMP at our formulations and APIs manufacturing facility at Roorkee and Nanjangud, India respectively.

At Nanjangud, India various capacity enhancement and cost improvement projects aimed at products such as Carbamazepine, Tramadol, Losartan, Irbesartan, Esomeprazole Trihydrate, and Escitalopram Oxalate have been implemented to minimise the Cost of Goods Manufactured (COGM) and improve capacity utilisation as well as capability building.

## Cost Leadership

Our focus has been on conversion cost optimisation without compromising our quality and customer service standards and several initiatives have been undertaken to reduce the conversion cost. Our manufacturing facilities in Salisbury, Maryland and Spokane US have led structured improvement projects designed to deliver significant conversion cost savings, while at the same time improving safety rate, deviation rate, productivity, batch rejections and service level. We have undertaken numerous energy-saving projects to reduce our utility costs. Several automation projects and increased batch sizes in our operations are leading to efficient headcount utilisation.

Our bottoms-up Business Excellence initiative named 'Eureka' in North America and 'Sankalp' and 'Seccess' in India has allowed employees to come up with novel ideas and suggestions to bring efficiencies, reduce or eliminate cost or waste in our processes. Our focus on training and process improvements led to a reduction in discards and improved Right First Time (RFT).



At Nanjangud, India, as a part of the continuous improvement journey toward cost leadership/cost optimisation, our business excellence team along with a CFT (Cross Functional Team) of Production, Technical Services and R&D, focuses on the identification of waste across the value chain and eliminating it using a structured approach to improve product quality, RFT, service levels, productivity, planning and yields. They have successfully executed process automation and digitalisation projects.

### Continuous Improvements

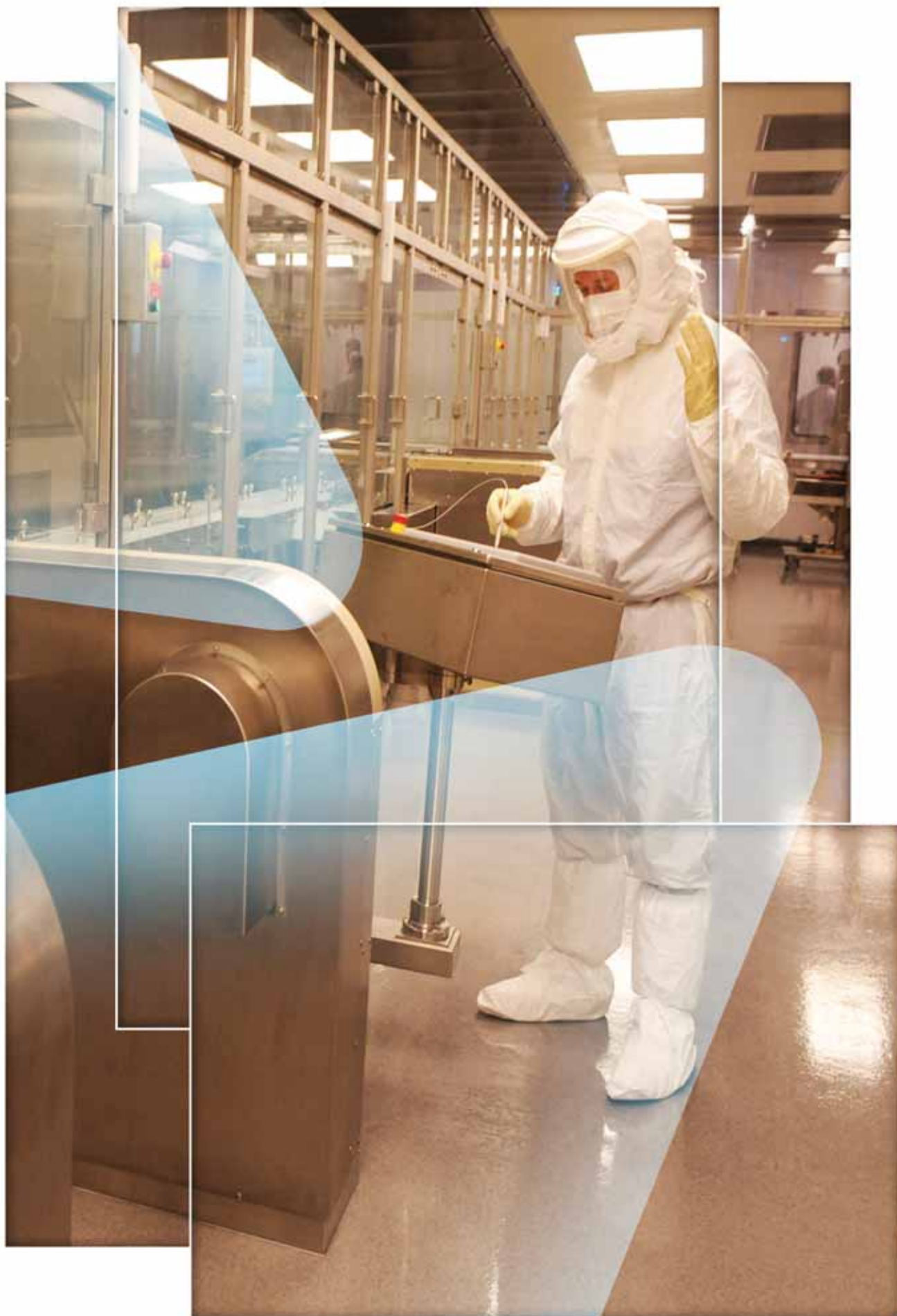
At Jubilant Pharmova Limited, the Business Excellence function is proactively creating the framework for new improvement strategies which drives competitive advantage backed by a strong execution mechanism and capability. These improvement strategies pertain to all the three critical pillars of the organisation, which are - customer, process and people.

The continual effort of the Business Excellence function is to understand processes and systems, model them using statistics and define crucial measurements which result in superior coordination and integration of processes, learning, reconfiguration and transfiguration. This leads to a competitive advantage, which can be effectively used to leverage Company's competitive strategy. During this journey of continual improvement, we have adopted improvement methodologies in line with the organisation's priorities like Lean Six Sigma, Total Productive Maintenance (TPM) and Business Intelligence (BI) tools like Power BI, Qlik Sense, etc. This year, the Business Excellence function continued to extend efforts towards Lean Lab fundamentals for optimising the efficiencies in Quality Labs. The use of the Internet of Things (IOT) for online Overall Equipment Efficiency (OEE) has helped in understanding our losses in detail and improvement of projects are executed around key losses. In addition, the team facilitated the deployment of Smartsheet for efficient project management across all businesses. This year the use of advance analytical model backed by AI/ML helped in resolving critical quality issue of one of our runner product. Plans are in place to use this for design space optimisation of many more products. As a part of our digitisation journey, Manufacturing Execution System (MES) deployment is under progress and after implementing online Overall Equipment Efficiency (OEE), EBR (Electronic Batch Record) deployment is in progress for next year. The business excellence infrastructure helps in creating a self-driven/Mission Directed Team (MDT), which drives their operational area towards excellence in alignment to business objective through right accountability and training. For our Salisbury, Maryland plant, this year we used IPT (Integrated Process Teams) concept for engaging team members from all functions which in turn helped in improving our delivery performance and thus the customer satisfaction.

Our technical services teams continue to transfer new products to the manufacturing facilities and are developing more efficient processes to optimise the manufacturing capabilities, cost and manpower. At our CMO facilities in the US and Canada, several of the technology transfers were completed in the record time to provide lifesaving drugs in response to the global COVID-19 pandemic. The knowledge and lessons learned from these rapid transfers are being applied to other transfers to further improve the efficiency of technology transfer processes, without compromising on process robustness, which is one of the critical factors for ensuring reliable supply chain, product quality and patient safety. Recent supply chain challenges of filters, tubings and raw materials have been mitigated by scientifically justifying alternate supplies.

With the vision and support of senior management, a culture of Right First Time (RFT) is engrained in the people involved and processes used to transfer technology from our own R&D centres, clients and from existing manufacturing facilities. To further support the RFT vision, an internal corporate policy on technology transfer got published in second half of FY 2023, with clearly defined roles and responsibilities of all functions responsible for the product transfers. As part of its commitment towards continuous improvement, knowledge transfers and enhanced product and process understanding, the Company strengthened the technology transfer groups at its manufacturing facilities and corporate offices as part of its commitment to new product introduction, product launches and continuous process improvement.

The technical services/technology transfer groups interface with key functions like R&D, Regulatory, Quality, Business, Supply Chain and Operations to ensure realisation of business objectives. Most importantly, the technical services functions ensure that fundamental knowledge gained during the development is transferred to the manufacturing scale using a robust Quality by Design (QbD) approach.







## Continuity

Business continuity is essential for sustenance and the Company has already established a sound strategy. We also executed several risk mitigation projects to qualify alternate sites for key products, qualification of alternate sources for key active ingredients, excipients and components. This provides greater confidence in our overall supply chain with our customers. We see our sustainability programs as key enablers for ensuring business continuity. At Nanjangud, India a comprehensive asset health assessment exercise is carried out to replace the ageing assets in a phased manner to avoid business interruptions and for enhanced compliance levels. To bring about a cultural transformation across the organisation with a safety and quality mind-set, programs on the Company's Values, safety management system and quality culture transformation, continue to be carried out.

## Supply Chain

Globally supply chains have remained a bottleneck in the last 1-2 years. However the Supply Chain at Jubilant Pharmova Limited continued its focus on ensuring the availability of all inputs in time to continue manufacturing and ensure timely delivery of our products to customers across the globe. This was achieved despite of global supply constraint and increased volatility in prices of most of the inputs.

The Russia – Ukraine war has significantly impacted the metal prices as well as logistics cost across the globe. The metal prices including mild steel, stainless steel, aluminium and copper also increased significantly impacting prices of capital equipment.

Global logistics continued to remain a challenge over last couple of years. However, Supply Chain at Jubilant had entered in annual contracts with leading global shipping lines which helped us in getting space on vessel and ensured availability of boxes.

The focus on 'Responsible Care and Sustainability' initiatives in our supply chain management is paramount. The Supply Chain has also identified specific projects for Green procurement which were implemented in FY 2023. We always encourage micro, small and medium enterprise (MSME) vendors to be part of our supply chain in the area of raw and packing material as well as other material sourcing. We prefer vendors who are closer to our plants and our selection process gives preference to those who are using clean sources of energy, recycling their products and reducing the carbon footprint. We continue to remain platinum member of 'Nicer Globe', a responsible care initiative of ICC for safe and sustainable transportation of chemical products. We are having robust Supplier Code of conduct which is updated from time to time & expect all suppliers to abide by it. We ensure that we are following all regulations and compliances related to supplies. We

would like to sincerely thank all our external partners who put extraordinary efforts in maintaining a smooth supply chain during pandemic times.

## Way Forward

The financial year 2024 is going to be a challenging year in terms of prices of most of the raw material, packing material and fuels. Global supply chain costs still in higher bracket. The year continues to witness higher inflationary conditions and risk of certain economies going into recession. This is going to impact the cost of operations as well as the cost of financing. Despite of above challenges, we are committed to ensure continuity of all our plants by supplying ingredients and fuel in timely manner. To address this, we are closely working with all our suppliers with whom we have strategic relationship. We are continuing to focus on localisation and external manufacturing of all imported products within India. This will not only de-risk us but also help us reduce price of product. Going forward, we shall continue to achieve higher levels of efficiency and productivity across categories with a primary focus on input and logistics cost and digitalisation while ensuring delivery of value to our end customer.

## Business Excellence

We are striving towards customer-centricity in our process by leveraging excellence in our processes and methodologies. Our goal is to achieve efficiencies and make our businesses more sustainable. Identification of waste across the value chain and eliminating it by improving product quality, service levels, productivity, planning and yields are integral to our approach.

To bring about a cultural change across the organisation with a 'safety and quality first' mindset, programs such as Values workshop, Integrated Process Teams, and Lean Workflow Management are undertaken consistently. Further, cross functional team collaboration has been actively encouraged for solving business problems using Lean Six Sigma approach.

There is a high level of commitment towards leveraging new technologies and automation to deliver breakthrough results and achieve competitive advantage. Dynamic project management through Smartsheet, use of Power BI dashboards and initiation of MES deployment is setting the path for efficient and agile operations. In continuation of our digitalisation journey the use of Artificial Intelligence and Machine Learning backed logistic planning and schedule optimiser tools helped us to leverage faster, efficient and reliable deliveries to our customers. Design space of key products optimised using Python-based advanced modelling techniques and improved product robustness.



## Digital & IT Transformation

In the technology landscape across sectors and industries, we are witnessing a significant shift with digital technologies gaining widespread acceptance, promising to revolutionise outputs and outcomes in the coming years. In the Pharmaceuticals and Healthcare sector, we are witnessing this wave of digital transformation driving the adoption of Industry 4.0 principles and emerging technologies. Companies are embracing technologies like Artificial Intelligence/Machine Learning, Optimisation technologies, Internet of Things (IoT), Robotics and Mixed Reality, which are enhancing agility, simplifying processes, improving efficiency, minimising manual efforts and errors, improving quality and compliance and ensuring preparedness for future disruptions.

Moreover, these technologies enable swift and effective problem resolution. At Jubilant Pharmova, we have embarked on a transformational journey to become a digitally agile company, transforming patient and stakeholder experiences. This endeavour empowers us to reimagine our operations across the entire value chain.

Over the past year, the Company embarked on a journey to setup a robust foundation for the transformation and preparing for an exciting digital future. For setting up a strong digital foundation, the Company:

- Onboarded a Tier-1 world-class partner to modernise and manage all our global critical digital infrastructure. This has significantly improved service delivery, enhanced system availability and reduced unplanned downtime. We leveraged modern Artificial Intelligence based Ticketing tools that has helped shorten response and resolution time across our services.
- Transitioned to a best-in-class Next-gen Security Operations Center (NG-SOC) to significantly improve our overall Cybersecurity posture. This is particularly important given today's ever evolving cyber threat landscape.
- Transformed network infrastructure and moved to SD-WAN technology that will enhance our Application portfolio to be ready for the future and enable leveraging new age architectural paradigms such as Cloud, IoT, Digital Twins, etc.
- Is fostering a culture of innovation, experimentation and agility to enable us to adapt quickly to changing market conditions and customer needs. We launched an internal communications campaign called DigiScoop building digital awareness, encouraging collaboration and accelerating knowledge-sharing across businesses and functions to promote a culture of continuous improvement.

At Jubilant Pharmova, we have embarked on a transformational journey to become a digitally agile company, transforming patient and stakeholder experiences.

As we move forward into an exciting digital future, we continue to invest across people, process and emerging technologies to build a Jubilant Pharmova 2.0. Over the next year, the Company has plans to:

- Accelerate Data and Analytics Driven Decision Making: we continue to invest in data and analytics a program named 'Project Insight'. 'Insight' would surface insights from the vast amount of enterprise and external data and help monetise that through accelerated data-driven decisions. By analysing large amounts of data, we would identify patterns and trends that were not otherwise immediately apparent, helping us to optimise our processes, reduce costs, and improve productivity.
- Transform Manufacturing & Supply Chains with Industry 4.0: we are actively exploring ground-breaking Industry 4.0 technologies to revolutionise our manufacturing processes and supply chains. Your company is diligently evaluating key 4.0 advancements that have the potential to be deployed across our manufacturing plants and supply chain networks. These cutting-edge technologies hold the promise of enhancing yield and throughput, optimising energy efficiencies, and propelling improvements in Overall Equipment Effectiveness (OEE). By embracing these transformative technologies, we aim to unlock new levels of operational excellence throughout our manufacturing operations. This entails leveraging advanced automation, data analytics, artificial intelligence, and other innovative solutions to optimise production efficiency, reduce waste, and streamline our supply chain operations.
- Reimagine Customer Journeys and Experiences: across our businesses we are embarking on a transformative journey to reimagine customer journeys and experiences. This initiative involves a comprehensive overhaul of various aspects, including ordering, billing, and customer support, through the integration of modern and mobile technologies. By leveraging the power of digital advancements, we aim to revolutionise the way customers interact with us throughout their entire journey. Through this endeavour, we strive to establish new benchmarks in customer satisfaction and engagement, setting ourselves apart as an industry leader in delivering exceptional service.
- Quality Renaissance: Empowering Compliance through Digital Transformation: In an industry as critical as pharmaceuticals, ensuring quality and compliance is paramount. The pursuit of



excellence in these areas not only upholds the safety and well-being of patients but also safeguards the reputation and trust of the entire pharmaceutical ecosystem. As we embark on a new era of digital transformation, we recognise the immense potential for digital technologies to drive a quality renaissance within our businesses and the industry. By leveraging innovative digital solutions, we are revolutionising our approach to quality management and compliance, laying a foundation for a brighter, safer, and more efficient future.

- Setup a Digital Center of Excellence (CoE): in response to the ever evolving digital landscape, we are taking bold steps to establish a cutting-edge Digital Centre of Excellence. This dynamic initiative brings together a core team of data scientists, data engineers and cross-functional teams from various business units, all united in driving forward specific digital initiatives. By harnessing the collective power of these teams, we are poised to lead the way in digital transformation across our organisation. Furthermore, we have launched comprehensive talent development programs to empower our employees with the essential digital skills and capabilities required to thrive in this

rapidly changing environment. We recognise the importance of equipping our workforce with the latest tools and knowledge to navigate the digital realm effectively. Through these initiatives, we are investing in our people, ensuring they are well-prepared to embrace the challenges and opportunities presented by the digital age.

In summary, the past year has been critical for us in building a strong digital foundation and over the next years our digital transformation journey will be a game-changer for our long-term growth. It has required substantial efforts, but we recognise its indispensable role in our ongoing success. Moving forward, we remain committed to further investing in state-of-the-art digital technologies, refining our business processes, and cultivating an innovation-driven culture. These actions are vital for us to stay ahead in our industries, constantly evolving and remaining relevant in an ever-changing landscape. We are confident that these strategic initiatives will continue to drive value for our organisation, paving the way for a prosperous and triumphant year ahead.



## Human Resources

We see ourselves as a responsible and committed organisation which is guided by Our Promise of Caring, Sharing, Growing. In line with this promise we work with our 'Employee First' approach as the underlying principle for all initiatives.

Central to any business success is for the employees to feel they are supported to give their best efforts to build a sustainable workplace.

With the objective of building an even more sustainable workplace, it is imperative that we as an organisation listen to 'Voice of the Employee' and work on the valuable feedback. In this context, we introduced Employee Engagement Survey 'JUBI VOICE'- a safe space for all employees to express themselves and for leadership to listen and action on.

We have a robust Learning Platform that caters to varied needs of employees across levels. To prepare senior leaders for Strategic challenges and build their leadership capabilities in an Age of Disruption, we introduced Global Leadership Program which is a nine months long leadership development journey with a combination of learning events. The major events of the journey include virtual classroom sessions with INSEAD, 360-degree feedback survey, Action Learning Projects. As we gear up for Digital 2.0, we launched 'DigiScoop' an initiative to build employee awareness through success stories where we get industry experts to talk and share best industry practices.

Diversity & Inclusion is an important agenda for Jubilant, we have redesigned all our key people processes from hiring to building an inclusive culture with defined matrices. The effort has resulted in improving diversity statistics.

As part of our digital transformation agenda, we continue to bring more efficiencies in our processes and amplify our employee experience. In last one year, we have launched digital compensation process, mobile enabled Reward & Recognition program, delivered the most prestigious Global Chairmen's Award on Metaverse platform and launched pre on-boarding platform that provides a sneak peek into of the Company's multi businesses and culture which helps the new joinee engage better with us before they are on-boarded. Further to improve new employee experience, we designed & launched a well-structured on-boarding & orientation program for all new joinees- 'Spotlight', it focuses on seamless joining & induction, meet & greet with team and stakeholders.

Analytics is critical to us, we continue to enhance our systems and processes to measure our processes' health across the globe so that we can take faster and better decisions. Further, our global analytics helps in maintaining data integrity, ensuring better process governance and control, enhancing processes and delivering higher productivity.

We continue to strengthen our performance management process to drive a culture of performance.





## Corporate Social Responsibility (CSR)

The Corporate Social Responsibility (CSR) is an essential pillar of Jubilant in its endeavours towards sustainable & responsible growth. CSR activities at Jubilant are weaved in accordance with the provisions of Section 135 read with Schedule VII to the Act. Besides, the CSR initiatives at the Company are in line with the United Nations Sustainable Development Goals (SDGs).

Jubilant Bhatia Foundation (JBF) formed in the year 2007, a not-for-profit arm of the Jubilant Bhartia Group, works towards conceptualisation and implementation of CSR activities of all group companies of Jubilant. Through CSR, the company is working in the realm of Health, Education & Livelihood. The CSR projects focuses towards empowering and adding value in the lives of the communities around the area of operations of Jubilant with a 4P (Public-Private-People-Partnership) during the implementation.

JBF's detailed activities are available on its website [www.jubilantbhartiafoundation.com](http://www.jubilantbhartiafoundation.com).

With a vision to bring progressive social change through strategic multi-stakeholder partnership and bring about a 'social change' involving 'knowledge generation & sharing, experiential learning and entrepreneurial ecosystem', during the Financial Year 2023, Jubilant continued working towards enhancing the quality of life of the community around the manufacturing locations, considered as an apex stakeholder.

The brief information is as below:

**Providing affordable basic & preventive health care** through Jubilant Aarogya (providing affordable healthcare through mobile and static clinic enabled with JUBICARE- a tele-clinic platform along with need based health awareness camps.)

Audio messages and counselling for expecting mothers through Swasthya Prahari project.

The Company sends pre-recorded voice messages to the expecting/pregnant mothers, which includes information on their well-being and nutritional requirements.

Village health profiling project - Identifying health-related issues and prioritising the cycle of public health process for improvement.

Combating malnutrition – Providing 'Poshan Kits' to malnourished kids as identified by the Government.

End Tuberculosis (TB) – An initiative to raise awareness on TB in association with the Union.

**Supporting rural government primary education** through Khushiyon Ki Pathshala (KKP)-Value based education, with focus on promotion of science & technology along with bridging the digital divide with projects like Mobile Science Lab, Digital Education and 'Muskaan Kitaab Ghar'.

Khushiyon Ki Pathshala- A children centric program with teachers acting as facilitators. The project entails training of teachers on making the school more inclusive and to create value based society with children friendly while at the same time giving equal attention to moulding their personality.

Mobile Science Lab- Inspiring students from rural backgrounds towards science by teaching them hands-on science experiments through Mobile Science Labs.

Muskaan Kitaab Ghar- Increasing accessibility of every child to books, so as to improve readability, improved learning parameters and absenteeism from schools through employee engagement.

**Working towards providing sustainable livelihood** to the community through Nayee Disha (Skill Development), Samridhhi (SHG and Micro Enterprise Promotion), Jubifarm (Sustainable Agriculture program), Soochnapreneurs- linking community to welfare schemes of Government and Wementorship program.

Nayee Disha- Skill development program are carried out in the vocational centre.

Samridhhi- aims to empower women by promotion of entrepreneurial venture and to promote a sustainable income generation source by promoting a locally nurtured business thereby developing reliable supply source.

JubiFarm initiative - Aims at promoting agri-business in remote areas as a source of livelihood. Under the umbrella of JubiFarm, promoting rural women entrepreneurship through formation of SHGs (Paryavaran Sakhis) on a self – sustainable model. The project includes plantation of neem saplings in the wasteland by SHG women.

Soochnapreneur/Jansuvidha Kendra- Linking community members with government welfare schemes related to their social and financial securities.

Wementorship Program- Creating an ecosystem that is more hospitable to the needs of young women in industry thus raising their participation in the manufacturing sector. These women are selected from ITIs and are being provided requisite workplace skills and a practical knowledge through industry exposure visit and mentorship.



# Internal Control Systems and Risk Management

Risk-taking is an inherent trait of any enterprise. It is essential for the growth or creation of value in a company. At the same time, it is important that the risks are properly managed and controlled, so that a Company can achieve its objectives effectively and efficiently.

## Internal Financial Control Framework

Section 134(5)(e) of the Companies Act, 2013 requires a company to lay down Internal Financial Controls (IFC) system and to ensure that it is adequate and operating effectively. Internal Financial Controls means the policy and procedures adopted for ensuring the orderly and efficient conduct of business. The above requirement has the following elements:

- Orderly and efficient conduct of the business
- Safeguarding of assets
- Adherence to Company's policies
- Prevention and detection of frauds and errors
- Accuracy and completeness of the accounting records and timely preparation of reliable financial information

At Jubilant Pharmova Limited, an Internal Financial Controls (IFC) system has been established and incorporates all the above elements. In addition, our Company has a transparent framework for periodic evaluation of the Internal Financial Controls in the form of perpetual internal audit exercises and quarterly online controls self-assessment through Controls Manager software, thereby reinforcing the commitment to adopt best corporate governance practices.

Policy and procedure adopted by the Company to adhere to IFC elements are given below:

## Orderly and Efficient Conduct of Business

The Company has an established organisational structure, which defines the roles and responsibility relationship. The Company has a formal financial planning and budgeting system encompassing short-term as well as long-term planning. In order to ensure that decisions are made and action are taken at an appropriate level, the Board of Directors of the Company have formulated the Delegation of Authority, which has been designed to ensure that there is a judicious balance of authority and responsibility. Adherence to the Delegation of Authority is a part of the internal

audit plan. The Company also has a risk management framework which has been discussed under the heading 'Our Vision on Risk Management'.

We have implemented a web-based automated compliance management and reporting system. The objective of the system is to ensure that compliances are regularly monitored and controlled with a view to support the Company's business objectives and corporate policy requirements. The system includes a comprehensive checklist for ensuring compliance with the laws and regulations applicable to all plants and offices of the Company. To ensure timely and effective compliances, the compliance status is monitored on a real-time basis by the respective functions. The status is presented by the legal team and reviewed on a quarterly basis by the senior management and the Board of Directors. Pursuant to the 'Listing Regulations', the Company Secretary and Compliance Officer present a compliance report to the Board of Directors on a quarterly basis.

## Safeguarding of Assets, Adherence to the Company's Policies

The Company has taken an Industrial All Risk (IAR) policy for its plants as well as a fire policy for the Corporate Office to safeguard its assets. It also carries out physical verification of its assets.

The Company has two-tier policies and procedures: Entity Level Controls and Process Level Controls. The entity-level controls include a comprehensive Code of Conduct. The Company also has a Whistle Blower policy and any employee of the Company can directly write to the Ombudsperson. We also have process level controls which cover a wide range of key operating, financial and compliance related areas like Accounting, Order to Cash, Procurement to Payment, Inventory and Production, Treasury, Legal, Forex, Fixed Assets, Direct and Indirect Tax, Research and Development (R&D) and Information Technology General Controls (ITGC).

Self-assessment certification of controls is being done by the control owners through a verifiable and transparent process and such certification is reinforced by activity and location owners, as they give in-principle approval to the self-assessment by the control owners. Result of Controls Manager certification is prepared and presented to the audit committee every quarter by the Chief Financial Officer (CFO) for exception review.

Controls certification is also being validated by the in-house team through a review of the assertions certified by the Control Owners on sample basis regularly across business units, plants, branches and corporate office. The policies are periodically reviewed and refreshed in line with the changes in business and regulatory requirements.



The audit committee, on a quarterly and annual basis, reviews the adequacy and effectiveness of the internal controls being exercised by various business and support functions.

### Prevention and Detection of Frauds and Errors

Due to the presence of a strong Code of Conduct and Whistle Blower policy, it is generally expected that serious frauds will not take place. In order to prevent and detect frauds and errors, Deloitte Touche Tohmatsu India LLP ('Deloitte') internal auditors carries internal audit activity. Action points and suggestions made by them are discussed in sub-audit committee meeting before presenting the same to the audit committee. Subsequently, follow-up audits are also carried out by in-house internal audit team/internal auditors to ensure implementation of the suggestions. In addition, special audits are carried out by in-house internal audit team/internal auditors in areas that may be vulnerable to fraud.

### Accuracy and Completeness of the Accounting Records and Timely Preparation of Reliable Financial Information

Financial consolidation is carried out through an Enterprise Resource Planning system called Hyperion, thereby minimising the chances of manual errors. The financial information is verified by the statutory auditors on a periodic basis as per the requirements of the Companies Act, 2013, Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), Institute of Chartered Accountants of India (ICAI) guidelines, etc. The Company provides structured training to the accounts and finance team on a wide range of topics covering Ind AS (Indian Accounting Standards), IFRS (International Financial Reporting Standards), Companies Act, 2013, Direct & Indirect taxes, etc. through in-house and outside experts.

### Implementation of Internal Financial Controls

To compete globally, world-class Corporate Governance and financial control over operations are necessary for the Company. The Internal Financial Controls as mandated by the Companies Act not only requires a certification from Chief Executive Officer (CEO) and Chief Financial Officer (CFO) but also put an obligation on the Board of Directors to ensure that the Internal Financial Controls

are adequate and operating effectively. Besides this, the statutory auditors are also required to give an opinion on the adequacy and effectiveness of Internal Controls over Financial Reporting (ICFR).

To make the Internal Financial Controls framework robust, we have worked on three lines of defence strategy, which is as under:

- First Line of Defence: Build internal controls into operating processes - to this end, we have ensured that a detailed Delegation of Authority is issued, Standard Operating Procedures (SOPs) for the processes are created, financial decision making is done through Committees, IT controls are built into the processes, segregation of duties is done, strong budgetary control framework exists, the entity level controls including Code of Conduct, Ombudsperson office etc. are established.
- Second Line of Defence: Create an efficient review mechanism - we created a review mechanism under which all the business units and functions are reviewed for performance at least once a month by the respective Chief Executive Officers (CEOs) and once in a quarter, by the corporate team. The formats for these reviews are detailed and finalised with the help of global consulting firms.
- Third Line of Defence: Independent assurance - we have appointed a Big Four firm as our internal auditor to perform a systematic independent audit of every aspect of the business to provide independent assurance on the effectiveness of the internal controls and highlight the gaps for continuous improvement.

A program has been developed under which more than 1,500 financial controls have been established and certified on a quarterly basis by the relevant process owners before the financial results are closed for the quarter. A quarterly certification process is maintained through a workflow based IT tool called 'Controls Manager' and this certification is the basis of the 'CEO-CFO certification' of internal controls as per Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').



**The Company regularly updates the control library and Risk & Control Matrices.**

**The Company has six business segments namely:**

- Radiopharma
- Allergy Immunotherapy
- CDMO Sterile Injectables
- Generics
- Contract Research Development & Manufacturing Organisation (CRDMO), and
- Proprietary Novel Drugs Segment

To improve the controls in operations, we have established, for each line of business, the concept of financial decision-making through operational committees. The entire purchase, credit control and capital expenditure decisions are taken jointly in committees. The key roles of these business committees are as under:

- Supply Chain Committee, which ensures high-quality purchases at economical cost and maintains reliability of supplies from reputed suppliers with long-term relationships. This committee includes CEO, CFO, Head of Supply Chain and the relevant BU (Business Unit)/ Functional Head.
- Capex Committee, which ensures cost reduction with proper negotiation and monitors time and cost overrun. This committee

includes CEO, CFO, Head of Project, Head of Supply Chain and the relevant BU Head/ Functional Head.

- Credit Committee, which evaluates the credit risk and approves the maximum credit, which can be provided to a customer. This committee approves the credit limits at the beginning of the year and is empowered to make changes as and when required. This committee includes CFO and the BU Head.
- Business Performance Committee, which reviews the business performance on a monthly basis. This committee includes CEO, CFO, Functional Heads and the relevant BU Head

In addition, to maintain periodic review and control, we have a structured weekly meetings between the corporate team and the business leadership team. Through this meeting, the corporate team keeps itself abreast of the latest business developments and guides the business team to undertake mid-course corrections, if required. This meeting also provides a forum for obtaining the relevant approvals required from the corporate team as per Delegation of Authority. Participants at this meeting are Chairman/ CCMD from the corporate side and CEOs and CFOs from the business side.

Further, a detailed quarterly review of the business performance with the Chairman/CCMD and the corporate committee is organised to identify any gaps in performance and to consider mid-course corrections.





We have formed a strong risk management framework that enables regular and active monitoring of business activities for identification, assessment and mitigation of potential internal or external risks.

## Risk Management Vision

To establish and maintain enterprise-wide risk management capabilities for active monitoring and mitigation of organisational risks on a continuous and sustainable basis.

### Risk Management Strategy

We have formed a strong risk management framework that enables regular and active monitoring of business activities for identification, assessment and mitigation of potential internal or external risks. We have established processes and guidelines, along with a strong overview and monitoring system at the Board and senior management levels. Our senior management team sets the overall tone for risk minimisation culture through defined and communicated corporate values, clearly assigned risk mitigation responsibilities, and appropriately delegated authority. We have laid down procedures to inform Board members about the risk assessment and risk minimisation procedures. As an organisation, we promote strong ethical values and high levels of integrity in all our activities, which by itself significantly mitigates risk.

### Risk Management Structure

Our risk management structure comprises the Board of Directors, Risk Management Committee and Audit Committee at the apex level, supported by CEOs, CFOs, Functional Heads, Business Heads and Head of Management Assurance function. As risk owners, the heads are entrusted with the responsibility of identification and monitoring of risks. These are then discussed and deliberated

at various review forums chaired by the CEOs and actions are drawn upon. Progress against the risk management plan is periodically monitored. The Risk Management Committee, Audit Committee, CEOs, CFOs and Head of Management Assurance act as a governing body to monitor the effectiveness of the Risk Management and Internal Financial Controls framework.

### Risk Mitigation Methodology

We have in place a comprehensive internal audit plan and a robust Enterprise Risk Management (ERM) exercise which helps to identify risks at an early stage and take appropriate steps to mitigate the same.

Each business head updates the risk register and identifies top risks for the business. The Risk Head then consolidates top risks and report them periodically to the Risk Management Committee along with a mitigation plan.

We have a quarterly certification process wherein, the concerned control/process owners certify the correctness of entity level and process level controls. The certification process has been in operation for over ten years and covers over 1,500 controls. The process level controls cover a wide variety of key operating, financial and compliance-related areas while entity level controls cover integrity and ethical values, adequacy of audit and control mechanism and effectiveness of internal and external communication, thereby, strengthening the internal financial control systems and processes with clear documentation on key control points. This has made our internal controls and processes stronger and serves as the basis for compliance with the provisions of the 'Listing Regulations'.



## Management's Assessment of Risk

The Company identifies and evaluates several risk factors and draws out appropriate mitigation plans associated with the same. Some of the key risks affecting its businesses are laid out below:

### 1. Manufacturing Operations Risk

As a pharmaceutical manufacturer, our manufacturing facilities are required to comply with extensive US FDA and several foreign regulatory authority requirements, including ensuring that quality and manufacturing processes conform to current Good Manufacturing Practices (cGMP).

During the financial year ending on March 31, 2023, various regulatory authorities inspected our facilities. Company's North America facilities were inspected by Health Canada (Radiopharmaceuticals, Montreal facility) and by US FDA (CMO, Montreal facility). The Health Canada inspection at

Radiopharmaceuticals, Montreal facility in February, 2023 has resulted in a Compliant GMP rating for the site. The US FDA inspected the CMO, Montreal facility in February 2023 and the site submitted an action plan to the US FDA in March 2023 for corrections to the observations. The Jubilant Pharma Limited facilities in North America are operating in a state of GMP compliance based on the inspection history at each of the facilities.

US FDA audit was conducted at Nanjangud, India site in December 2022, wherein the regulatory agency assigned the inspection classification of the API facility as Voluntary Action Indicated, Based on this inspection and the US FDA VAI classification, this facility is in compliance with regard to current good manufacturing practices (cGMP).

Our solid dosage formulation facility at Roorkee, India which manufactures and distributes finished solid dosage



pharmaceutical products, received import alert notification from the US FDA in July 2021 after the site was inspected by the agency in March 2021. In early August 2022, the US FDA conducted an audit of the Roorkee facility and issued six observations. The Company has submitted the action plan to US FDA. The Company continues to engage with the US FDA and take all necessary steps, including comprehensive assessment and engaging independent consultants, to ensure further controls to resolve the import alert at the earliest and ensure cGMP compliance for the Roorkee manufacturing facility.

#### Risk Mitigation Plan

- We are committed to business process improvement by means of automation and providing timely training to workers, establishing clear Standard Operating Procedures (SOPs) and process guidelines, which will lead to a reduction in cycle time and improvement in productivity.

- We continue to improve and harmonise our quality systems to ensure compliance with ever evolving regulations
- We have formed a dedicated team to address the import alert issue. This team includes highly specialised consultants, who have wide experience in resolving such issues. This team is supporting in remediation of the gaps identified during the US FDA inspection.
- We are working very closely with the Agency and are providing them with regular updates and progress on the highlighted findings during the inspection
- We continue to deliver safe and effective products to our clients in a timely manner. In the true spirit of continuous improvement and to be in line with the latest industry standards and trends, we will continue to make significant investments in our people, strengthen our processes, bring state-of the-art technologies and further develop our in-house expertise

## 2. Information Technology (IT) Risk

Today, Information Technology has become the backbone of any business. Robust IT strategy that includes adequate IT infrastructure, integrity, data confidentiality and data availability at all times is key to achieving our business objectives. Occurrence of any unforeseen threats to information technology systems could have an adverse impact on data availability and continuity of business operations. Our systems may be the target of malware and other cyber-attacks.

#### Risk Mitigation Plan

- Our Information security framework is certified for ISO/IEC 27001 Standards, which ensures that all the information assets are adequately safeguarded
- Disaster Recovery (DR) site has been setup on cloud and has been tested periodically
- There is an information security steering committee at the apex level, which gives directions and resources to manage information security of the Company
- All the IT security events affecting critical IT infrastructure are being logged and monitored round the clock by our Next Gen Security Operations Centre (NGSOC)
- Most of the IT assets are hosted in the ISO certified data centres, which are subject to appropriate physical and logical access controls
- Requisite redundancies have been built within the IT infrastructure to ensure availability of information at all times
- We also publish an information security newsletter to create end-user awareness about cyber security risks and mitigation strategies
- During the reporting period, the Company strengthened its cybersecurity controls and focused on enabling swift action on risks emerging across the businesses
- Jubilant has deployed specialised controls to protect from Ransomware attacks



### 3. Decline in Financial & Operational performance

The Company has long-term liabilities, which require the Company to comply with certain financial covenants. In the event of any significant decline in Company's operational and financial performance, there may be a situation where the Company is not able to comply with those financial covenants.

#### Risk Mitigation Plan

Multiple steps is being taken to improve the revenue, margin and earnings of the businesses by:

- Entry into new geographies for the existing products
- Improving operating efficiencies and through cost optimisations

The Company is taking several steps to improve its financial performance including resolving the regulatory status at Roorkee facility and reducing losses in Radiopharmacy business, which shall ensure substantial improvement in operational & financial performance.

### 4. Dependence on Certain Key Products and Customer Risk

The Company depends on certain key products and key long-term contracts with customers for a significant portion of its total revenue and any events that adversely affect the markets for key products or key contracts may adversely affect its financial condition, results of operations and profitability.

#### Risk Mitigation Plan

- Our R&D team has taken a pro-active approach to introduce new products, by deploying various technological platforms and capabilities. New products continue to get developed by experienced and talented R&D teams which work in alignment with the marketing strategy by developing new cost effective products/processes.
- We continue to sharpen Customer Relationship Management (CRM) and secure long term contract with our customers. Our business team focusses on identifying new profitable markets or increasing the share of business in existing markets.

### 5. Dependence on Single Manufacturing Facility Risk

Some of our products are produced by a single manufacturing facility. For instance, Allergy products within Specialty Pharmaceuticals are solely produced by our manufacturing facility Jubilant HollisterStier LLC in Spokane, US and our Radiopharmaceutical products are solely produced by our manufacturing facility Jubilant DraxImage Inc. in Montreal, Canada. Similarly, the manufacturing facility in Nanjangud, India is the sole manufacturing facility for APIs.

#### Risk Mitigation Plan

- Though our businesses are fairly diversified and we are not dependent upon one facility, however, we are exploring options for diversifying manufacturing presence for some of our businesses such as APIs.
- Furthermore, the Company is working on developing alternative manufacturing site for its radiopharmaceuticals products through technology transfer.

### 6. Supply Chain Disruption Due to Few Suppliers Risk

In our Radiopharma, Generics and API businesses for some of our key raw materials, we have only a single or a few external sources of supply and alternative sources of supply may not be readily available.

#### Risk Mitigation Plan

- We have an effective strategy to mitigate these risks by developing alternative suppliers on a continuous basis that minimises any order cancellations and decrease in revenues. The Company is able to de-risk and significantly reduce the percentage of single source value during the last financial year
- We identified common suppliers and initiatives were taken to consolidate spending between various businesses to leverage procurement from common suppliers
- We have established long-term supply arrangements with suppliers to ensure uninterrupted material availability

### 7. Human Resources - Acquire and Retain Talent Risk

Given the nature and complexity of the regulatory regime of the pharmaceutical industry, it is imperative that we recruit and retain high quality personnel. Lack of credible, talented successors or effective knowledge transition mechanism may adversely affect operations.

#### Risk Mitigation Plan

- As a part of our strategic talent and succession management process, the leadership invests valuable time in identifying high potential candidates and planning their development for succession to critical positions
- We conduct the leadership development program and the 360-degree feedback mechanism for these employees based on the leadership competency framework
- Management employees at critical positions enrol in customised general management programs at premier institutes to prepare for larger roles and build cross-functional capability in the organisation





- As a new initiative, Global Leadership Program at INSEAD has been launched for Senior Management team members
- We have launched a Learning Management System (LMS), which comprises an extensive collection of training and learning resources and can be accessed by all employees through the online portal
- Cultural change initiative started with focus on employee retention program and transparent communication with employees
- We conduct regular communication forums in the form of town halls, skip-level meetings and new joiner assimilation programs to understand employee concerns and a structured mitigation process is developed for effective redressal
- We ensure that there is full adherence to the Code of Conduct and fair business practices are followed

## 8. Compliance and Regulatory Risk

Our business operates within a highly regulated environment and regulatory affairs play a vital role in the development of all

businesses. Due to constantly increasing regulatory obligations, new requirements as well as globalisation of market, the demands and responsibilities of business in terms of regulatory readiness are becoming stringent. We deal with various international regulatory agencies like US FDA, EU agencies, Australian agency, Canadian agency, World Health Organisation (WHO), Central Drugs Standard Control Organisation (CDSCO), India and various other international regulatory agencies in different parts of the world pertaining to drug substances and drug products.

### Risk Mitigation Plan

- We have put in place a compliance management system to ensure compliance with all applicable laws and regulations
- We have a dedicated team of experts whose knowledge ensures that the global regulatory compliances are met and we can build competitive advantage
- We also undertake training and orientation programs to keep the relevant process owners updated on new regulations and changes in the existing laws



## 9. Competition, Cost Competitiveness and Pricing Risk

Being a global manufacturer the Company is exposed to pricing risk both as a buyer and seller. Concentration of raw material procurement to a few suppliers may lead to unfavourable and unethical price setting by suppliers, thereby eroding financial margins and affecting competitiveness. The competition we face in some of our businesses is described in detail below:

### Radiopharma and Allergy Immunotherapy

Many of our competitors have substantially greater experience in the development and marketing of branded, innovative and consumer oriented products. Other risks are the introduction of generic versions when our proprietary products lose their patent protection or any new entrants into a Generics market in which we are already a participant. In addition, distributors of our products could attempt to shift end-users to competing diagnostic modalities and products. Our current or future radiopharmaceutical products could be rendered obsolete or uneconomical because of these activities.

### Risk Mitigation Plan

- We aim to differentiate through improvement in our service quality, provision of added services such as product development, targeted formulation, laboratory analytical services as well as superior technical expertise.

### CDMO Sterile Injectables

Contract Manufacturing is an operations oriented business requiring cost and quality leadership and robust business development. There is a risk that a new entrant or an existing competitor accepts to operate at a lower margins or resort to penetration pricing in order to gain market share and develop key relationship with customers. Our competitors may succeed in developing technologies, processes and products that are more cost effective than we may develop or manufacture.

### Risk Mitigation Plan

- To mitigate this risk, Company has initiated various programs for improving efficiency and cost reduction by coordinated efforts of various functions. Several initiatives are currently under implementation towards cost improvement for existing projects.



## Generics

Pricing pressure could arise from competitive products being introduced into a particular product market, price reductions by competitors, the ability of competitors to capitalise on their economies of scale to create excess product supply, the ability of competitors to produce or otherwise secure APIs at lower costs than what we are required to pay to our suppliers.

### Risk Mitigation Plan

- Increasing penetration in other geographical regions and strengthening our supply position with our existing strategic customers through competitive offering to achieve a higher share of customers' business
- Building long-term relationships with key customers by offering improved quality and service experience
- Building economies of scale in manufacturing, distribution channels and procurement to maintain cost advantage and sustained entry barrier
- Introducing cost improvement initiatives and manufacturing efficiency improvement plans at plants by undertaking projects under Business Excellence programs
- Significant steps has been taken to improve raw material and utilities consumption and increase manufacturing efficiency
- Developing external manufacturing facilities to make the products expeditiously and at lower cost

## Contract Research, Development & Manufacturing Organisation (CDMO)

### Drug Discovery Services

In the Drug Discovery Services area, the Clinical Research Organisation (CRO) market has experienced significant growth over the last five years, reaching a peak in 2022, largely due to the COVID-19 pandemic, which led to increased investment in new therapies. However, demand for CRO services, has recently slowed down and this trend is expected to continue for a few quarters due to factors such as inflation, geo-political instability, and a reduction in ROI of the last 18 months' IPOs. This may result in higher contract terminations and renewals. Inability to fully cover the available capacity may occur. Also, the pharmaceutical industry is facing significant challenges such as escalating cost of R&D, patent expirations, pricing pressure, increased regulatory and safety hurdles as well as lower productivity. A further risk in this business is the intrinsic discovery and development risk when programs fail to meet efficacy, which leads to suspension of the efforts, and short-term decline in revenue until other compensatory programs are developed.

### Risk Mitigation Plan

- To mitigate this risk, we are strengthening the sales team, penetrating the large pharma or large deal market, increasing scientific and technological differentiation by creating five centres of excellence, investing in high end technology and creating additional capacity.
- Additionally, we are constantly reviewing our internal processes and organisational structure to ensure higher efficiency, increased scientific output and cost effectiveness.

### CDMO-API

There is an intense competition in the market for APIs. We need to identify and partner with a generic drug manufacturer that will use our APIs in their formulation or wait for our solid dosage formulations to receive the requisite approvals. The regulatory approval process for new suppliers of APIs to generic manufacturers imposes significant timing constraints in bringing products to market.

### Risk Mitigation Plan

- For some of our generic formulations, we have captive manufacturing of APIs to ensure timely material availability and effective cost control to focus on improving profit margins
- External manufacturing for sourcing of Key Starting Material (KSM) is being initiated. This will not only de-risk China dependency but will also help in cost reduction of the finished products.

### Proprietary Novel Drugs

In Proprietary Novel Drugs segment, we face significant competition in an environment of rapid technological and scientific change, and our failure to effectively compete may prevent us from achieving significant market penetration.

### Risk Mitigation Plan

- Significant number of products are currently under development and may become commercially available in the future, for the treatment of diseases and other conditions
- Our precision medicine target and biomarker discovery platform and our scientific and technical know-how give us a competitive advantage in this space, though competition from many sources remains



## 10. Capacity Planning and Optimisation Risk

Our production capacity may not be aligned with market demand. Insufficient capacity threatens our ability to meet demand and be competitive and excess capacity threatens the organisation's ability to generate competitive profit margins.

### Risk Mitigation Plan

- The Company continues to invest in the optimisation of our manufacturing capacity utilisation. Such optimisation is driven by continuous de-bottlenecking our manufacturing plants and by value engineering through the application of Six Sigma, Lean Sigma and other value-added tools for productivity enhancement
- To cater the increasing demand, capacity expansion is being done at our Spokane and Montreal facility to double sterile fill and finish capacity from current levels
- The business teams regularly track the trends for each product to ensure that there is sufficient capacity to meet demand
- We periodically undertake other initiatives to improve efficiency in terms of throughput, cost reduction and to build additional capacities without committing significant capital outlay thereby generating better return on investment
- We have developed a dedicated external manufacturing team, which can help to outsource some capacities and capabilities in order to ensure quicker response to unforeseen market demand

## 11. Research and Development (R&D) Effectiveness Risk

As a pharmaceutical manufacturer, our business growth is dependent on successful execution of R&D strategy. Our R&D is focused to develop commercially viable and sustainable new products, effectively improve and enhance our existing products, along with process improvements that can improve time, quality and cost efficiency.

### Risk Mitigation Plan

- In FY 2023, the Generics business recalibrated its R&D strategy, to continually deliver innovative, high quality products for various markets. The new strategy leverages variety of product opportunities through in-licensing and/or external product development in collaboration with specialised CROs. This is expected to accelerate product introduction as well as deliver the products in to harness opportunities in timely and cost-effective manner
- We have an effective strategy to mitigate potential risks and ensure R&D effectiveness with earmarked budgets and investments in R&D commensurate with the business plans. We routinely evaluate and prioritise our R&D programs based on market dynamics and commercial viability
- We are continuously engaged in the development of new products for pipeline of products that can be introduced in future

- The focus is on development of processes within the deadlines at optimum cost with effective and efficient scalability

## 12. Uncertainty due to COVID-19

The impact and uncertainty due to COVID-19 pandemic have relatively eased off during the year. However, in the event of any new wave of infection, we might have an impact on our employees and business.

### Risk Mitigation Plan

- At Jubilant, as we continue in our endeavours to fight COVID-19, our priority remains the well-being of our employees and business continuity for our clients.
- We continue with several measures to help our employees and their families, including establishing vaccination centers and providing them access to medical care facilities. We facilitated vaccination drives for employees and dependents, including booster doses by conducting vaccination camps for the benefit of employees
- We continue to maintain strict COVID-19 protocols over the last three years, at our all locations including our research and manufacturing facilities.
- Amid these transitions and pandemic-related uncertainties, the well-being of our employees has become a critical focal point. We continue to have several well-being initiatives for our employees, including sessions with experts on mental-health, self-care along with sessions on creating a healthy work-life balance

## 13. Protecting Intellectual Property Rights (IPR) Risk

There has been substantial patent related litigation in the pharmaceutical and medical device industries concerning the manufacture, use and sales of various products. We take all reasonable steps to ensure that our products do not infringe valid third-party IPRs. Any material litigation or other communication alleging such infringements could delay the sale of or prevent us from selling our products.

### Risk Mitigation Plan

- We protect our products with patents in major markets. Depending on the jurisdiction, patent protection may be available for individual active ingredients; specific compounds, formulations and combinations containing active ingredients; manufacturing processes; intermediates useful in the manufacture of products; and new uses for existing products
- The Company has filed intellectual property applications in various countries for innovations. The Company has trademarks primarily in India, US, Canada, Europe, Nigeria, South Africa, Mexico, Columbia, China and Australia





- Besides patents, the Company relies on trade secrets, knowhow and other proprietary information and hence, our employees, vendors and suppliers sign confidentiality agreements
- We have a dedicated team of scientists whose primary task is to ensure that the products are manufactured using only non-infringing processes and compliance requirements are met by reviewing and monitoring IPR issues continuously

#### 14. Failure to Supply to Customers Risk

In the Pharmaceuticals segment, if we are unable to supply our products to customers as per the agreed timelines or specifications or other conditions, we may face penalties from our customers as per the terms of the agreement.

##### Risk Mitigation Plan

- We ensure that such risks are monitored and mitigated on a continuous basis to avoid customer dissatisfaction, order cancellations and decreased revenues.

#### 15. Changes in Tax Legislation Risk

The Company's activities are subject to tax at various rates around the world computed in accordance with local legislation and practice. Actions by governments to increase tax rates or to impose additional taxes may reduce our profitability. Revisions to tax legislation or to its interpretation (whether with prospective or retrospective effect) may also affect our results and significant judgment is required in determining our provision for income taxes. Likewise, we are subject to audits by tax authorities in many jurisdictions. In such audits, our interpretation of tax legislation might be challenged and tax authorities in various jurisdictions may disagree with and subsequently challenge, the amount of profits taxed in such jurisdictions.

##### Risk Mitigation Plan

- We have a dedicated team of tax professionals whose primary task is to ensure that the tax liabilities are correctly computed and any revision in the tax legislation is monitored continuously.

#### 16. Foreign Currency Exposure Risk

- There has been significant movement in exchange rates over many years. An increasing amount of our sales, particularly in the US, Canada and European countries, is recorded in local currencies, which exposes us to the direct risk of exchange rate fluctuations.
- The Company did not use any derivative financial instruments or other hedging techniques to cover its potential exposure since net foreign exchange exposure is not significant.

#### 17. Climate Change Risk

Our operations are spread across multiple geographical regions, making them vulnerable to both physical and transitional risks associated with climate change. According to the Intergovernmental Panel on Climate Change (IPCC) and other global think tanks/tools such as the World Resources Institute (WRI), ThinkHazard and others, there is an increase in global temperature compared to pre-industrial levels. The associated events such as changes in precipitation patterns, variability in weather patterns, and rising sea levels might have an impact on our operations and business.

##### Risk Mitigation plan

- We are focusing on de-carbonising operations, reducing Green House Gas (GHG) emissions and utilising renewable energy like solar, wind etc. We are also focusing and allocating funds on energy efficiency, resource efficiency, green chemistry, low carbon technologies and use of biomass as a fuel for addressing the climate change and assessing physical climate risk for climate-proofing assets.

#### 18. Environmental, Social and Governance (ESG) Ratings Risk

With growing awareness and demand for climate action amongst consumers, ESG Performance is now more important than ever for businesses to thrive in present and future proofing. Investors/customers look for ESG ratings prior to take any decision related to investment, product/service agreement, acquisition, merger, issuing license to operate etc. Risk of failure to meet benchmarked ESG performance might not only challenge regulatory frameworks but also alter relations with shareholders, investments, demand for products & services and reputation.

##### Risk Mitigation Plan

- We are improving capabilities and competencies of our personnel on ESG by imparting various trainings on different ESG standards, frameworks and policies
- The requirements of various ESG ratings were shared with concerned departments to allocate resources and strategise proper implementation of the requirements of rating organisation
- We are becoming signatory to different relevant standard and reporting frameworks and are keeping ourselves updated with the changing regulations and needs of our stakeholders



# Directors' Report

To the Members,

The Directors are pleased to present their Forty Fifth (45<sup>th</sup>) Report of Jubilant Pharmova Limited (the 'Company' or 'Jubilant Pharmova') together with the Audited Standalone and Consolidated Financial Statements for the year ended March 31, 2023.

## 1. OVERVIEW

Jubilant Pharmova is a company engaged in Radiopharma, Allergy Immunotherapy, CDMO of Sterile Injectable, Generics, Contract Research Development and Manufacturing Organisation (CRDMO) and Proprietary Novel Drugs businesses. With a network of 46 radio-pharmacies in the US, Jubilant's Radiopharma business is engaged in manufacturing and supply of Radiopharmaceutical products and services. Its other businesses such as Allergy Immunotherapy, Contract Manufacturing of Sterile Injectables and Non-sterile products and Generics (Solid

Dosage Formulations) caters to major regulated markets (USA, EU and other geographies) through five manufacturing facilities. The CRDMO segment (through Jubilant Biosys) provides collaborative research and partnership for Drug Discovery through two world class research centers in India. The Company is also involved in the manufacturing of Active Pharmaceutical Products (API) through a US FDA approved facility in Nanjangud, Karnataka. Jubilant Therapeutics (JTI) invested for in-house Proprietary Novel Drugs business and is an innovative biopharmaceutical company developing breakthrough therapies in the area of oncology and autoimmune disorders. Jubilant Pharmova has a team of over 5,500 multicultural people across the globe. The Company is well recognised as a 'Partner of Choice' by leading pharmaceuticals companies globally. For more information, please visit: [www.jubilantpharmova.com](http://www.jubilantpharmova.com).

## 2. RESULTS OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS & FINANCIALS

PARTICULARS	(₹/millions)			
	Standalone *		Consolidated	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Total Revenue from Operations	8,101	7,257	62,817	61,302
Total Operating Expenditure	8,069	7,193	55,055	49,739
EBITDA (before Other Income)	32	64	7,762	11,563
Other Income	1,379	1,262	383	113
EBITDA	1,411	1,326	8,145	11,676
Depreciation, Amortisation and Impairment Expense	433	369	5,540	3,817
Finance Costs	185	110	1,882	1,455
Exceptional Items	-	-	568	-
Share of profit of an associate	-	-	123	(100)
Profit before Tax	793	847	278	6,304
Tax Expenses	294	42	927	2,174
Reported Net Profit /(Loss) After Tax	499	805	(649)	4,130
Attributable to:				
Owners of the Company	499	805	(610)	4,139
Non-Controlling Interests	-	-	(39)	(9)
Other Comprehensive Income	13	6	2,204	2,440
Total Comprehensive Income for the year	512	811	1,555	6,570
Retained Earnings brought forward from previous year	11,540	11,549	46,850	43,177
Profit for the year (attributable to owners of the Company)	499	805	(610)	4,139
Adjustment on account of common control business combination	-	(26)	-	-
Re-measurement of defined benefit obligations	(8)	8	(19)	9



(₹/millions)

PARTICULARS	Standalone *		Consolidated	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Dividend on Equity Shares	(796)	(796)	(796)	(796)
Adjustment on account of consolidation of ESOP Trust	-	-	1	1
Transfer of cumulative gain of equity investments classified at Fair Value through Other Comprehensive Income	-	-	(75)	299
Stock awards vested	-	-	14	21
Stock awards cancelled/forfeited	-	-	1	-
Exercise of stock options	1	-	1	-
Retained Earnings to be carried forward	11,236	11,540	45,367	46,850

\*The above Financial Statements have been restated to include the financial information of API business, which got merged with Jubilant Pharmova with appointed date as April 1, 2022.

## (I) Standalone Financials

### Revenue from Operations

In the Financial Year 2022-23, on a standalone basis, the Company recorded total revenue from operations of ₹8,101 million.

### EBITDA

For the year ended March 31, 2023, Earnings before Interest, Taxes, Depreciation and Amortisation ('EBITDA') stood at ₹1,411 million.

### Reported Net Profit after Tax and EPS

Reported Net Profit after Tax was ₹499 million in the Financial Year 2022-23. Basic Earnings per Share ('EPS') stood at ₹3.13 per equity share of ₹1 each.

## (II) Consolidated Financials

The Consolidated Financial Statements, prepared in accordance with the provisions of the Companies Act, 2013, (the 'Act'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') and Indian Accounting Standards (Ind-AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Act, form part of the Annual Report.

### Performance Review

Revenue for the year was ₹62,817 million as compared to ₹61,302 million in the Financial Year 2021-22. Revenue from the Radiopharma segment was ₹25,524 million as compared to ₹21,228 million in the Financial Year 2021-22. Revenue from the Allergy Immunotherapy segment was ₹6,028 million as compared to ₹4,894 million in the Financial Year 2021-22. Revenue from the Contract Development and Manufacturing Organisation - Sterile Injectables segment was ₹11,547 million as compared to ₹13,340 million in the Financial Year 2021-22. Revenue from the Generics segment was ₹7,616 million as compared to ₹11,569 million in the Financial Year 2021-22. Revenue from the Contract Research, Development and Manufacturing Organisation was ₹11,847 million as compared to ₹10,050 million in the Financial Year 2021-22. Revenue

from Proprietary Novel Drugs was ₹38 million for the year as compared to ₹18 million in the Financial Year 2021-22. Revenue from Management Services stood at ₹218 million as compared to ₹203 million in the Financial Year 2021-22.

EBITDA was ₹8,145 million for the year as compared to ₹11,676 million in the Financial Year 2021-22. EBITDA of the Radiopharma segment was ₹3,784 million for the year as compared to ₹3,051 million in the Financial Year 2021-22 with margins of 14.8% as against 14.4% in the Financial Year 2021-22. EBITDA of the Allergy Immunotherapy segment was ₹2,055 million for the year as compared to ₹1,641 million in the Financial Year 2021-22 with margins of 34.1% as against 33.5% in the Financial Year 2021-22. EBITDA of the Contract Research, Development and Manufacturing Organisation - Sterile Injectables segment was ₹3,451 million for the year as compared to ₹6,131 million in the Financial Year 2021-22 with margins of 29.9% as against 46.0% in the Financial Year 2021-22. EBITDA loss of the Generics segment was ₹2,304 million for the year as compared to ₹566 million in the Financial Year 2021-22 with negative margins of 30.3% as against 4.9% in the Financial Year 2021-22. Contract Research, Development and Manufacturing Organisation segment reported EBITDA of ₹1,993 million as compared to ₹2,304 million in the Financial Year 2021-22 with margins of 16.8% as against 22.9% in the Financial Year 2021-22. EBITDA loss of the Proprietary Novel Drugs segment was ₹349 million as compared to ₹345 million in the Financial Year 2021-22.

Loss after Tax was ₹649 million as compared to Profit after Tax ₹4,130 million in the Financial Year 2021-22. Earnings per Share (EPS) was negative (₹3.83) per equity share of ₹1 each.

## 3. DIVIDEND

The Board is pleased to recommend a dividend of 500% i.e. ₹5 per fully paid up equity share of ₹1 each amounting to ₹796.41 million for the year ended March 31, 2023. The payment of dividend is subject to approval of the shareholders at the forthcoming Annual General Meeting ('AGM') of the Company and shall be subject to deduction of income tax at source, if any.



#### 4. TRANSFER TO GENERAL RESERVE

During the year under review, no amount has been transferred to General Reserve of the Company.

#### 5. CAPITAL STRUCTURE

##### (a) Share Capital

During the year, there has been no change in the authorised, subscribed and paid-up share capital of the Company. As on March 31, 2023, the paid-up share capital stood at ₹159,281,139 comprising 159,281,139 equity shares of ₹1 each.

##### (b) Employees Stock Option Plan and General Employee Benefits Scheme

The Company has an employee stock option plan namely Jubilant Pharmova Employees Stock Option Plan 2018 ('Plan 2018'). During the year, the plan was amended, inter-alia including, the increase in number of options available in the pool as well as maximum number of options that can be granted in a year to an employee and the Plan is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the 'SEBI ESOP Regulations').

The amendments were duly approved by the Shareholders of the Company by way of Special Resolution vide postal ballot, results of which were declared on November 14, 2022.

During the year, 604,540 Options were granted. Each Option entitles the holder to acquire one equity share of ₹1 each of the Company at the exercise price fixed at the time of grant.

The Company has a general employee benefits scheme namely Jubilant General Employee Benefits Scheme-2019 ('JGEBS-2019'). The Scheme is in compliance with the SEBI ESOP Regulations and there was no material change in the Scheme during the year.

The details of the Plan 2018 and JGEBS-2019 pursuant to the SEBI ESOP Regulations have been placed on the website of the Company and the same can be accessed at the web-link [https://www.jubilantpharmova.com/Uploads/image/893imguf\\_esop\\_disclosure2023.pdf](https://www.jubilantpharmova.com/Uploads/image/893imguf_esop_disclosure2023.pdf).

##### (c) Debentures

In the Financial Year 2020-21, the Company had issued Secured Redeemable Unlisted Non-Convertible Debentures ('NCDs') of ₹950 million for a period of upto 5 years. These NCDs are outstanding as on date.

#### 6. SCHEME OF ARRANGEMENT

The Board of Directors of the Company, at its meeting held on July 23, 2021, approved reorganisation of the APIs business of Jubilant Generics Limited ('JGL'), an indirect wholly-owned subsidiary for *inter alia* better operational synergy and management effectiveness, by way of a demerger of the APIs undertaking of JGL and vesting of the same with

the Company, on a going concern basis ('the Demerger'), through a Scheme of Arrangement between JGL and the Company and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, ('Scheme'). The Company and JGL filed the required petition during the Financial Year 2022-23 with the Hon'ble National Company Law Tribunal, Allahabad Bench ('NCLT') seeking its approval for the Scheme.

During the year, the petition was heard by the NCLT on April 25, 2022 and the Scheme was approved by NCLT vide its Order dated May 23, 2022. The Appointed Date of the Scheme was April 1, 2022. The Company has received the Formal Order dated June 13, 2022 from NCLT. Consequently, the Company has filed the Formal Order of the NCLT with the Registrar of Companies, Kanpur on July 1, 2022, which is an effective date of Scheme.

#### 7. SUBSIDIARIES

As on March 31, 2023, the Company had 36 subsidiaries. Brief particulars of the principal subsidiaries are given below:

##### Jubilant Pharma Limited

Jubilant Pharma Limited, Singapore ('Jubilant Pharma') is a wholly-owned subsidiary of the Company. Jubilant Pharma holds the global pharmaceutical business of the Company through its subsidiaries in the US, Canada, Europe, India and rest of the world. These subsidiaries of Jubilant Pharma are engaged in manufacturing, marketing and distribution of various pharmaceutical products and services including APIs, oral dosage forms (tablets and capsules), contract manufacturing of sterile injectables including vaccines, ointment, creams and liquids, allergy therapy products and radiopharmaceutical products. Jubilant Pharma also operates a network of radiopharmacies in the US, through its wholly-owned subsidiary with 46 pharmacies (Including 3 PET pharmacies) in 21 states of the US. Total income of the company during the Financial Year 2022-23 was ₹340.58 million as compared to ₹350.39 million during the Financial Year 2021-22.

##### Jubilant Generics Limited

Jubilant Generics Limited ('JGL') is a wholly-owned subsidiary of the Company through Jubilant Pharma. JGL has been engaged in the business of development, manufacturing, distribution, sales and marketing of Dosage (formulations) Forms at its plant at Roorkee and / or CMOs, including in-licensing, out-licensing, collaboration with CROs to ensure a robust product pipeline. JGL has India Branded Pharmaceuticals ("IBP") business which caters to dosage formulations under its own brand name to the Indian market in different therapeutic areas including chronic specialties like Cardiology and Diabetes, and multi-specialty.

The dosage formulations manufacturing facility at Roorkee, Uttarakhand, with 5 acres of infrastructure, is inspected by global regulatory agencies such as US FDA, Japan PMDA, UK MHRA, Australia TGA, WHO and Brazil ANVISA. This facility primarily manufactures immediate and modified release





oral solid dosage forms (Tablets, Capsules and Powder for Suspension) with capabilities on complex processes like fluid bed pellet coating, MUPS (Multi Unit Pellet System) and extended release drug delivery technology based on matrix formulations and functional coatings. In addition to manufacturing and supplies of finished formulations to the US market, JGL's non-US finished formulations business is focussed on various markets in EU, Japan, Canada, Australia as well as various countries in the emerging markets. JGL also caters to the selected overseas markets under its own brand name. JGL's major therapy areas includes Cardiovascular, CNS and Gastrointestinal products. The business derives benefit of lowering cost and managing risks from sourcing APIs from both sources (a) vertical integration and in-house APIs from the Company and (b) qualifying alternate suppliers for key APIs with an objective to de-risk our API source.

During the Financial Year 2018-19, the USFDA inspected the Company's Roorkee facility and consequently in March 2019 issued Warning Letter to the Roorkee facility. In October 2019, the USFDA again conducted an inspection of the Roorkee facility and issued a Form 483 with six observations. In March 2021, the USFDA conducted another inspection of the Roorkee facility and issued a Form 483 with seven observations. Subsequently in July 2021, USFDA listed the Roorkee facility under import alert with an exception for 4 products manufactured at the facility. Subsequently, exception for 3 out of 4 products has been withdrawn. In July 2022, the USFDA conducted another inspection at Roorkee site and concluded with inspection classification as "OAI" (Official Action Initiated) in October 2022.

The Company had engaged independent third party cGMP consultants to mitigate the gaps identified by the USFDA and has kept the USFDA updated on its corrective and preventive actions. The Company continues to manufacture and supply the products to all the other markets where the products are approved, other than US. New product approvals for US market with Roorkee plant as manufacturing site will get withheld till the alleviation of the import alert. The Company is committed to implement the necessary corrective actions required to address the USFDA concerns at the earliest and it continues to work in close coordination with the US agency.

During the FY 2022-23, JGL recalibrated its R&D strategy to continually deliver innovative, high quality products for various markets. The new strategy leverages variety of product opportunities through in-licensing and/or external product development in collaboration with specialised CROs. This is expected to accelerate product introduction as well as deliver the products in cost-effective manner. Further, JGL evaluated all existing products under development and prioritised them on the basis of technical and financial feasibility.

During the year, the Hon'ble National Company Law Tribunal, Allahabad Bench pronounced its Order dated June 13, 2022 approving the scheme of arrangement between JGL and the Company for Demerger of Active Pharmaceuticals Ingredients ("API") undertaking/business of JGL and vesting of

the same with the Company on a going concern basis with an Appointed Date of April 1, 2022.

Total income of JGL during the Financial Year 2022-23 was ₹3,266.22 million as compared to ₹6,812.29 million during the Financial Year 2022-23 for the continuing operations post demerger of API business.

The Company is in compliance with Regulation 24A of the Listing Regulations. Secretarial Audit was conducted for JGL, an unlisted material subsidiary of the Company. Copy of the Secretarial Audit Report is attached as **Annexure-1** to this report. The Secretarial Report of JGL does not contain any qualification, reservation or adverse comments or disclaimer.

#### **Jubilant Cadista Pharmaceuticals Inc.**

Jubilant Cadista Pharmaceuticals Inc., ('Jubilant Cadista') a corporation incorporated in Delaware, US is a wholly-owned subsidiary of Jubilant Pharma Holdings Inc. This company is engaged in the business of developing, manufacturing and marketing of solid dosage forms of generic prescription pharmaceuticals at its USFDA approved manufacturing facility in Salisbury, Maryland, US. Jubilant Cadista is also marketing the solid dosage forms manufactured at Roorkee Plant, India or other CMOs. Its customer base includes large wholesalers, retail and pharmacy chains. As on March 31, 2023, there were 17 products marketed in the US with focus in the therapeutic areas of CVS, CNS, Anti Allergic, Steroids, etc. Jubilant Cadista also acts as CMO for 2 products marketed in US. Total income of the company during the Financial Year 2022-23 was ₹5,079.91 million as compared to ₹6,462.09 million during the Financial Year 2021-22. The US FDA inspected the site last in February 2020 that resulted in a rating of GMP compliance.

At our Salisbury, Maryland manufacturing facilities, structured improvement projects have been undertaken that have delivered significant conversion cost savings, while at the same time improving safety rate, deviation rate, productivity, batch rejections and service level.

#### **Jubilant HollisterStier LLC**

Jubilant HollisterStier LLC (JHS) is a wholly-owned subsidiary of Jubilant Pharma Holdings Inc. This subsidiary is a fully integrated leading CMO player based out of North America with operations in Spokane, Washington (USA) and Montreal, (Canada). The facilities offer manufacturing services including sterile injectable (both liquid and lyophilization), ampoules and ophthalmic offerings from the Montreal site (ointments, liquids and creams). This company is among the leading Contract Manufacturers in North America for sterile injectable and expanding its reach as a full scale ophthalmic solution provider in the form of bottles including preservative free ointments, liquids, creams and injectables. Its facilities are approved by regulators across the world including US FDA, Health Canada, ANVISA Brazil, PMDA Japan, Russia, MHRA and various others. The products manufactured at both sites are sold in over 50 countries across the globe by its customers. The company lays strong emphasis on compliance and protecting Intellectual Property Rights (IPR) for its customer



base. The company will continue to focus on the highest level of compliance with a lean operation setup and supply of right quality products in a timely manner to its customers which helps it further grow the order book. The US FDA inspected the Spokane site last in 2021 by both the Center for Biologics Evaluation and Research and the Center for Drugs Evaluation and Research. These inspections resulted in ratings of 'GMP Compliance'. The Spokane site was also inspected by Armenia in 2021 and the Netherlands in 2022 on behalf of the EMA and again, the site received a 'GMP Compliant' ratings. The US FDA inspected the Montreal site last in May 2023 and Health Canada in 2022. Further the sites go through numerous client audits during the year that also enhance their readiness for FDA inspection. Injectables form an increasing proportion of new approvals by innovators for which there is shortage of capacity for high quality manufacturing sterile sites as available with the company. The need for injectable has further been enhanced because of COVID pandemic. Its CDMO business has played a very integral role in current pandemic with contracts and various others for manufacturing vaccines and therapeutic drugs to fight the pandemic.

In May 2022, JHS entered into a cooperative agreement for USD\$149.6 million with the Army Contracting Command, in coordination with the Joint Program Executive Office for Chemical, Biological, Radiological, and Nuclear Defense (JPEO-CBRND) on behalf of the Biomedical Advanced Research and Development Authority (BARDA), within the US Department of Health and Human Services. The effort was funded under the American Rescue Plan. This agreement will enable the company to double its injectable filling production capacity at a total cost of USD\$193 million, at its Spokane, Washington manufacturing facility. This will be completed by 2027. This agreement is in addition to the USD\$92 million filling line expansion announced in November 2021, which will be commercially available by the end of 2025. The planned expansion will double the injectable fill and finish (liquid & lyo) capacity at Spokane. The lines will be latest technology high speed isolator fill lines with lyophilizers.

The Allergy Immunotherapy business provides products in the US and also exports to several international markets such as Canada, Europe and Australia. We supply bulk extracts to physicians who then use the products for diagnostic testing and to administer immunotherapy treatment. Allergenic extracts in our portfolio are offered in the form of consistent, high-quality, differentiated products along with a range of specialised diagnostic devices for skin testing.

A differentiated business of manufacturing and marketing of allergenic extracts is backed by one of the oldest and most trusted brands, HollisterStier, which is in existence for over 100 years. The company has been focusing on expanding market coverage and ensuring robust offering of our antigens to Customers. In addition, we have increased capacities in Lyophilization and are further increasing capacities in the Allergy Immunotherapy manufacturing facility to ensure consistent and reliable supply of our flying insect venom products. We are the sole producers and suppliers of venom immunotherapy in the US and Canada.

This business continues to build on the development of innovative products to address various allergies. The company is expanding its footprint beyond the US and is building networks in other regions outside of North America including EU, MEA and APAC with a focus on our venom immunotherapy products in these regions.

Total income of the company during the Financial Year 2022-23 was ₹15,615.44 million as compared to ₹16,286.86 million during the Financial Year 2021-22.

#### **Jubilant DraxImage Inc.**

Jubilant DraxImage Inc. ('Jubilant Radiopharma') is a wholly-owned subsidiary of the Company through Jubilant Pharma. Jubilant Radiopharma has a solid foundation in speciality pharma. Headquartered in Montreal, Canada, Jubilant Radiopharma operates a highly specialised manufacturing facility approved by US FDA, Health Canada and selected EU countries. It develops, manufactures, commercialises and distributes radiopharmaceuticals used in Nuclear Medicine for the diagnosis, treatment and monitoring of a broad range of diseases. It serves hospital-based customers (Nuclear Medicine Physicians, Nuclear Cardiologists and Technologists) in addition to specialised commercial radiopharmacies in the United States and Canada. Jubilant Radiopharma employs about 814 highly skilled professionals dedicated to providing high quality, reliable products and services to healthcare providers around the globe. The business is supported by an experienced research and development organisation, specialised radiopharmaceutical manufacturing, strong regulatory affairs, quality systems and marketing and commercial operations. The disease areas of specialisation include cardiology, oncology, neurology, and therapeutics for neuro-endocrine and thyroid diseases. The business distributes radiopharmaceutical products through a network of 46 radiopharmacies in the United States after carrying out compounding activities of Radiopharmaceuticals products with radioactive isotopes in these radiopharmacies.

Jubilant Radiopharmaceuticals business is a market leader in North America in several specialty areas, including I-131 Therapeutic and Diagnostics (Theranostics) for imaging and treatment of thyroid diseases and thyroid cancer, Macro-Aggregated Albumin (MAA) for lung perfusion imaging and Pentetic Acid (DTPA) for renal, brain and functional pulmonary imaging. RUBY-FILL, a cutting-edge technology for PET myocardial perfusion imaging (MPI) to evaluate regional myocardial perfusion in adult patients with suspected or known coronary artery disease is approved by US FDA, Health Canada, Swissmedic, Switzerland, BfArM, Germany and Le gouvernement du Grand- Duché de Luxembourg, Luxembourg.

Jubilant Radiopharmaceuticals business is sponsoring and supporting two clinical trials for I-131-MIBG, a unique approach under evaluation for first-line and later stage treatment of high-risk neuroblastoma. Approximately 800 patients are diagnosed with Neuroblastoma every year in the USA, mostly children.



The Montreal manufacturing site was inspected by Health Canada in 2021, and by Health Canada and the USFDA in 2022, both resulting in ratings of GMP compliance.

Effective June 1, 2021, Jubilant Draximage Inc. acquired the Radiopharmacies business which operates 46 radiopharmacies in 21 States and is headquartered in Yardley, PA. Jubilant Radiopharmacy network is the second largest network of commercial nuclear radiopharmacies in the United States, directly serving over 1,800 individual hospitals, clinics and medical centres. Business delivers approx. 3 million patient doses per year. Vertical integration of the Radiopharmaceuticals and Radiopharmacy divisions positions Jubilant Radiopharma to capitalise on the expanding nuclear medicine market.

Total income of the company during the Financial Year 2022-23 was ₹26,108 million as compared to ₹19,732 million during the Financial Year 2021-22.

#### **Jubilant Pharma NV**

This is a wholly-owned subsidiary of the Company through JGL and Jubilant Pharma. This company holds shares of Jubilant Pharmaceuticals NV (99.81%) and PSI Supply NV (99.50%) along with Jubilant Pharma which holds the balance shares.

#### **Jubilant Pharmaceuticals NV**

This is a wholly-owned subsidiary of the Company through Jubilant Pharma NV, Belgium, which holds 99.81% of its shares and Jubilant Pharma holds the balance shares. This company is engaged in the business of licensing generic dosage forms and providing regulatory services to generic pharmaceutical companies. Total income of the company during the Financial Year 2022-23 was ₹0.07 million as compared to ₹0.65 million during the Financial Year 2021-22.

#### **PSI Supply NV**

This is a wholly-owned subsidiary of the Company. 99.50% of its shares are held by Jubilant Pharma NV and the balance by Jubilant Pharma. It is engaged in the supply of generic dosage forms to the European and UK markets. Total income of the company during the Financial Year 2022-23 was ₹187.25 million as compared to ₹229.18 million during the Financial Year 2021-22.

#### **Jubilant Biosys Limited**

Jubilant Biosys Limited ('Biosys') provides Drug Discovery and Contract Development and Manufacturing Services to global pharmaceutical and biotech companies as mentioned below:

- Collaborative/ Partnership Model with Integrated Drug Discovery program across a single or a portfolio of molecules;
- Services in the areas of Medicinal Chemistry, In Vitro Biology, In Vivo Biology, Structural Biology, Drug Metabolism and pharmacokinetics (DMPK), Toxicology and Discovery Informatics on Full Time Equivalent (FTE) or Fee For Service (FFS) based model;

- Synthetic Organic Chemistry, Process Research & Development, Scale up and GMP supplies under Full Time Equivalent, or Fee for Service model.

Total income of the company during the Financial Year 2022-23 was ₹5,628.64 million as compared to ₹4,870.98 million during the Financial Year 2021-22.

#### **Jubilant Therapeutics Inc.**

Jubilant Therapeutics is a clinical stage biopharmaceutical company developing precision oral medicines with enhanced therapeutic index to address unmet medical needs in oncology and autoimmune diseases for genetically defined patients. Its advanced structure based discovery engine, TIBEO (Therapeutic Index and Brain Exposure Optimisation), has been validated through successful partnerships including with Blueprint Medicines for a brain penetrant EGFR Exon-20 program. The Company's pipeline consists of a first in class Dual coREST modifier – Dual LSD1/HDAC6 Inhibitor (JBI-802) currently in a Phase I/II clinical trial in multiple tumors, a novel brain-penetrant modulator of PRMT5 (JBI-778) for which an IND has been accepted, brain penetrant and gut restrictive PDL1 inhibitors, as well as PAD4 inhibitors for oncology and inflammatory indications.

The company's key achievements during the Financial Year 2022-23 includes transitioning from preclinical to clinical stage biotech with lead program (JBI-802) starting Phase I trial and establishing proof of principle in essential thrombocythemia, FDA clearance of IND filing for the second program (JBI-778), publications in major scientific journals such as Nature Scientific Reports, poster presentations at global oncology conferences viz. AACR, ASCO, EORTC and investor conferences viz. Jefferies and Baird.

Total income of the company during the Financial Year 2022-23 was ₹2.65 million as compared to ₹0.08 million during the Financial Year 2021-22.

#### **Other subsidiaries are mentioned below:**

Jubilant Pharma Holdings Inc.  
 Jubilant Pharma Australia Pty. Limited  
 Jubilant Innovation (USA) Inc.  
 Jubilant HollisterStier Inc.  
 Jubilant First Trust Healthcare Limited  
 Jubilant DraxImage Limited  
 Jubilant DraxImage (USA) Inc.  
 Jubilant Discovery Services LLC  
 Jubilant Clinsys Inc.  
 Jubilant Clinsys Limited  
 Jubilant Therapeutics India Limited  
 Jubilant Business Services Limited  
 Jubilant Pharma SA Pty. Limited  
 Jubilant Pharma UK Limited  
 Jubilant Episcrite LLC  
 Jubilant Epicore LLC



Jubilant Prodel LLC  
Jubilant Epipad LLC  
Drug Discovery and Development Solutions Limited  
Draxis Pharma LLC  
Draximage (UK) Limited  
TrialStat Solutions Inc.  
Jubilant Pharma ME FZ-LLC  
Jubilant Draximage Radiopharmacies Inc.  
Jubilant Biosys Innovative Research Services Pte. Limited  
1359773 B.C. Unlimited Liability Company (effective from April 26, 2022)

#### Associate Company

SOFIE Biosciences Inc., USA.  
SPV Laboratories Private Limited (effective from April 1, 2022)

## 8. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

The performance and financial position of the subsidiaries are given in Form AOC-1 attached to the Financial Statements for the year ended March 31, 2023.

## 9. PARTNERSHIPS

### Jubilant HollisterStier General Partnership

It is a Canada based partnership, owned by subsidiaries of the Company - Jubilant HollisterStier Inc., Draxis Pharma LLC and 359773 B.C. Unlimited Liability Company, that provides contract manufacturing services of sterile products including liquid and freeze-dried (lyophilized) injectables, ampoules, ophthalmic tubes/ solutions and sterile ointments and creams. The products manufactured by this partnership are supplied to over 50 countries. Another area of growth for this partnership is sterile ophthalmic. With ageing population across the globe, eye ointments are gaining popularity. The partnership is witnessing a lot of requests for proposals in this area as well. Basis this assessment, the partnership has set up a 200 bottles per minute ophthalmic line in Montreal site, which is undergoing validation. Once operational by early 2024, the line is expected to further drive growth for the CMO business. The partnership is also planning to undertake a CAD 108 million expansion at Montreal facility to modernise and augment the sterile production (liquid and lyo) capacity by over 100%. To fund this project, the partnership has arranged partially repayable loans of maximum CAD 23.8 million from the Government of Canada through its Strategic Innovation Fund (SIF) program and CAD 25 million from the Province of Quebec. The manufacturing location at Montreal, Quebec, Canada is approved by Health Canada, US FDA and other regulatory authorities.

## 10. STATUTORY AUDITORS

Members of the Company at the 40<sup>th</sup> Annual General Meeting held on September 26, 2018 approved the appointment of B S R & Co. LLP, Chartered Accountants (Registration No.: 101248W/W-100022), ("Retiring Auditor") as the Statutory Auditors of the Company to hold office for second term of

five (5) consecutive years from the conclusion of said Annual General Meeting till the conclusion of the 45<sup>th</sup> Annual General Meeting.

The Board of Directors of the Company ("the Board"), at its meeting held on February 3, 2023 has, after considering the experience and expertise and on the recommendation of the Audit Committee, proposed to the Members of the Company, appointment of M/s. Walker Chandio & Co LLP, Chartered Accountants (ICAI Registration No.: 001076N/ N500013), as Statutory Auditors of the Company in place of the Retiring Auditor, for a term of five (5) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 50<sup>th</sup> Annual General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company.

M/s. Walker Chandio & Co LLP, Chartered Accountants have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013. They have also provided confirmation that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI.

The Auditors' Reports for the Financial Year 2022-23 do not contain any qualification, reservation, adverse remark or disclaimer.

## 11. COST AUDIT

Pursuant to Section 148(1) of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company was not required to maintain the cost records during the Financial Year 2022-23.

## 12. SECRETARIAL AUDIT

The Board had appointed M/s Sanjay Grover & Associates, Company Secretaries to conduct Secretarial Audit pursuant to the provisions of Section 204 of the Act for the Financial Year 2022-23. The Report of the Secretarial Auditors is attached as **Annexure-2** to this Report and does not contain any qualification, reservation, adverse remark or disclaimer.

The Company has also obtained a Secretarial Compliance Report from M/s Sanjay Grover & Associates, Company Secretaries confirming compliances with the provisions of the applicable Listing Regulations, for the year ended March 31, 2023. The Compliance Report has been duly filed with the Stock Exchanges in Compliance with the Listing Regulations.

## 13. REPORTING OF FRAUDS BY AUDITORS

During the year, there were no instances of frauds reported by Auditors under Section 143(12) of the Act.

## 14. BOARD OF DIRECTORS

Your Company is managed and controlled by a Board comprising an optimum blend of Executive, Non-Executive and Independent Directors. The Chairperson of the Board is a Non-Executive Non Independent Director. As on March 31, 2023, the Board of Directors comprises of thirteen (13)





Directors, out of whom three (3) are Executive Directors including Co-Chairman and Managing Director apart from ten (10) Non-Executive Directors, out of whom seven (7) are Independent Directors including one (1) Woman Independent Director and three (3) Non-Executive Non-Independent Directors. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations and the relevant provisions of the Act.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Hari S. Bhartia (DIN: 00010499) and Mr. Shyam S. Bhartia (DIN: 00010484) retire by rotation at the ensuing AGM and being eligible, offer themselves for re-appointment.

Mr. Pramod Yadav resigned from the Board with effect from July 1, 2022. The Board places on record its appreciation for the contributions made by him during his association with the Board.

The Board in its meeting held on July 01, 2022 had appointed Mr. Ramamurthi Kumar (DIN: 09139426) as an Additional Director and further designated him as a Whole-time director for a period of three (3) years. The shareholders have, at the 44th AGM of the Company held on September 26, 2022, approved the appointment of Mr. Ramamurthi Kumar (DIN: 09139426) as Director and also as a Whole-time Director for a period of three (3) years effective from July 1, 2022.

The tenure of Mr. Arun Seth (DIN 00204434) as a Non-Executive Independent Director shall end on October 21, 2023. The Board has, at its meeting held on May 29, 2023, based on recommendation of Nomination, Remuneration & Compensation Committee has recommended the re-appointment of Mr. Arun Seth as Independent Director for another term of five (5) years upto October 21, 2028.

Mr. Shirish G. Belapure (DIN 02219458) has been appointed as a Non-Executive Independent Director for a period of 5 years effective from March 7, 2023. In the opinion of the Board, Mr. Shirish G. Belapure is a person of integrity and fulfils the conditions specified under the Act read with Rules thereunder and the Listing Regulations for his appointment as an Independent Director of the Company. In terms of Regulation 17(1C) of Listing Regulations, the said appointment has been duly approved by the shareholders of the Company by way of special resolution passed through postal ballot, result of which was declared on April 13, 2023.

## 15. CHANGES IN KEY MANAGERIAL PERSONNEL

Mr. Rajiv Shah superannuated from the position of Company Secretary and Compliance Officer from the close of business hours of July 31, 2022.

Mr. Naresh Kapoor has been appointed as Company Secretary and Compliance Officer of the Company effective from August 1, 2022 and officiates as the Secretary to various Board Committees.

Apart from above-mentioned changes, there is no other change in Key Managerial Personnel of the Company during the year.

## 16. MEETINGS OF THE BOARD

During the year under review, Five (5) meetings of the Board of Directors of the Company were held on May 27, 2022, July 1, 2022, August 2, 2022, October 21, 2022 and February 3, 2023.

For details of meetings of the Board and attendance of the Directors, please refer to the Corporate Governance Report, which forms part of this report.

## 17. COMPOSITION OF AUDIT COMMITTEE

The Audit Committee comprises the following Chairperson/ Member(s) as on March 31, 2023:

S. No.	Name	Category
1.	Mr. S. Sridhar, Chairperson	Non-Executive Independent Director
2.	Ms. Sudha Pillai, Member	Non-Executive Independent Director
3.	Dr. Ashok Misra, Member	Non-Executive Independent Director
4.	Mr. Vivek Mehra, Member	Non-Executive Independent Director
5.	Mr. Priyavrat Bhartia, Member	Non-Executive Promoter
6.	Mr. Arvind Chokhany, Member	Executive Non-Independent Director

Further details on Audit Committee, including the meetings and attendance of the members, terms of reference etc., please refer to the Corporate Governance Report, which forms part of this report.

## 18. DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have given declaration that they meet the criteria of independence as provided under Section 149 of the Act and Regulation 16 of the Listing Regulations.

## 19. APPOINTMENT AND REMUNERATION POLICY

The Company has implemented Appointment and Remuneration Policy pursuant to the provisions of Section 178 of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations. Salient features of the Policy and other details have been disclosed in the Corporate Governance Report attached to this Report. The Policy is available at the web-link: [www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/appointment-and-remuneration-policy](http://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/appointment-and-remuneration-policy).

## 20. ANNUAL PERFORMANCE EVALUATION OF THE BOARD

Pursuant to the provisions of the Act, the Listing Regulations and the Performance Evaluation Policy of the Company, the Board has carried out annual evaluation of its performance, its committees, Chairperson and Directors through a structured questionnaire process.

Performance of the Board was evaluated by each Director on the parameters such as its role and responsibilities, business



risks, contribution to the development of strategy and effective risk management, understanding of operational programmes, availability of quality information in a timely manner, regular evaluation of progress towards strategic goals and operational performance, adoption of good governance practices and adequacy and length of meetings, etc. Independent Directors also carried out evaluation of the Board performance.

Board committees were evaluated by the respective committee members on the parameters such as its role and responsibilities, effectiveness of the committee vis-a-vis assigned role, appropriateness of committee composition, timely receipt of information by the committee, effectiveness of communication by the committee with the Board, Senior Management and Key Managerial Personnel.

Performance of the Chairperson was evaluated by the Independent Directors on the parameters such as demonstration of effective leadership, contribution to the Board's work, communication with the Board, use of time and overall efficiency of Board meetings, quality of discussions at the Board meetings, process for settling Board agenda, etc.

Directors were evaluated individually by the Board of Directors (excluding the Director himself) on the parameters such as his/her preparedness at the Board meetings, attendance at the Board meetings, devotion of time and efforts to understand the Company and its business, quality of contribution at the Board meetings, application of knowledge and experience while considering the strategy, effectiveness of follow-up in the areas of concern, communication with Board members, Senior Management and Key Managerial Personnel, etc. Independent Directors were additionally evaluated for their performance and fulfilment of criteria of independence and their independence from the Management. Also, the performance evaluation of the Non Independent Directors was carried out by the Independent Directors.

The results of evaluation showed high level of commitment and engagement of Board, its various committees and senior leadership. The results of the evaluation were shared with the Board, Chairperson of respective Committees and individual Directors. Based on the outcome of the evaluation, the Board and Committees have agreed on an action plan to further improve the effectiveness and functioning of the Board and Committees.

The Directors expressed their satisfaction with the evaluation process. During the year under review, the Committee ascertained and reconfirmed that the deployment of "questionnaire" as a methodology, is effective for evaluation of performance of Board and Committees and Individual Directors.

## 21. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors, based on the representation received from the management, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2023 and of the profits of the Company for the year ended March 31, 2023;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on a going concern basis;
- (v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

Based on the framework of internal financial controls including the Controls Manager for financial reporting and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews performed by the management and the relevant Board committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2022-23; and

- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required to be disclosed pursuant to Section 134 of the Act read with the Companies (Accounts) Rules, 2014 is given as **Annexure-3** and forms part of this Report.

## 23. EMPLOYEES

Particulars of Directors and Employees as required under Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given as **Annexure-4** and form part of this Report.

## 24. HUMAN RESOURCES

We see ourselves as a responsible and committed organisation which is guided by Our Promise of Caring, Sharing, Growing. In line with this promise we work with our 'Employee First' approach as the underlying principle for all initiatives.

Central to any Business success is for the employees to feel they are supported to give their best efforts to build a sustainable workplace. Needless to say our people are key drivers of Jubilant business growth.



With the objective of building an even more sustainable workplace, it is imperative that we as an organisation listen to “Voice of the Employee” and work on the valuable feedback. In this context, we introduced Employee Engagement Survey “JUBI VOICE”- a safe space for all employees to express themselves and for leadership to listen and action on.

We have a robust Learning Platform that caters to varied need of employees across levels. To prepare senior leaders for Strategic challenges and build their leadership capabilities in an Age of Disruption, we introduced Global Leadership Program which is a 9 months long leadership development journey with a combination of Learning Events. The major events of the journey include virtual classroom sessions with INSEAD, 360-degree feedback survey, Action Learning Projects. As we gear up for Digital 2.0, we launched ‘DigiScoop’ an initiative to build employee awareness through success stories where we get industry experts to talk and share best industry practices.

Diversity & Inclusion is an important agenda for Jubilant, we have redesigned all our key people processes from hiring to building an inclusive culture with defined matrices. The effort has resulted in improving diversity statistics.

As a part of our digital transformation agenda, we continue to bring more efficiencies in our processes and amplify our employee experience. In last one year, we have launched digital compensation process, mobile enabled Reward & Recognition program, delivered the most prestigious Global Chairmen’s Award on Metaverse platform and launched pre-onboarding platform that provides a sneak peek into of the Company’s multi businesses and culture which helps the new joiner engage better with us before they are on boarded. Further to improve new employee experience, we designed & launched a well-structured on boarding & orientation program for all new joiners- “SPOTLIGHT”, it focuses on seamless joining & induction, meet & greet with team and stakeholders.

Analytics is critical to us, we continue to enhance our systems and processes to measure our processes’ health across the globe so that we can take faster and better decisions. Further, our global analytics helps in maintaining data integrity, ensuring better process governance and control, enhancing processes and delivering higher productivity.

We continue to strengthen our performance management process to drive a culture of performance.

The Company has constituted Internal Complaints Committee in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 25. POLICY FOR PREVENTION OF SEXUAL HARASSMENT

The Company as an employer is committed to creating a work place that is free from all forms of sexual harassment. In order to deal with sexual harassment at workplace, the Company has implemented the Policy for Prevention of Sexual Harassment Policy (POSH) with training to all employees by an external consultant having expertise in subject matter. The Company received one (1) complaint under POSH during the Financial

Year 2022-23, which was disposed of during the Financial Year 2022-23.

## 26. RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

Pursuant to Regulation 21 of Listing Regulations, your Company has constituted a Risk Management Committee of the Board. As on March 31, 2023, the committee comprises of eight (8) Members including five (5) Independent Directors of the Company. The Committee met twice in a year on May 4, 2022 and October 31, 2022. The gap between the two (2) meetings was not more than one hundred and eighty (180) days. The Committee is authorised to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems, if any.

Risk-taking is an inherent trait of any enterprise. However, if risks are not properly managed and controlled, they can affect the Company’s ability to attain its objectives. Risk management and internal financial control systems play a key role in directing and guiding the Company’s activities by continually preventing and managing risks. The Board, Risk Management Committee, Audit Committee and Senior Management team collectively set the overall tone and risk culture of the Company by identifying the risks impacting the Company’s business and documenting the process of risk identification, risk minimisation and risk optimisation as a part of the risk management policy through defined and communicated corporate values, clearly assigned risk responsibilities, appropriately delegated authority and a set of processes and guidelines.

There exists a critical risk management framework across the Company and the Board reviews the same on a periodic basis. Some of the critical risks identified in various businesses of the Company are:

- Manufacturing operations risk
- Information Technology (IT) and security risk
- Dependence on certain key products and customer risk
- Dependence on single manufacturing facility risk
- Supply chain disruptions risk
- Human Resources - Acquire and retain talent risk
- Compliance and regulatory risk
- Competition, cost competitiveness and pricing risk
- Capacity planning and optimisation risk
- Research and Development (R&D) effectiveness risk
- Environmental, Social, and Governance (ESG) risk
- Protecting Intellectual Property Rights (IPR) risk
- Failure to supply to customers risk
- Changes in tax legislation risk
- Liquidity, solvency, debt repayment risk
- Foreign currency exposure risk
- Risks related to the discovery and development of our product candidates



- Limited product pipeline risk
- Mergers and Acquisitions risk
- Political or Economic instability or acts of terrorism risk
- Labour union risk
- Dependence on third parties to conduct our clinical trials risk
- Foreign manufacturing disincentive risk
- Ageing machinery and plant risk
- Outsourcing risk
- Pandemic risk

The Company promotes strong ethical values and high levels of integrity in all its activities, which in itself significantly mitigates risk. With the growth strategy in place, risk management holds the key to the success of the Company's journey of continued competitive sustainability in attaining the desired business objectives.

#### Internal Financial Controls

To compete globally, world class Corporate Governance and Financial Controls over operations are necessary for the Company. The Internal Financial Controls as mandated by the Act not only require a certification from CEO-CFO but also put an obligation on the Board of Directors to ensure that the Internal Financial Controls are adequate and are operating effectively. Besides this, the Statutory Auditors are also required to give an opinion on the adequacy and effectiveness of Internal Controls over Financial Reporting ('ICFR').

To make the Internal Financial Controls framework robust, the Company has worked on three lines of defence strategy, which are as under:

First Line of Defence: Build internal controls into operating processes - To this end, we have ensured that a detailed Delegation of Authority is issued, Standard Operating Procedures (SOPs) for the processes are created, financial decision making is done through Committees, IT controls are built into the processes, Segregation of Duties is done, strong budgetary control framework exists, the Entity level controls including Code of Conduct, Ombudsperson Office, etc. are established.

Second Line of Defence: Create an efficient review mechanism - We have created a review mechanism under which all the business units and functions are reviewed for performance at least once in a month by the respective CEOs and once in a quarter, by the corporate team. The formats for these reviews are detailed and finalised with the help of global consulting firms.

Third Line of Defence: Independent assurance - A Big Four firm has been appointed as our Internal Auditors to perform systematic independent audit of every aspect of the business to provide independent assurance on the effectiveness of the internal controls and highlight the gaps for continuous improvement.

We have implemented a programme under which more than 1,500 internal controls have been established and certified on a quarterly basis by the relevant process owners before the financial results are closed for the quarter. A quarterly certification process is maintained through a workflow based IT tool called 'Controls Manager' and this certification is the basis of the CEO-CFO certification of internal controls as per Regulation 17(8) of the Listing Regulations.

We have implemented a web-based automated compliance management and reporting system. The objective of the system is to ensure that compliances are regularly monitored and controlled with a view to support the Company's business objectives and corporate policy requirements. The system includes a comprehensive checklist for ensuring compliance with the laws and regulations applicable to all plants and offices of the Company. To ensure timely and effective compliances, the compliance status is monitored on a real-time basis by the respective functions. The status is presented by the Legal Team and reviewed on a quarterly basis by the Senior Management and the Board of Directors. Pursuant to the Listing Regulations, the Company Secretary and Compliance Officer places a compliance report to the Board of Directors on a quarterly basis.

The Company regularly updates the controls library and Risk & Control Matrices.

A detailed note on Internal Control Systems and Risk Management is given under 'Management Discussion and Analysis Report'.

## **27. VIGIL MECHANISM**

The Company has adopted Vigil Mechanism and the same has been disclosed in the Corporate Governance Report and forms part of the Report. The Whistle Blower Policy has been posted on the Company's website at <https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/whistle-blower-policy>.

Further, the Whistle Blower Policy provides for adequate safeguards against victimisation of Director(s) or Employee(s) and also provides for direct access to the chairperson of the audit committee in appropriate or exceptional cases.

## **28. CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to the provisions of Section 135 of the Act, the Company has constituted a Sustainability and Corporate Social Responsibility (CSR) committee. As on March 31, 2023, the Committee comprises of nine (9) Directors out of which four (4) are Non-Executive Independent Director, three (3) are Non-Executive Directors and two (2) are Executive Directors.

The Corporate Social Responsibility (CSR) is an essential pillar of Jubilant in its endeavours towards sustainable & responsible growth. CSR activities at Jubilant are weaved in accordance with the provisions of Section 135 read with Schedule VII to the Act. Besides, the CSR initiatives at the company are in line with the United Nations Sustainable Development Goals (SDGs).





Jubilant Bhatia Foundation ('JBF') formed in the year 2007, a not-for-profit arm of the Jubilant Bhartia Group works towards conceptualisation and implementation of CSR activities of all group companies of Jubilant. Since the year 2003, the company has been issuing its Corporate Sustainability report which has external assurance and this is as per the Global Reporting Initiative ('GRI') guidelines. The company is also receiving A+ level by GRI since the year 2007. Along with this, from the year 2017-18, the Corporate Sustainability Report is aligned with the Global Reporting Initiatives' GRI Standards in accordance with the 'Comprehensive' option. All reports are available on the Company's website at the weblink: [www.jubilantpharmova.com/sustainability/sustainability-report](http://www.jubilantpharmova.com/sustainability/sustainability-report).

Through CSR, the company is working in the realm of Health, Education & Livelihood. The CSR projects focuses towards empowering and adding value in the lives of the communities around the area of operations of Jubilant with a 4P (Public-Private-People-Partnership) during the implementation. JBF's detailed activities are available on its website [www.jubilantbhartiafoundation.com](http://www.jubilantbhartiafoundation.com)

With a vision to bring progressive social change through strategic multi-stakeholder partnership and bring about a 'social change' involving "knowledge generation & sharing, experiential learning and entrepreneurial ecosystem", during the Financial Year 2022-23, Jubilant continued working towards enhancing the quality of life of the community around the manufacturing locations, considered as an apex stakeholder.

The brief on various CSR initiatives is highlighted below:

- Supporting Rural Government Primary Education- Jubilant Bhartia Foundation is reaching out to over 500 rural primary schools through Khushiyon Ki Pathshala (KKP)-Value Based Education, Focus on promotion of Science & Technology along with bridging Digital Divide with projects like Mobile Science Lab, Digital Education and Muskaan Kitaab Ghar
- Reaching out to over 4.5 Lac population in more than 100 villages through Jubilant Aarogya (Providing affordable healthcare through mobile and static clinics enabled with JUBICARE- Tele-clinic platform, Nutrition Program & End TB Program
- Reaching out to more than 10,000 beneficiaries by providing providing Sustainable livelihood to the community through Nayee Disha (Skill Development), Samridhhi (SHG and Micro Enterprise Promotion), Jubifarm (Sustainable Agriculture program), Digital Saheli –onboarding training of women for Rural Marketing through Digital marketing and Soochnapreneurs-Linking community to welfare schemes of Government.

Annual Report on CSR activities for the Financial Year 2022-23 including contents of the CSR Policy is attached as **Annexure-5**. In compliance with the Listing Regulations, Business Responsibility Report forms part of the Annual Report.

## 29. OTHER DISCLOSURES

- Extracts of Annual Return:** Pursuant to the provisions of Section 134(3)(a) of the Act, the Annual Return for the Financial Year 2022-23 has been uploaded on the Company's website and can be accessed at <https://www.jubilantpharmova.com/investors/financials/annual-return>.
- Public Deposits:** The Company has not accepted any deposits from the public during the year. The Company had no outstanding, overdue, unpaid or unclaimed deposits at the beginning and end of the Financial Year 2022-23.
- Loans, Guarantees and Investments:** Details of loans, securities and investments along with the purpose for which the loan or security is proposed to be utilized by the recipient have been disclosed in Note nos. 5, 6 and 41 to the Standalone Financial Statements, as applicable. The Company has not provided any guarantee.
- Particulars of Contracts or Arrangements with the Related Parties:** The Company has formulated a policy on Related Party Transactions ('RPT's'), dealing with the review and approval of RPTs. Prior omnibus approval is obtained for RPT's which are of repetitive nature. All RPT's are placed before the Audit Committee for review and approval. All RPT's entered into during the Financial Year 2022-23 were in the ordinary course of business and on arm's length basis. No material RPT's were entered into during the Financial Year 2022-23 by the Company as defined in the Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions. Accordingly, the disclosure of RPTs as required under Section 134(3) (h) of the Act in Form AOC-2 is not applicable. Your Directors draw attention of the members to Note no. 37 to the Standalone Financial Statements which sets out the Related Party disclosures.
- Material Changes in Financial Position:** No material change or commitment has occurred after close of the Financial Year 2022-23 till the date of this Report, which affects the financial position of the Company.
- Orders passed by Courts/ Regulators:** No significant or material order has been passed by the regulators or courts or tribunals impacting the going concern status of the Company or its future operations except for the demerger of the Active Pharmaceutical Ingredients (APIs) undertaking of Jubilant Generics Limited (JGL) and vesting of the same with Jubilant Pharmova Limited (JPM), through a scheme of arrangement between JGL and JPM and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.
- Secretarial Standards:** The Company has complied with the Secretarial Standard 1 and 2 issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.



- viii. No disclosure or reporting is required in respect of issue of equity shares with differential voting rights as to dividend, voting or otherwise as the same is not applicable.
- ix. Neither the Managing Director nor the Whole-time Director(s) of the Company received any remuneration or commission from any of its subsidiaries.

### 30. CORPORATE GOVERNANCE

As a responsible corporate citizen, the Company is committed to maintain the highest standards of Corporate Governance and believes in adhering the best corporate practices prevalent globally.

A detailed Report on Corporate Governance is attached as **Annexure-6** and forms part of this Report. A certificate from Mr. R. S. Bhatia, Practising Company Secretary (C.P. No. 2514), Confirming Compliance with the conditions of Corporate Governance, as stipulated in Clause E of Schedule V to the Listing Regulations is attached to the Corporate Governance Report.

The Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management for the year ended March 31, 2023. A certificate from the Co-Chairman & Managing Director confirming the same is attached to the Corporate Governance Report.

A certificate from the CEO and CFO confirming correctness of the financial statements, adequacy of internal control

measures, etc. is also attached to the Corporate Governance Report.

### 31. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations of the Company as provided under the Listing Regulations has been given separately and forms part of this Report.

### 32. ACKNOWLEDGEMENTS

Your Directors acknowledge with gratitude the co-operation and assistance received from the Central and State Government authorities. Your Directors thank the shareholders, debenture holders, financial institutions, banks/ other lenders, debenture trustee, customers, vendors and other business associates for their confidence in the Company and its management and look forward to their continued support. The Board wishes to place on record its appreciation for the dedication and commitment of the Company's employees at all levels, which has continued to be our major strength. We look forward to their continued support in the future.

For and on behalf of the Board

**Shyam S. Bhartia**

*Chairman*

(DIN:00010484)

**Hari S. Bhartia**

*Co-Chairman & Managing Director*

(DIN: 00010499)

Place: Noida

Date: May 29, 2023



# Secretarial Audit Report

Annexure 1

## FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Jubilant Generics Limited**  
(CIN: U24100UP2013FLC060821)  
Plot 1A, Sector 16A, Institutional Area, Noida  
Gautam Buddha Nagar, Uttar Pradesh – 201301

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherences to good corporate practices by **Jubilant Generics Limited** (hereinafter called the Company), which is an **Unlisted Company**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

### We report that-

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial

year ended on 31<sup>st</sup> March, 2023 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the Audit Period according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment, wherever applicable;

We have also examined compliance with the applicable clauses of Secretarial Standards on Meetings of the Board of Directors and General Meetings issued by the Institute of Company Secretaries of India (Secretarial Standards).

**We report that** the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards to the extent applicable, as mentioned above and the Company is generally regular in compliance of Secretarial Standards and filings with the Registrar of Companies during the Audit Period.

- (iv) The Company is engaged in the business of manufacturing and supply of Active Pharmaceutical Ingredients and Solid Dosage (formulation). As informed by the management, Drugs & Cosmetics Act, 1940 and rules made thereunder; Legal Metrology Act, 2009 and rules made thereunder; and Boilers Act, 1923 and rules made thereunder are the laws specifically applicable to the Company. We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. On the basis of our check on test basis, recording in the minutes of Board of Directors and management representation, we are of the view that the Company has ensured the compliance of laws specifically applicable on it.

**We further report** that the Board of Directors of the Company is duly constituted. The company, being a wholly owned subsidiary of Jubilant Pharma Limited, Singapore



which is a wholly owned subsidiary of Jubilant Pharmova Limited, is not required to appoint Independent Directors under section 149 of the Act read with Rule 4(2) of the Companies (Appointment and Qualification of Directors) Rules 2014. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent in advance other than meeting held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Sanjay Grover & Associates**

Company Secretaries  
Firm Registration No.: P2001DE052900  
Peer Review Certificate No.: 1352/2021

**Vijay K. Singhal**

Partner

CP No.: 10385, M. No.: A21089  
UDIN.: A021089E000386465

Place: New Delhi  
Date: May 26, 2023





# Secretarial Audit Report

Annexure 2

## FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

**JUBILANT PHARMOVA LIMITED**

CIN: L24116UP1978PLC004624

Bhartiagram, Gajraula, Jyotiba Phoolay Nagar, Uttar Pradesh-244223

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Jubilant Pharmova Limited ("hereinafter called the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

### We report that-

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management Representation about the compliances of laws, rules, regulations and standards and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company

has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 {Not applicable during the audit period};
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 {Not applicable to the Company during the audit period};
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 {Not applicable to the Company during the audit period}; and



- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (vi) As informed and confirmed by the management, there is no sector specific laws applicable on the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India.

**We further report that** During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, to the extent applicable, as mentioned above.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the board of directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines.

**We further report that** during the Audit Period the company has declared final dividend of ₹5/- (Rupees Five only) per equity share of Re. 1 each for the year ended March 31, 2022 vide its shareholders meeting (Annual General Meeting) held on September 26, 2022.

**We further report that** the company has altered the Articles of Association ('Articles') of the Company by adoption of the amended and restated Articles in substitution and supersession of the existing Articles vide postal Ballot dated May 16, 2022.

**For Sanjay Grover & Associates**

Company Secretaries  
Firm Registration No.: P2001DE052900  
Peer Review Certificate No.: 1352/2021

**Kapil Dev Taneja**

Partner

Place: New Delhi  
Date: May 29, 2023

CP No.: 22944 / Mem. No. F4019  
UDIN.: F004019E000406014



## Annexure 3

### A. CONSERVATION OF ENERGY

#### i) Steps taken or impact on conservation of energy

Nanjangud plant has implemented below initiatives in order to conserve energy

1. Optimisation of Plant-06 HVAC blowers which are having VFDs by slight reduction of 2 Hz.
2. Replacement of old pump set with new energy efficient pump sets like Utility-02 CT water pump (132 KW) with energy efficient pump set (125KW) & other circulation pumps.
3. Air leakage assessment has been done for Air & Nitrogen leakages across site & rectification.

The above steps have resulted in an annualised energy savings of 0.69 Million Units & cost savings of ₹5.89 million for Nanjangud site implemented during the financial Year 2022-23.

#### ii) Steps taken by the Company for utilising alternate sources of energy

The Company recognises the alarming reality of human made climate change & its devastating impact. To bring down the carbon footprint, the Company continuously strives to use renewable energy. The usage of solar power, Hydro & wind energy strengthens the focus of the Company to use renewable energies.

Nanjangud site has procured highest Renewable energy for financial year 2023-24 from short term power purchase agreement.

Total 35.31 MU of Renewable Energy is consumed which is 83.82% of total energy consumption.

#### iii) Capital investment on energy conservation equipments

During the Financial Year 2022-23, the Company made capital investment of ₹2.2 million at Nanjangud on energy conservation proposals.

### B. TECHNOLOGY ABSORPTION

#### i) Efforts made towards technology absorption

Research and Development (R&D) in the technologically intensive industry is the lynchpin of innovation and plays a vital role in developing and adopting new technologies.

At Jubilant, the basic mission of R&D remains to enhance innovation level, scientific efficiency and effectiveness in compliance with Jubilant core values.

Jubilant Pharmova is a company engaged in Radiopharma, Allergy Immunotherapy, CDMO of Sterile Injectable, Generics, Contract Research Development and Manufacturing Organisation (CRDMO) and Proprietary Novel Drugs businesses.

A team of 140+ diversely qualified best-in-class R&D scientists are working cohesively in multi-located

state-of-the-art R&D centres spread across India and are focusing on delivering innovative as well as quality products and platforms across the value chain of pharmaceutical research.

Our R&D performance hinges on the coherence and cohesiveness among our R&D centres where rapid exchange of knowledge takes place to keep pace with competition and to develop disruptive technologies for future. The R&D keeps itself updated with the regulations, upcoming technological changes/upcoming technological trends and proactively aligns with pharmacopeia methods and industry best practices.

Our R&D centres conform to International Standards and are well equipped with world-class infrastructure. All multi-located dedicated R&Ds are diversified but internally integrated to leverage knowledge and innovation in allied scientific domains. The Company's consistent endeavours to invest in R&D have helped in creating a robust product pipeline, ensuring sustainable growth. All R&D centres support the execution of business strategies.

All R&D centres are process driven and have a disciplined work culture. We have a strong internal audit framework in place which ensures overall R&D regulatory compliance. Our internal audit framework monitors and controls all systems and processes within the R&D. The multi-skilled R&D team specialised across value chain of pharmaceuticals focuses on generics research in APIs across chemistry/process development of advance intermediates, speciality ingredients and analytical research. The R&D team focuses on sustainable product/process development including process intensification, absorption of technologies, application of statistical tools viz. QbD/ DoE and establishing technologies at commercial scale, which in turn create value for our customers and ensures delivery of a sustainable pipeline of high-value drug products. Our R&D thrives on "green chemistry culture" and has developed various environment friendly and disruptive technologies, wherein many batch processes have been replaced by continuous processes, incorporated optimum atom efficiencies, recycling and reuse of solvents/reagents/ by-products targeting towards zero discharge of effluents, removal/substitution/minimisation of hazardous chemicals and replacing chemical processes with enzymatic/chemo catalysis processes. Research centre is equipped with Reaction calorimeter, FBRM Lasentec, Autoclaves (SS & Hastalloy upto 100 Kg/cm<sup>2</sup> pressure), Rotavapour, Fluid Bed Drier, Spray Dryer, Lyophilizer, Micro reactors (Labflo and pilot) and Plug Flow Reactors. Further, our Research centre has fully equipped analytical laboratory with advanced equipment's including LC HRMS NMR, XRD, LC-MS/MS, GC-MS, Prep-HPLC, Particle size analyser, Optical microscope, Stability chambers, Polarimeter, FT-IR, DSC, ICP-MS and Ion chromatograph.



We have evolved our production technologies including specialised proprietary know-how over a period of time with the help of R&D. We keep our options to licence-in / licence-out technologies/know-how to accelerate businesses of interest.

**ii) Benefits derived like product improvement, cost reduction, product development or import substitution**

Jubilant has an effective strategy to develop products, which are compliant with accepted standards documentation with earmarked budgets and to invest in R&D, commensurate with the business plans. New products continue to get developed by experienced and talented R&D teams which work to deliver in line with the marketing strategy by developing new cost effective processes/products. R&D set up at various plant locations continuously works on cost reduction of existing products and development of new products, using the same assets. We dedicate considerable resources to R&D in order to develop new as well as improved products and processes, which in turn create value for our customers.

Through our investment in R&D, together with our implementation of management tools and strategies in manufacturing, design and project management, we continue to improve our cost competitiveness and quality of production by improving the efficiency of our supply chain management and developing better processes and product development and manufacturing capacities to reduce process inefficiencies, process variations, plant inefficiencies, assets under utilisation and the time required for product and process development.

We develop new technologies at the lab scale and the scientists and manufacturing engineers work in close coordination to ensure parameters established during lab development are within the determined design space leading to seamless scale-up to commercial scale without losing on the proficiency of the process with a lead-time comparable to the best in the industry. Six Sigma initiatives at plants and R&D support the adoption of new technologies and enhance the efficiencies of our manufacturing plants to provide better services to our customers.

We continually develop new products that provide our customers with better solutions for existing problems and new solutions for emerging problems. This requires us to expend significant effort on research, development, manufacturing and marketing. To preserve the value of our investment, we rely on the patent laws of the jurisdictions where we do business. In addition, we need to continue to improve our production efficiency. Our production technologies typically incorporate specialised proprietary knowhow. We have developed intellectual property by utilising internal expertise through in-house handling or through legal firms. From time to time, we may grant licenses to third parties to use our patents and know-how and may obtain licenses from others to manufacture and sell products using their technology and know-how.

The Company's R&D strategy is centered on improving the speed and yield of generic products by improved automation in the lab and practicing advanced disruptive engineering and on developing sustainable technologies. We have always demonstrated our commitment to support humanitarian efforts by bringing quality and affordable generic medicines in the market.

Our R&D continues to lead to new, innovative processes and new knowledge-driven products that increase the efficiencies of our production and allow us to capitalise on opportunities for growth in competitive markets. R&D team is actively involved in the cost improvement and backward integration of Key starting materials. 10-Methoxyiminostilbene which is a key starting material of Oxcarbazepine was developed and commercialised at plant scale.

Our IP-enabled innovative R&D efforts have helped us avoiding any intellectual property (IP) disputes after developing outstanding designing capabilities around third party IP by identifying newer opportunities, better understanding of emerging challenges, developing alternative/innovative research strategies and creating intellectual property, which is well protected in defined geographies of our business interests. Our efforts have fructified into intellectual properties, which have grown over the years creating a strong position in generic pharmaceutical businesses in regulated markets. We protect our inventions by filing patent applications in India, US, Europe, Canada, Australia, China, International Patent Applications (PCT) etc. We pursue them till grant and maintain them in countries of business interest.

Jubilant (API) patent/application portfolio till 31 <sup>st</sup> Mar 2023		
Teams	Patent Applications Filed	Patents Granted
API	357	132

We have been conferred with various prestigious awards nationally for R&D work.

**(iii) Imported Technology: NIL**

**(iv) Expenditure incurred on Research and Development.**

		(₹/ million)	
S. No.	Particulars	2022-23	2021-22
(a)	Capital	7.60	-
(b)	Recurring	272.42	-
	<b>Total</b>	<b>280.02</b>	<b>-</b>

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

		(₹/ million)	
Particulars	2022-23	2021-22	
Foreign exchange outgo in terms of actual outflows	2,564.05	3	
Foreign exchange earned in terms of actual inflows	7,099.66	1,580	





## Annexure 4

**Particulars prescribed under Section 197(12) of the Act read with  
the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

**PART A:**

- i) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2022-23 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary, in the Financial Year 2022-23 are as under:

<b>Sr. No.</b>	<b>Name and Designation of Director/ Key Managerial Personnel</b>	<b>% increase in Remuneration</b>	<b>Ratio of Remuneration of each Director to Median Remuneration of Employees</b>
1	Mr. Shyam S. Bhartia, Chairman	-	-
2	Mr. Hari S. Bhartia, Co-Chairman & Managing Director	(1.45)	160.5:1
3	Mr. S. Sridhar, Non-Executive Independent Director	(2.58)	2.53:1
4	Ms. Sudha Pillai, Non-Executive Independent Director	(6.94)	2.69:1
5	Dr. Ashok Misra, Non-Executive Independent Director	(6.79)	2.30:1
6	Mr. Sushil Kumar Roongta, Non-Executive Independent Director	(5.38)	2.36:1
7	Mr. Vivek Mehra, Non-Executive Independent Director	(7.50)	2.48:1
8	Mr. Arun Seth, Non-Executive Independent Director	(8.30)	1.85:1
9	Mr. Shirish G. Belapure #6 Non-Executive Independent Director	Not Applicable	Not Applicable
10	Mr. Priyavrat Bhartia, Non-Executive Director	-	-
11	Mr. Arjun Shanker Bhartia, Non-Executive Director	-	-
12	Mr. Pramod Yadav, #4 Non-Executive Director	-	-
13	Mr. Arvind Chokhany, Group CFO and Whole-time Director	8.13	71.56:1
14	Mr. Ramamurthi Kumar #5 Whole-time Director	Not Applicable	21.93:1
15	Mr. Arun Kumar Sharma, Chief Financial Officer	6.50	Not Applicable
16	Mr. Rajiv Shah, #7 Company Secretary	9.75	Not Applicable
17	Mr. Naresh Kapoor, #8 Company Secretary	Not Applicable	Not Applicable

**Notes:**

- Mr. Shyam S. Bhartia, Chairman, Mr. Priyavrat Bhartia, Mr. Arjun Shanker Bhartia and Mr. Pramod Yadav, Non-Executive Directors have opted not to take commission and sitting fees for the Financial Year 2022-23.
- 1,034 permanent employees were on the rolls of the Company as on March 31, 2023. Median of Total Cost to Company (CTC) on payable basis has been taken for all on-roll employees as on March 31, 2023. Median salary of all on-roll employees is ₹7,46,680.



3. Remuneration of Non-Executive Independent Directors consists of sitting fees and commission payable.
  4. Mr. Pramod Yadav ceased to be a Director effective from July 1, 2022.
  5. Mr. Ramamurthi Kumar has been appointed as Whole-time Director of the Company for a period of three (3) years effective from July 1, 2022. His appointment has been duly approved at the Annual General Meeting of the shareholders of the Company held on September 26, 2022.
  6. Mr. Shirish G. Belapure has been appointed as Non-Executive Independent Director for a period of five (5) years effective from March 7, 2023. The said appointment has been duly approved by the shareholders of the Company by way of Special Resolution passed through postal ballot, results of which were declared on April 13, 2023.
  7. Mr. Rajiv Shah superannuated from the position of Company Secretary and Compliance Officer from the close of business hours of July 31, 2022.
  8. Mr. Naresh Kapoor appointed as Company Secretary and Compliance Officer of the Company effective from August 1, 2022.
- ii) The percentage increase in the median remuneration of all on-roll employees in the Financial Year 2022-23 was 9.4%.
- iii) Average increase in the remuneration of employees other than managerial personnel was 7.9% in the Financial Year 2022-23. Details of remuneration paid to the Managerial Personnel is given in the table above. The remuneration has been paid to the Managerial Personnel in line with the resolutions approved by the Board of Directors and Shareholders, as applicable.



v) Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid is as per the Appointment and Remuneration Policy for Directors, Key Managerial Personnel and other employees.

Sr. No.	Employee Name	Designation & Nature of Duties	Qualification	Total Work Experience (Years)	Date of Commencement of Employment	Age	Remuneration (₹)	Previous Employment Designation	Previous Employment held Name of the Company
<b>A. Top Ten Employees in terms of remuneration drawn during the Financial Year 2022-23</b>									
1	Hari S. Bhartia	Co-Chairman & Managing Director	IIT Delhi Chemical Engineering	41	01-Jan-82	67	11,98,98,702	-	-
2	Arvind Chokhany	Group CFO and Whole-time Director	CA, ICWA	27	01-Apr-21	51	5,34,31,442	CFO	Tata Projects Limited
3	Arun Kumar Sharma	Head - Group Treasury & CFO Pharmova	B.Sc. CA	34	27-Aug-03	57	2,39,07,320	GM-Finance	Escorts Ltd.
4	Praveen Kumar Gupta	Executive Vice President & Head- Direct Taxation	FCA, FCS, LLB	26	25-Jan-05	49	2,10,58,423	DGM Taxation	Ballarpur Industries Limited
5	K V S Satish Kumar	Chief Sustainability Officer	PGD, MTECH	26	29-Apr-21	46	1,67,32,952	Chief Sustainability Officer	PI Industries Limited
6	Ramamurthi Kumar	Whole-time Director	DIPL, ICWAI, MBA	37	03-Feb-14	59	1,63,76,020	Director	Management Consultant
7	Tushar Gupta	Vice President - Corporate Strategy	PGDM, MBBS	8	25-Oct-21	36	1,42,43,078	Principal	Boston Consulting Group
8	Gayatri Taragi	Vice President & Head- Compensation & Benefits	PGDM, MBA	20	08-Feb-18	47	1,28,42,988	GM-HR	Airtel
9	Jaishree Sharma	Senior Director & Head - Talent Acquisition	BAT	22	17-May-21	47	1,06,59,402	Director Global TA	Pearson India Education Service
10	Jinang Pratapbhai Parekh	Vice President - Sales (API)	MBA BSC	17	01-Dec-20	42	81,19,036	VP Business Development	Ningbo Menovo Pharmaceuticals
<b>B. Employed for full year and in receipt of remuneration for the year which in aggregate was not less than ₹10,200,000 per annum (other than those mentioned in Para A above) – Nil</b>									



Sr. No.	Employee Name	Designation & Nature of Duties	Qualification	Total Work Experience (Years)	Date of Commencement of Employment	Age	Remuneration (₹)	Previous Employment held	Name of the Company
<b>C. Employed for part of the year and in receipt of remuneration which in aggregate was not less than ₹850,000 per month (other than those mentioned in Para A above)</b>									
1	Laxshmivarahan Ramasubramani	Group Chief Digital and Information Officer	MBA BEG	24	04-May-22	45	1,65,29,222	Chief Digital Officer	Vedanta
2	Ajay Khanna #	Chief-Strategic & Public Affairs	B.Com, LLB	42	01-Jun-09	63	3,46,34,160	Partner	Accenture India Pvt. Limited
3	Rohini Seth #	Chief of Human Resources	Master's in HR, Bachelors (Economics)	28	01-Jul-20	53	2,99,28,951	HR Director	Diageo - UK
4	Rajiv Shah #	Vice President & Head – Secretarial (CS&VP)	B. Com, ACS	37	16-Feb-15	59	1,36,57,913	VP – Secretarial	Reliance Infrastructure Ltd

**Notes:**

- Employment of Mr. Hari S. Bhartia is contractual. Employment of other officials is governed by the rules and regulations of the Company from time to time.
  - All above persons are/ were full time employees of the Company.
  - Mr. Hari S. Bhartia is a relative of Mr. Shyam S. Bhartia, Chairman and Mr. Arjun Shanker Bhartia, Director. None of the above employees is related to any Director of the Company.
  - None of the above employees is covered under Rule 5 (2) (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
  - There was no employee who was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.
  - Remuneration comprises salary, allowances, perquisites/ taxable value of perquisites, etc. Remuneration of Mr. Hari S. Bhartia includes commission payable.
  - Abbreviations: AVP - Assistant Vice President; CFO - Chief Financial Officer; CS – Company Secretary, DGM - Deputy General Manager; GM - General Manager; HR - Human Resources; VP - Vice President.
- # These employees ceased to be in employment of the Company during the year.

**For Jubilant Pharmova Limited**

**Shyam S. Bhartia**  
Chairman  
(DIN:00010484)

**Hari S. Bhartia**  
Co-Chairman & Managing Director  
(DIN: 00010499)





## Annexure 5

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES - FINANCIAL YEAR – 2022-23

## 1. Brief outline on CSR Policy of the Company:

Corporate Social Responsibility (CSR) is an integral part of sustainability framework of Jubilant. CSR activities at Jubilant are established in accordance with the provisions of Section 135 read with Schedule VII to the Act.

Jubilant Bhatia Foundation ('JBF'), established in the year 2007, a not-for-profit arm of the Jubilant Bhartia Group is responsible for conceptualisation and implementation of CSR activities of all group companies of Jubilant.

The CSR programs of Jubilant are strategised in line with the United Nations Sustainable Development Goals (SDGs), also known as Global Goals.

With a thrust on CSR, the company is continuously working towards Economic, Environmental and Social performance. The CSR projects are designed in a way to empower the communities around the area of operations of Jubilant and add value in their life. The projects work on 4P model (Public-Private-People-Partnership). JBF's detailed activities are available on its website [www.jubilantbhartiafoundation.com](http://www.jubilantbhartiafoundation.com).

Jubilant's CSR programs are weaved in with a vision to bring progressive social change through strategic multi-stakeholder partnership and bring about a 'social change' involving "knowledge generation & sharing, experiential learning and entrepreneurial ecosystem" through JBF.

During the Financial Year 2022-23, Jubilant continued working in the arena of Health, Education, Livelihood & Rural Development to improve the quality of the life of the community around the manufacturing locations, which is considered as apex stakeholder. The brief information is as below:

Providing affordable basic & preventive health care- Reaching out to over 4.5 Lacs populations in more than 100 villages through Jubilant Aarogya (Providing affordable healthcare through mobile & static clinic enabled with JUBICARE- Tele-clinic platform and Swasthya Prahari (Preventive Health care) along with need based health awareness camps.

Supporting Rural Government Primary Education and promoting Science amongst rural children-Jubilant Bhartia Foundation is reaching out to almost 10,000 students in primary schools through e-Muskaan (Smart TV, HP WOW, CLAP & ALFA) and Khushiyon Ki Pathshala (Value education for Teachers and Students), Muskaan Kitaab Ghar (Library), Mobile Science Labs, Micro Science Labs in 75 Schools

Working towards providing Sustainable livelihood to the community through Nayee Disha (Skill Development), Samridhhi (SHG & micro enterprise Promotion), Jubifarm (Sustainable Agriculture program having sub programs like Pashu Sakhi & Paryavaran Sakhi)

A new initiative Jubilant Virtual Academy was launched to cater to the needs of skill development and vocational training among youth in country. The Entrepreneurship Development Course Module reached out to more than 7000 candidates in 215 districts in 28 states.

## 2. Composition of Sustainability &amp; CSR Committee:

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. Ashok Misra	Chairman	2	2
2	Mr. Shyam S. Bhartia	Member	2	2
3	Mr. Hari S. Bhartia	Member	2	1
4	Mr. S. Sridhar	Member	2	2
5	Ms. Sudha Pillai	Member	2	2
6	Mr. Sushil Kumar Roongta	Member	2	2
7	Mr. Priyavrat Bhartia	Member	2	1
8	Mr. Arjun Shanker Bhartia	Member	2	2
9	Mr. Arvind Chokhany	Member	2	1
10	Mr. Pramod Yadav*	Member	1	1

\*Mr. Pramod Yadav ceased to be a member of the Committee effective from July 1, 2022



3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company  
<https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/corporate-social-responsibility-policy>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)  
Not Applicable
5. (a) Average net profit of the Company as per section 135(5) ₹2180.85 million  
(b) Two percent of average net profit of the Company as per section 135(5) ₹43.62 million  
(c) Surplus arising out of the CSR projects or programs or activities of the previous financial years. Nil  
(d) Amount required to be set off for the financial year, if any Nil  
(e) Total CSR obligation for the financial year (5b+5c-5d) ₹43.62 million
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). : ₹43.70 million  
(b) Amount spent in Administrative Overheads : NIL  
(c) Amount spent on Impact Assessment, if applicable : NIL  
(d) Total amount spent for the Financial Year [(a)+(b)+(c)]. : ₹43.70 million  
(e) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year (₹ in million)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹43.70 million			NA		

- (f) Excess amount for set-off, if any:

Sr. No.	Particulars	Amounts (₹ in million)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per section 135(5)	₹43.62 million
(ii)	Total amount spent for the Financial Year	₹43.70 million
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹0.08 million
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹0.08 million

7. Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year (in ₹)	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
				NA			

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ Yes ☒ No

If Yes, enter the number of Capital assets created/acquired

NA



Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
NA	NA	NA	NA	NA	NA	NA	NA

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

- 9 Specify the reason(s), if the Company has failed to spend two per cent of the : NA  
average net profit as per section 135(5).

For Jubilant Pharmova Ltd

**Hari S Bhartia**  
Co-Chairman & Managing Director  
(DIN: 00010499)

**Ashok Misra**  
Chairman - Sustainability & CSR Committee  
(DIN: 00006051)

NA  
[Person specified under clause (d) of  
sub-section (1) of section 380 of the Act]  
(Wherever applicable).



# Report on Corporate Governance

Annexure 6

## A) COMPANY'S PHILOSOPHY

At Jubilant Pharmova Limited (the 'Company' or 'Jubilant'), Corporate Governance is both a tradition and a way of life. We believe in delivering on Our Promise of Caring, Sharing and Growing, which is elaborated as follows:

*"We will, with utmost care for the environment and society, continue to enhance value for our customers by providing innovative products and economically efficient solutions; and for our stakeholders through growth, cost effectiveness and wise investment of resources."*

The Company's Corporate Governance philosophy is led by the core principles of:

- Caring for the environment which includes caring for the society around us;
- Enhancement of stakeholders' value through pursuit of excellence, efficiency of operations, quest for growth and continuous innovation;
- Transparency, promptness and fairness in its disclosures and communication with all stakeholders including shareholders, government authorities, customers, suppliers, lenders, employees and the community at large; and
- Complying with laws in letter as well as in spirit.

**Highlights of Jubilant's Corporate Governance regime are:**

- Appropriate mix of Executive and Non-Executive Directors on the Board;
- Constitution of several committees for focused attention and proactive flow of information;
- Emphasis on ethical business conduct by the Board, management and employees;
- Employees Stock Option Plans - to attract, reward and retain key senior executives;
- Active employee participation in place; two top executives on the Board of Directors;
- Our business operates within a highly regulated environment and ensuring compliances play a vital role in the development of all businesses. In order to address this requirement, the Company has implemented cloud based compliance management and reporting system across key entities at North America and India locations.

- Online monitoring of internal controls on all operations spanning more than 1,500 control assertions through a specially designed software to institutionalise a quarterly system of certification to enable CEO/CFO certification of internal controls as per Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations);
- Robust Risk Management and Controls Mapping for each of the businesses and for the Company as a whole;
- Timely, transparent and regular disclosures;
- Paperless meetings of Board and Committees;
- Comprehensive Corporate Sustainability Management System;
- Established Code of Conduct for Directors and Senior Management as also for other employees;
- Robust Vigil Mechanism and Ombudsperson Process;
- Detailed Policy on Disclosure of Material Events and Information;
- Code of Conduct for Prevention of Insider Trading;
- Focus on hiring, retaining and nurturing best talent and to promote a culture of excellence across the organisation. Exhaustive HR policies cover succession planning, training and development, employee grievance handling, etc.; and
- Regular communication with shareholders including e-mailing of quarterly results and press releases just after release to the Stock Exchanges, e-mailing of Annual Reports and Corporate Sustainability Reports and obtaining online feedback from the shareholders.

The Securities and Exchange Board of India ('SEBI') regulates Corporate Governance practices and disclosure for the listed companies through the Listing Regulations. Jubilant is in full compliance with the Listing Regulations.

## B) BOARD OF DIRECTORS

### (i) Composition

As on March 31, 2023, the Board strength is thirteen (13), which comprises seven (7) Non-Executive Independent Directors including one (1) Independent Woman Director, three (3) Non-Executive Non Independent Directors, one (1) Managing Director and two (2) Whole-time Directors.





The tenure of Independent Directors is five (5) consecutive years from the date of their appointment/re-appointment. The dates of appointment/re-appointment and tenure of the Independent Directors are given below:

Sr. No.	Name of Independent Director	Date of Appointment/ Re-appointment	Date of Completion of Tenure
1	Mr. S. Sridhar	April 1, 2019	March 31, 2024
2	Ms. Sudha Pillai	April 1, 2019	March 31, 2024
3	Dr. Ashok Misra	April 1, 2019	March 31, 2024
4	Mr. Sushil Kumar Roongta#1	May 23, 2022	May 22, 2027
5	Mr. Vivek Mehra#1	May 23, 2022	May 22, 2027
6	Mr. Arun Seth#2	October 22, 2018	October 21, 2023
7	Mr. Shirish G. Belapure#3	March 7, 2023	March 7, 2028

**Notes:**

- Shareholders have, at the Annual General Meeting (AGM) held on September 22, 2021, approved the re-appointment of Mr. Sushil Kumar Roongta and Mr. Vivek Mehra as Independent Directors for another term of five (5) consecutive years effective from May 23, 2022.
- The tenure of Mr. Arun Seth (DIN: 00204434) as an Independent Director shall expire on October 21, 2023. The Board has, at its meeting held on May 29, 2023, recommended the re-appointment of Mr. Arun Seth as Independent Director for another term of five (5) consecutive years upto October 21, 2028, subject to the approval of Shareholders by way of Special Resolution.
- Mr. Shirish G. Belapure (DIN 02219458) has been appointed as Non-Executive Independent Director for a period of five (5) years effective from March 7, 2023. The said appointment has been duly approved by the shareholders of the Company by way of special resolution passed through postal ballot, results of which were declared on April 13, 2023.

The Letters of appointment are issued to the Independent Directors and the terms and conditions thereof are posted on the Company's website.

The Board of Directors and its Committees provide effective leadership and strategic guidance to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to the high standards of ethics, transparency and disclosures.

**(ii) Key functions of the Board**

The Board performs various statutory and other functions in connection with managing the affairs of the Company. The key functions performed by the Board of Jubilant are:

- Reviewing and guiding corporate strategy, major plans of action, annual budgets and business plans, setting performance objectives, monitoring corporate performance and overseeing major capital expenditures, acquisitions and divestments.
- Monitoring effectiveness of the Company's governance practices and making changes as needed.

- Selecting, compensating, monitoring and when necessary, replacing Key Managerial Personnel and overseeing succession planning.
- Aligning remuneration of the Key Managerial Personnel and the Board with long term interests of the Company and its shareholders.
- Ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- Monitoring and managing potential conflicts of interest of management, Board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- Ensuring integrity of the Company's accounting and financial reporting systems, including the independent audit and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational controls and compliance with the law and relevant standards.
- Overseeing the process of disclosure and communications.
- Monitoring and reviewing Board Evaluation framework.

**(iii) Meetings of the Board**

Meetings of the Board are normally held at the Corporate Office of the Company at 1A, Sector 16A, Noida-201 301, Uttar Pradesh, India. The facility to attend the meeting through Zoom is provided to Board members, who are unable to attend in person. During the year, Jubilant's Board met five (5) times i.e. on May 27, 2022, July 1, 2022, August 2, 2022, October 21, 2022 and February 3, 2023.

The Company has ensured convening of at least one Board Meeting in each quarter with a maximum gap between two (2) consecutive meetings not exceeding one hundred and twenty (120) days, in compliance with the Listing Regulations and applicable provisions of the Companies Act, 2013 (the 'Act') read with rules applicable thereon.

An annual calendar of meetings is prepared well in advance and shared with the Directors before commencement of the year to enable them to plan their attendance at the meetings. All Directors are expected to attend the Board and Committee meetings, devote necessary time for deliberation of various business agenda items with a pre read material in advance to effectively discharge their responsibilities.

The Board agenda is prepared by the Company Secretary in consultation by the Chairperson after taking inputs from various functions on the items, which require approval of the Board or its Committees.

Agenda papers are sent electronically to the Directors, well in advance, before the meetings. Draft minutes of the Board and Committee meetings are circulated to the



Directors of the Company for their comments and thereafter, noted by the Board/Committees at the next meeting in compliance with the Act.

**Composition of the Board of Directors as on March 31, 2023 and attendance at the Board meetings held during the financial year ended March 31, 2023 and at the last AGM are given below:**

Name and Designation	Category	Attendance at Meetings		
		No. of Board Meetings		Last AGM Attended
		Held during tenure	Attended	
Mr. Shyam S. Bhartia (DIN: 00010484) Chairman#1	Non-Executive and Promoter	5	5	Yes
Mr. Hari S. Bhartia (DIN: 00010499) Co-Chairman & Managing Director#1	Executive and Promoter	5	5	No
Mr. S. Sridhar (DIN: 00004272) Director	Non-Executive Independent	5	5	Yes
Ms. Sudha Pillai (DIN: 02263950) Director	Non-Executive Independent	5	5	Yes
Dr. Ashok Misra (DIN: 00006051) Director	Non-Executive Independent	5	4	Yes
Mr. Sushil Kumar Roongta (DIN: 00309302) Director	Non-Executive Independent	5	5	Yes
Mr. Vivek Mehra (DIN: 00101328) Director	Non-Executive Independent	5	5	Yes
Mr. Arun Seth (DIN: 00204434) Director#4	Non-Executive Independent	5	3	Yes
Mr. Shirish G. Belapure (DIN: 02219458)#5	Non-Executive Independent	Not applicable	Not applicable	Not applicable
Mr. Priyavrat Bhartia (DIN: 00020603) Director	Non-Executive and Promoter	5	3	Yes
Mr. Arjun Shanker Bhartia (DIN: 03019690) Director	Non-Executive and Promoter	5	5	No
Mr. Pramod Yadav (DIN: 05264757) Director#2	Non-Executive Non-Independent	1	1	Not applicable
Mr. Arvind Chokhany (DIN: 06668147) Group Chief Financial Officer and Whole-time Director	Executive - Non Independent	5	5	Yes
Mr. Ramamurthi Kumar (DIN: 09139426) Whole-time Director#3	Executive - Non Independent	4	4	Yes

**Notes:**

1. Mr. Shyam S. Bhartia and Mr. Hari S. Bhartia are related to each other, being brothers. Further, Mr. Priyavrat Bhartia is son of Mr. Shyam S. Bhartia and Mr. Arjun Shanker Bhartia is son of Mr. Hari S. Bhartia.
2. Mr. Pramod Yadav ceased to be a Director effective from July 1, 2022.
3. Mr. Ramamurthi Kumar has been appointed as Whole-time Director of the Company for a period of three (3) years effective from July 1, 2022. His appointment has been duly approved by the shareholders of the Company at the AGM held on September 26, 2022.
4. The tenure of Mr. Arun Seth as Independent Director shall expire on October 21, 2023. The Board has, at its meeting held on May 29, 2023, recommended re-appointment of Mr. Arun Seth as Independent Directors for another term of five (5) consecutive years upto October 21, 2028, subject to the approval of Shareholders by way of Special Resolution.
5. Mr. Shirish G. Belapure has been appointed as Non-Executive Independent Director for a period of five (5) years effective from March 7, 2023. His appointment has been duly approved by the shareholders of the Company by way of Special Resolution passed through postal ballot, results of which were declared on April 13, 2023.



#### (iv) Other Directorship

Details of directorship in other bodies corporate and chairpersonship/ membership of the Board Committees held by the Directors as on March 31, 2023 are given below:

Name of Director	No. of Directorship in Other Bodies Corporate				No. of Chairpersonship/ Membership of Committees		Directorship in other listed companies and Category of Directorship
	Public Listed	Public Unlisted	Private	Foreign	Chairpersonship	Membership	
Mr. Shyam S. Bhartia	3	1	10	11	0	1	1. Jubilant FoodWorks Limited - Chairperson and Non-Executive Director 2. Chambal Fertilisers and Chemicals Limited - Co-Chairperson and Non-Executive Director 3. Jubilant Ingrevia Limited - Chairperson and Non-Executive Non-Independent Director
Mr. Hari S. Bhartia	4	1	8	2	0	1	1. Jubilant FoodWorks Limited - Co-chairperson and Non-Executive Non-Independent Director 2. Shriram Pistons and Rings Limited - Independent Director 3. Jubilant Ingrevia Limited - Co-chairperson and Non-Executive Non-Independent Director 4. Global Health Limited - Independent Director
Mr. S. Sridhar	3	5	3	0	5	7	1. Strides Pharma Science Limited - Independent Director 2. Shriram Finance Limited (Formerly Shriram Transport Finance Company Limited) - Independent Director 3. Go Fashion (India) Limited - Independent Director
Ms. Sudha Pillai	4	3	0	0	4	8	1. Dalmia Bharat Limited - Independent Director 2. Amber Enterprises India Limited - Independent Director 3. Indian Energy Exchange Limited - Independent Director 4. Jubilant Ingrevia Limited - Independent Director
Dr. Ashok Misra	1	0	3	0	0	2	1. Kirloskar Electric Company Limited - Independent Director
Mr. Sushil Kumar Roongta	5	3	0	0	3	10	1. Titagarh Wagons Limited - Independent Director 2. Adani Power Limited - Independent Director 3. JK Paper Limited - Non-Executive Non-Independent Director 4. Jubilant Ingrevia Limited - Independent Director 5. Zuari Industries Limited - Independent Director



Name of Director	No. of Directorship in Other Bodies				No. of Chairpersonship/ Membership of Committees		Directorship in other listed companies and Category of Directorship
	Public Listed	Public Unlisted	Private	Foreign	Chairpersonship	Membership	
Mr. Vivek Mehra	6	3	2	3	3	7	1. DLF Limited - Independent Director 2. HT Media Limited - Independent Director 3. Chambal Fertilisers and Chemicals Limited - Independent Director 4. Digicontent Limited - Independent Director 5. Havells India Limited- Independent Director 6. Zee Entertainment Enterprises Limited - Independent Director
Mr. Arun Seth	3	7	4	0	0	7	1. Narayana Hrudayalaya Limited - Independent Director 2. Jubilant Ingrevia Limited - Independent Director 3. Cyber Media Research & Services Limited - Independent Director
Mr. Priyavrat Bhartia	5	1	9	0	0	5	1. Jubilant Industries Limited - Non-Executive Non-Independent Chairperson 2. HT Media Limited - Non-Executive Non-Independent Director 3. Hindustan Media Ventures Limited - Non-Executive Non-Independent Director 4. Digicontent Limited - Non-Executive Non-Independent Director 5. Jubilant Ingrevia Limited - Non-Executive Non-Independent Director
Mr. Arjun Shanker Bhartia	1	0	2	0	0	1	1. Jubilant Ingrevia Limited - Non-Executive Non-Independent Director
Mr. Arvind Chokhany	0	6	0	2	0	3	Nil
Mr. Ramamurthi Kumar	0	1	0	0	0	0	Nil
Mr. Shirish G. Belapure	2	1	1	0	1	4	1. Albert David Limited- Independent Director 2. Natural Capsules Limited- Independent Director

**Notes:**

- The above Directorships include Directorships in Section 8 companies.
- Pursuant to Regulation 26 of the Listing Regulations, Chairpersonship/ Membership of the Audit Committee and the Stakeholders Relationship Committee of Indian Public Companies (excluding Section 8 companies), whether listed or not, have been considered. Chairpersonship/Membership of the Audit Committee and Stakeholders Relationship Committee held by the Directors in Jubilant are also included.
- Pursuant to Regulation 26(1) of the Listing Regulations, none of the Directors is a member in more than ten (10) committees or act as chairperson of more than five (5) committees across all listed entities in which he/she is a Director.
- Mr. Pramod Yadav ceased to be a Director effective from July 1, 2022.
- Mr. Ramamurthi Kumar has been appointed as Whole-time Director of the Company for a period of three (3) consecutive years effective from July 1, 2022. His appointment has been duly approved by the shareholders of the Company at the AGM held on September 26, 2022.
- Mr. Shirish G. Belapure has been appointed as Non-Executive Independent Director for a period of five (5) consecutive years effective from March 7, 2023. His appointment has been duly approved by the shareholders of the Company by way of Special Resolution passed through postal ballot, results of which were declared on April 13, 2023.
- Pursuant of Regulation 17A, a Board Member shall not be a Director in more than seven (7) listed entities and in case of person who is a Whole Time Director/ Managing Director shall not serve as an Independent Director in more than three (3) listed entities.





#### (v) Information given to the Board

The Board and its Committees have complete access to all relevant information. Such information is submitted either as a part of the agenda papers prior to the meetings or by way of presentations and discussion material during the meetings. Such information, inter alia, includes the following:

- Annual operating plans, budgets and updates thereon;
- Capital budgets and updates thereon;
- Quarterly results of the Company and its operating divisions and business segments;
- Minutes of the meetings of Audit Committee and other committees of the Board of Directors;
- Information on recruitment and remuneration of senior management just below the Board level, including appointment or removal of the Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution notices and penalty notices, which are materially important;
- Fatal and serious accidents, dangerous occurrences, any material effluent and pollution problems;
- Material defaults in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
- Issues which involve possible public or product liability claims of substantial nature;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions including any significant development in Human Resources/ Industrial Relations front;
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business;
- Quarterly details of foreign exchange exposures and steps taken by the Management to limit the risks of adverse exchange rate movement, if material;
- Minutes of Board Meetings of unlisted subsidiary companies;
- Statement of significant transactions or arrangements made by unlisted subsidiary companies;
- Non-compliance of any regulatory, statutory or listing requirements and shareholder services such as non-payment of dividend, delay in share transfer, etc.;
- Compliance reports pertaining to applicable laws and steps taken to rectify instances of non-compliances, if any; and
- Quarterly Compliance Report on Corporate Governance.
- Quarterly Shareholding Pattern
- Quarterly Share price Movement with comparison
- Cyber Security

#### (vi) Independent Directors' Meeting

The Independent Directors met on May 5, 2022 without the presence of Non-Independent Directors and members of the Management of the Company. Mr. S. Sridhar, lead Independent Director, chaired the meeting. The Independent Directors, inter alia, evaluated performance of Non-Independent Directors, Chairperson of the Company and the Board of Directors. They also assessed quality, quantity content and timeliness of the flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

#### (vii) Familiarisation Programme for Independent Directors

The Independent Directors are familiarised about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, legal updates, etc. In this regard, the Company follows a structured familiarisation programme for the Independent Directors. The details related thereto are displayed on the Company's website [www.jubilantpharmova.com](http://www.jubilantpharmova.com). The web-link for the same is <https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/familiarisation-programme-for-independent-directors>



**(viii) List of core skills/ expertise/ competencies identified by the Board**

The following core skills/ expertise/ competencies identified by the Board of Directors for effective functioning of the Company are available with the Directors:

<b>Skills and Expertise of the Board</b>	<b>Mr. Shyam S. Bhartia</b>	<b>Mr. Hari S. Bhartia</b>	<b>Mr. S. Sridhar</b>	<b>Ms. Sudha Pillai</b>	<b>Dr. Ashok Misra</b>	<b>Mr. Sushil Kumar Roongta</b>	<b>Mr. Vivek Mehra</b>	<b>Mr. Arun Seth</b>	<b>Mr. Priyavrat Bhartia</b>	<b>Mr. Arjun Shanker Bhartia</b>	<b>Mr. Ramamurthi Kumar</b>	<b>Mr. Arvind Chokhany</b>	<b>Mr. Shirish G. Belapure</b>
Deep understanding of Company's business/ strategy and structure	√	√	√	√	√	√	√	√	√	√	√	√	√
Relevant Industry expertise	√	√							√	√	√	√	√
Financial acumen	√	√	√	√	√	√	√	√	√	√	√	√	√
Knowledge in Accounting and Auditing Standards and tax matters	√	√	√	√		√	√		√	√	√	√	
Knowledge of the Companies Act, applicable SEBI and Stock Exchange Regulations	√	√	√	√	√	√	√		√	√		√	
Knowledge of Employee Benefit Schemes and matters related to employee hiring/ skill development, gender diversity, etc.	√	√	√	√		√	√	√	√	√	√	√	
Entrepreneurial skills to evaluate risk and rewards and perform advisory role	√	√	√	√	√	√	√	√	√	√	√	√	√
Focus on compliance	√	√	√	√	√	√	√	√	√	√	√	√	√
Understanding of the processes and systems for defining high corporate governance standards	√	√	√	√	√	√	√	√	√	√	√	√	√
Understanding rights of Shareholders and obligations of the Management	√	√	√	√	√	√	√	√	√	√	√	√	√
Knowledge in global standards on Corporate Sustainability and Sustainability Reporting based on Global Reporting Initiatives (GRI) Standards	√	√	√	√	√	√		√	√	√	√	√	√
Experience in Risk Management/ Operational Risk Management/ Financial Risk Assessment	√	√	√	√	√	√		√	√	√	√	√	√
Information Technology skills	√	√	√	√	√	√		√	√	√	√	√	√

**(ix) Confirmation of Independence**

In the opinion of the Board, all Independent Directors fulfil the conditions of independence specified in the Listing Regulations and they are independent of the Management of the Company. The Declaration of Independence has been received from all Independent Directors and taken on record by the Board.

**(x) Certificate from Practicing Company Secretary on qualification of Directors**

The Company has obtained a certificate from the Practicing Company Secretary, Mr. R.S. Bhatia, Company Secretary in Practice (C.P.No.: 2514) confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority. The Certificate is attached as **Annexure-A**.

**C) COMMITTEES OF THE BOARD**

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted several Committees of Directors with specific terms of reference. The Committees operate as empowered agents of the Board as per their terms of reference that set forth their purposes, goals and responsibilities. Committee members are appointed by the Board with the consent of individual Directors. These Committees meet as often as required or as statutorily required.



The minutes of meetings of the Committees of the Board are circulated quarterly to the Board for noting.

There are ten (10) Committees of the Board which are as follows:

- Audit Committee
- Nomination, Remuneration and Compensation Committee
- Stakeholder's Relationship Committee
- Sustainability & CSR Committee
- Risk Management Committee
- Re-organisation Committee
- Capital Issue Committee
- Finance Committee
- Fund Raising Committee
- Quality Committee\*

\* During the year, the Board formed the Quality Committee effective from March 7, 2023.

Recommendations, made by these Committees have been accepted by the Board. The Company Secretary officiates as the Secretary of these Committees. Terms of reference, composition, quorum, meetings, attendance and other relevant details of these Committees are as under:

## 1. AUDIT COMMITTEE

The Audit Committee primarily constitutes a formal and transparent arrangement for accurate financial reporting and strong internal controls. The Audit Committee through regular interaction with the external and internal auditors and review of various financial statements ensures that the interests of stakeholders are properly protected.

All the members of the Audit Committee are financially literate and have accounting or financial management expertise.

### (i) Terms of Reference

The Audit Committee functions according to its terms of reference that define its authority, responsibility and reporting functions in accordance with the provisions of the Companies Act, 2013 ('Companies Act') and Regulation 18 read with Part C of Schedule II to the Listing Regulations. The terms of reference of the Committee have been revised to align the same with the Listing Regulations, as amended. The terms of reference of the Committee, inter alia, include the following:

1. Oversight of the Company's financial reporting process and disclosure of the financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of cost auditors and statutory auditors including their replacement or removal;
3. Approval for payment to statutory auditors for any other permitted services rendered by statutory auditors;
4. Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement forming part of the Board's report.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgement by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Draft auditors' reports including modified opinion(s), if any;
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take steps in this matter;
7. Reviewing and monitoring with the management, independence and performance of statutory and internal auditors, adequacy of internal control systems and effectiveness of the audit processes;
8. Reviewing adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
9. Discussion with internal auditors on any significant findings and follow up thereon;
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;



12. To look into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
13. To review functioning of the Whistle Blower Policy (Vigil Mechanism);
14. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
15. Approval or any subsequent modification of transactions of the Company with related parties;
16. Scrutiny of inter-corporate loans and investments;
17. Valuation of undertakings or assets of the Company, wherever it is necessary;
18. Evaluation of internal financial controls and risk management system;
19. Review of management discussion and analysis of financial condition and results of operations;
20. Review of management letters/ letters of internal control weaknesses issued by the statutory auditors;
21. Review of internal audit reports relating to internal control weaknesses;
22. Review of financial statements, in particular, investments made by the subsidiary company(ies);
23. Reviewing the utilisation of loans and/ or advances from / investment by the Company in any subsidiary exceeding ₹100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances / investments;
24. Review compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and verify that the systems for internal controls are adequate and are operating effectively;
25. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc. on the Company and its shareholders; and
26. Discharge any other duties or responsibilities as may be prescribed by law or as may be delegated by the Board from time to time.

## (ii) Composition

The Audit Committee comprises the following Chairperson/Member(s) as on March 31, 2023:

S. No.	Name
1.	<b>Mr. S. Sridhar, Chairperson</b>
2.	Ms. Sudha Pillai, Member
3.	Dr. Ashok Misra, Member
4.	Mr. Vivek Mehra, Member
5.	Mr. Priyavrat Bhartia, Member
6.	Mr. Arvind Chokhany, Member

The Audit Committee comprises of six (6) members, out of which four (4) are Non-Executive Independent Directors, one (1) is Non-Executive Director and one (1) is an Executive Director. The Chairperson of the Committee is an Independent Director. All the members of the Committee have accounting and financial management expertise. The Committee is constituted in line with the provisions of Listing Regulations and Companies Act.

## Compliance Officer

Mr. Rajiv Shah superannuated from the position of Company Secretary and Compliance Officer from the close of business hours of July 31, 2022.

Mr. Naresh Kapoor appointed as Company Secretary and Compliance Officer of the Company effective from August 1, 2022 and officiates as the Secretary to various Committees formed by the Board.

## Invitees

The respective CEO of various businesses, CFO, representative of Statutory Auditors, Internal Auditors and Head of the Risk and Management Assurance are the invitees to the Committee.

## (iii) Meetings, Quorum and Attendance

The Audit Committee met five (5) times during the year with a gap of not more than one hundred and twenty (120) days between two consecutive meetings. The quorum for the meetings were two (2) members or one-third (1/3) of members, whichever is higher, with atleast two Independent Directors. Further, in case of related party transactions, the approval was accorded by Independent Directors only in terms of Listing Regulations.

The Chairperson of the Committee is a Non-Executive Independent Director and was also present at the AGM held on September 26, 2022 to answer queries of the security holders as per Listing Regulations.

During the year, the Committee met five (5) times i.e. on May 27, 2022, June 14, 2022, August 2, 2022, October 21, 2022 and February 3, 2023.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. S. Sridhar, Chairperson	5	5
Ms. Sudha Pillai, Member	5	5
Dr. Ashok Misra, Member	5	5
Mr. Vivek Mehra, Member	5	5
Mr. Priyavrat Bhartia, Member	5	3
Mr. Arvind Chokhany, Member	5	5



## 2. NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE

The Nomination, Remuneration and Compensation ("NRC") Committee functions according to its terms of reference that define its authority, responsibility and reporting functions in accordance with the provisions of the Act, Regulation 19 read with Part D of Schedule II to the Listing Regulations and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

### (i) Terms of Reference

The role of the Committee is:

1. To identify persons who are qualified to become directors in accordance with the criteria laid down and recommend to the Board, their appointment/removal;
2. To identify persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board, their appointment/removal;
3. Specify manner for effective evaluation of performance of the Board, its committees and Directors and review its implementation and compliance;
4. To formulate the criteria for determining qualifications, positive attributes and independence of a director;
5. For appointment of an Independent Director on the Board, to evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director to be appointed;

The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agency, if required
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates;
6. Devising a policy on Board diversity;
  7. To formulate and recommend to the Board, policies relating to the remuneration of Directors, Key Managerial Personnel and other employees of the Company;
  8. To discharge the role envisaged under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  9. Recommend to the board, all remuneration, in whatever form, payable to the senior management;

10. Extend or continue the term of appointment of the independent directors on the basis of report of the performance evaluation; and
11. Discharge any other duties or responsibilities as may be prescribed by law or as may be delegated by the Board from time to time.

### (ii) Composition

The Nomination, Remuneration and Compensation Committee comprises the following Chairperson/ Member(s) as on March 31, 2023:

S. No.	Name
1.	<b>Ms. Sudha Pillai, Chairperson</b>
2.	Mr. Shyam S. Bhartia, Member
3.	Mr. Sushil Kumar Roongta, Member
4.	Mr. Vivek Mehra, Member

The Nomination, Remuneration & Compensation Committee comprises of four (4) members, three (3) of which are Non-Executive Independent Directors and one (1) is Non-Executive Director. The Committee is constituted in line with the provisions of Listing Regulations and Companies Act.

### Compliance Officer

Mr. Rajiv Shah superannuated from the position of Company Secretary and Compliance Officer from the close of business hours of July 31, 2022.

Mr. Naresh Kapoor appointed as Company Secretary and Compliance Officer of the Company effective from August 1, 2022 and officiates as the Secretary to the Committee.

### Invitees

The Co-Chairman and Managing Director, Group Chief Human Resources Officer and Head-Benefits & Compensation are invitees to the NRC Committee Meetings.

### (iii) Meetings, Quorum and Attendance

The Committee met as frequently as circumstances necessitate with atleast one meeting in a year. The quorum for the meeting is two (2) members or one-third (1/3) of members, whichever is greater including atleast one Independent Director.

During the year, the Committee met three (3) times i.e. on May 27, 2022, July 1, 2022 and August 1, 2022.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Ms. Sudha Pillai, Chairperson	3	3
Mr. Shyam S. Bhartia, Member	3	3
Mr. Sushil Kumar Roongta, Member	3	3
Mr. Vivek Mehra, Member	3	3





### 3. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee oversees various aspects of interest of security holders like review of adherence to the service standards adopted for security holder services, measures taken for reducing the quantum of unclaimed dividends, redressal of shareholder and investor grievances and related matters in accordance with the provisions of the Act and Regulation 20 read with Part D of Schedule II to the Listing Regulations. Additionally, the Board has authorised the Chief Financial Officer and the Company Secretary to jointly exercise the powers of approving transfer/ transmission of shares. Normally, transfers/ transmissions are approved once in a fortnight.

#### (i) Terms of Reference

The role of the Committee is:

1. Resolving grievances of the security holders of the Company including complaints related to transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc;
2. Review of measures taken for effective exercise of voting rights by the shareholders;
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company; and
5. To discharge any other duties or responsibilities as may be prescribed by law or as may be delegated by the Board from time to time.

#### (ii) Composition

The Stakeholder Relationship Committee comprises the following Chairperson/Member(s) as on March 31, 2023:

S. No.	Name
1.	Mr. S. Sridhar, Chairperson
2.	Mr. Shyam S. Bhartia, Member
3.	Dr. Ashok Misra, Member
4.	Mr. Arun Seth, Member
5.	Mr. Arvind Chokhany, Member

The Stakeholder Relationship Committee comprises of five (5) members out of which three (3) are Non-Executive Independent Directors, one (1) is Non-Executive Director and one (1) is an Executive Director. The Chairperson of the Committee is a Non-Executive Independent Director and was also present at the Annual General Meeting of the shareholders of the Company held on September 26, 2022 to answer queries of the security holders as per Listing Regulations.

#### Compliance Officer

Mr. Rajiv Shah superannuated from the position of Company Secretary and Compliance Officer from the close of business hours of July 31, 2022.

Mr. Naresh Kapoor has been appointed as Company Secretary and Compliance Officer of the Company effective from August 1, 2022 and officiates as the Secretary to the Committee.

#### (iii) Meetings, Quorum and Attendance

The Committee met as frequently as circumstances necessitate with atleast one meeting in a year. The quorum for the meetings is two (2) members or one-third (1/3) of members, whichever is higher.

During the year, the Committee met once on May 27, 2022.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. S. Sridhar, Chairperson	1	1
Mr. Shyam S. Bhartia, Member	1	1
Dr. Ashok Misra, Member	1	1
Mr. Arun Seth, Member	1	1
Mr. Arvind Chokhany, Member	1	1

#### (iv) Investor Complaints

During the year, the Company received ten (10) complaints, which were duly resolved to the satisfaction of the shareholders. One (1) complaint was pending as on March 31, 2023 on SEBI SCORES portal for disposal, in respect of which Company has already filed action taken report. The same stands resolved as on date of this report.

#### (v) Transmissions approved

During the year, the Company received 14 cases representing 12,115 shares for share transmission, of which, 10 cases representing 10,695 shares were approved and 4 cases representing 1,420 shares were rejected on technical grounds.

### 4. SUSTAINABILITY & CSR COMMITTEE

Sustainability & CSR Committee has been constituted to review and oversee the Sustainability and Corporate Social Responsibility ('CSR') initiatives of the Company.

#### (i) Terms of Reference

The role of the Committee is:

- Sustainability:
  - To take all steps and decide all matters relating to triple bottom line indicators viz. Economic, Environmental and Social factors;
- CSR:
  - To formulate and recommend to the Board, a CSR Policy, strategy and goals, which shall indicate the activities to be undertaken by the Company.



- To recommend the Annual Action Plan including amount of expenditure to be incurred on the activities referred to in the CSR Policy and review the same;
  - To monitor the implementation of CSR Policy including CSR projects/ programmes.
- iii. Business Responsibility Policies:
- To review and implement Business Responsibility policies; and
- iv. Any other role as may be decided by the Board from time to time.

## (ii) Composition

The Sustainability and CSR Committee comprises the following Chairperson/Member(s) as on March 31, 2023:

S. No.	Name
1.	<b>Dr. Ashok Misra, Chairperson</b>
2.	Mr. Shyam S. Bhartia, Member
3.	Mr. Hari S. Bhartia, Member
4.	Ms. Sudha Pillai, Member
5.	Mr. S. Sridhar, Member
6.	Mr. Sushil Kumar Roongta, Member
7.	Mr. Priyavrat Bhartia, Member
8.	Mr. Arjun Shanker Bhartia, Member
9.	Mr. Arvind Chokhany, Member

The Sustainability and CSR Committee comprises of nine (9) Directors out of which four (4) are Non-Executive Independent Directors, three (3) are Non-Executive Directors and two (2) are Executive Directors. The Committee is constituted in line with the provisions of Companies Act.

### Compliance Officer

Mr. Rajiv Shah superannuated from the position of Company Secretary and Compliance Officer from the close of business hours of July 31, 2022.

Mr. Naresh Kapoor has been appointed as Company Secretary and Compliance Officer of the Company effective from August 1, 2022 and officiates as the Secretary to the Committee.

### Invitees

The Vice President & Head CSR and Chief Sustainability Officer are the invitees of Sustainability and CSR Committee meeting.

## (iii) Meetings, Quorum and Attendance

The Committee met twice in every six (6) months in terms of Companies Act.

During the year, the Committee met twice i.e. May 27, 2022 and October 14, 2022 ensuring that atleast one meeting is held in every six (6) months of the financial year. The quorum for the meetings is two (2) members or one-third (1/3) of members, whichever is higher.

- Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Dr. Ashok Misra, Chairperson	2	2
Mr. Shyam S. Bhartia, Member	2	2
Mr. Hari S. Bhartia, Member	2	1
Ms. Sudha Pillai, Member	2	2
Mr. S. Sridhar, Member	2	2
Mr. Sushil Kumar Roongta, Member	2	2
Mr. Priyavrat Bhartia, Member	2	1
Mr. Arjun Shanker Bhartia, Member	2	1
Mr. Arvind Chokhany, Member	2	1
Mr. Pramod Yadav, Member*	1	1

\*Mr. Pramod Yadav ceased to be a member effective from July 1, 2022.

## 5. RISK MANAGEMENT COMMITTEE

The Risk Management Committee has been constituted in compliance with the provisions of the Listing Regulations.

### (i) Terms of Reference

The role of the Committee is:

- To formulate a Risk Management Policy which shall include:
  - A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;



- f) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- g) To safeguard the shareholders' interests and the Company's assets, and assist the Board in determining the nature and extent of the significant risks, including credit risk, liquidity and funding risk, market risk, product risk and reputational risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks;
- h) To receive and review, as and when appropriate, reports from the Company's internal audit function on the results of risk management reviews and assessments as well as all relevant risk reports of the Company;
- i) Review the Company's procedures for detection and resolution of fraud. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action; and
- j) To discharge any other duties or responsibilities as may be prescribed by the law or as may be delegated to the Committee by the Board, from time to time.

## (ii) Composition

The Risk Management Committee comprises the following Chairperson/Member(s) as on March 31, 2023:

S. No.	Name
1.	<b>Mr. Sushil Kumar Roongta, Chairperson</b>
2.	Mr. Hari S. Bhartia, Member
3.	Ms. Sudha Pillai, Member
4.	Mr. S. Sridhar, Member
5.	Mr. Arun Seth, Member
6.	Mr. Shirish G. Belapure, Member *
7.	Mr. Pramod Yadav, Member
8.	Mr. Arvind Chokhany, Member

\* During the year, Mr. Shirish G. Belapure has been appointed as a member of the Committee effective from March 7, 2023.

The Risk Management Committee comprises of eight (8) members out of which five (5) are Non-Executive Independent Directors, two (2) are Executive Directors and one (1) is senior executive member of the Company. The Committee is constituted in line with the provisions of Listing Regulations and Companies Act.

## Compliance Officer

Mr. Rajiv Shah superannuated from the position of Company Secretary and Compliance Officer from the close of business hours of July 31, 2022.

Mr. Naresh Kapoor has been appointed as Company Secretary and Compliance Officer of the Company effective from August 1, 2022 and officiates as the Secretary to the Committee.

## Invitee

The Head-Group Treasury and Chief Financial Officer is invitee to the meetings of the Committee.

## (iii) Meetings, Quorum and Attendance

The Risk Management Committee met at least twice (2) in a year with a gap of not more than one hundred and eighty days (180) between two (2) consecutive meetings. The quorum for the meetings is two (2) members or one-third (1/3) of members, whichever is higher, including at least one (1) member of the Board of Directors in attendance.

During the year, the Committee met twice (2) on May 4, 2022 and October 31, 2022.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. Sushil Kumar Roongta, Chairperson	2	2
Mr. Hari S. Bhartia, Member	2	1
Mr. S. Sridhar, Member	2	2
Ms. Sudha Pillai, Member	2	2
Mr. Arun Seth, Member	2	1
Mr. Pramod Yadav, Member	2	2
Mr. Arvind Chokhany, Member	2	2
Mr. Shirish G. Belapure*	-	-

\* During the year, Mr. Shirish G. Belapure has been appointed as a member of the Committee effective from March 7, 2023

## 6. REORGANISATION COMMITTEE

Reorganisation Committee functions according to its terms of reference that define its authority and responsibility which, inter alia, include the following:

### (i) Terms of Reference

The role of the Committee is to facilitate in-depth evaluation of various options of corporate restructuring including demerger/ transfer of undertakings, businesses and operations of the Company on a going concern basis and their respective implications and to take other consequential actions including allotment of securities for facilitating restructuring.

### (ii) Composition

The Reorganisation Committee comprises the following Chairperson/Member(s) as on March 31, 2023:

S. No.	Name
1.	<b>Mr. Shyam S. Bhartia, Chairperson</b>
2.	Mr. Hari S. Bhartia, Member
3.	Mr. S. Sridhar, Member
4.	Mr. Sushil Kumar Roongta, Member
5.	Mr. Vivek Mehra, Member
6.	Mr. Arvind Chokhany, Member



### (iii) Meetings and Attendance

The Committee meets as frequently as circumstances necessitate.

During the year, no Committee meeting was held.

## 7. CAPITAL ISSUE COMMITTEE

The Capital Issue Committee functions according to its terms of reference that define its authority and responsibility which, inter alia, include the following:

### (i) Terms of Reference

The role of the Committee is to decide about the following with reference to fund raising:

1. Type of instruments.
2. Size of the issue within the overall limit approved by the Board of Directors.
3. Terms and conditions of the issue / allotment/ conversion.
4. Appointment of merchant bankers, lawyers, auditors, depositories, printers and other agencies.
5. Other consequential actions as may be necessary for implementing the above referred proposal.

### (ii) Composition

The Capital Issue Committee comprises the following Chairperson/Member(s) as on March 31, 2023:

S. No.	Name
1.	<b>Mr. Shyam S. Bhartia, Chairperson</b>
2.	Mr. Hari S. Bhartia, Member
3.	Mr. S. Sridhar, Member
4.	Mr. Priyavrat Bhartia, Member
5.	Mr. Arjun Shanker Bhartia, Member

The Capital Issue Committee comprises of five (5) members out of which one (1) is Non-Executive Independent Director, three (3) are Non-Executive Directors and one (1) is Executive Director.

### (iii) Meetings and Quorum

The Committee meets as frequently as circumstances necessitate. The quorum for the meetings is two (2) members or one-third (1/3) of members, whichever is higher.

During the year, no Committee meeting was held.

## 8. FINANCE COMMITTEE

The Board of Directors of the Company has delegated the powers to borrow money and to avail financial assistance from banks, financial institutions, etc. to the Finance Committee.

### (i) Terms of Reference

1. To avail financial assistance from banks, financial institutions, NBFCs, mutual funds, insurance companies or any other lender by way of term loans, working capital loans or any other funding method.

2. To approve creation of mortgages / charges in favour of lenders.
3. To give corporate guarantees to banks/financial institutions for financial assistance availed by wholly-owned subsidiaries.
4. To open, operate, transfer and close accounts with banks/ institutions outside India from time to time.

### (ii) Composition

The Finance Committee comprises the following Chairperson/Member(s) as on March 31, 2023:

S. No.	Name
1.	<b>Mr. Shyam S. Bhartia, Chairperson</b>
2.	Mr. Hari S. Bhartia, Member
3.	Mr. Priyavrat Bhartia, Member
4.	Mr. Arjun Shanker Bhartia, Member
5.	Mr. Arvind Chokhany, Member

The Finance Committee comprises of five (5) members out of which three (3) are Non-Executive Directors and two (2) are Executive Directors.

### Compliance Officer

Mr. Rajiv Shah superannuated from the position of Company Secretary and Compliance Officer from the close of business hours of July 31, 2022.

Mr. Naresh Kapoor has been appointed as Company Secretary and Compliance Officer of the Company effective from August 1, 2022 and officiates as the Secretary to the Committee.

### Invitee

The Head-Group Treasury and Chief Financial Officer are the invitees to the Finance Committee meetings.

### (iii) Meetings, Quorum and Attendance

The Committee met as frequently as circumstances necessitate. The quorum for the meetings are two (2) members.

During the year, the Committee met three times i.e. on June 24, 2022, August 5, 2022 and October 31, 2022. Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. Shyam S. Bhartia, Chairperson	3	3
Mr. Hari S. Bhartia, Member	3	3
Mr. Priyavrat Bhartia, Member	3	1
Mr. Arjun Shanker Bhartia, Member	3	1
Mr. Arvind Chokhany, Member	3	3

## 9. FUND RAISING COMMITTEE

The Fund Raising Committee functions according to its terms of reference that define its authority and responsibility which, inter alia, include the following:



## (i) Terms of Reference

The Committee is authorised to take all steps and decide all matters to explore the options and opportunities for raising money by listing the Pharma business and to finalise and execute the consolidation, reorganisation and listing of the Pharma business and to give loans to, make investments in and provide guarantee/ security to wholly-owned subsidiaries or any other person/ body corporate.

## (ii) Composition

The Fund Raising Committee comprises the following Chairperson/Member(s) as on March 31, 2023:

S. No.	Name
1.	<b>Mr. Shyam S. Bhartia, Chairperson</b>
2.	Mr. Hari S. Bhartia, Member
3.	Mr. Priyavrat Bhartia, Member
4.	Mr. Arjun Shanker Bhartia, Member
5.	Mr. Arvind Chokhany, Member

### Compliance Officer

Mr. Rajiv Shah superannuated from the position of Company Secretary and Compliance Officer from the close of business hours of July 31, 2022.

Mr. Naresh Kapoor has been appointed as Company Secretary and Compliance Officer of the Company effective from August 1, 2022 and officiates as the Secretary to the Committee.

## (iii) Meetings, Quorum and Attendance

The Committee meets as frequently as circumstances necessitate. During the year, the Committee met once i.e. on December 20, 2022.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. Shyam S. Bhartia, Chairperson	1	1
Mr. Hari S. Bhartia, Member	1	1
Mr. Priyavrat Bhartia, Member	1	1
Mr. Arjun Shanker Bhartia, Member	1	0
Mr. Arvind Chokhany, Member	1	1

## 10. QUALITY COMMITTEE

The Board formed the Quality Committee effective from March 7, 2023. The Committee functions according to its terms of reference that define its authority and responsibility which, inter alia, include the following:

### (i) Terms of Reference

The Committee is established to oversee and evaluate:

- the Company's compliance and quality control systems and initiatives;

- the systems in place to maintain, and identify deviations from, the Company's compliance and quality control standards; and

- leadership and guidance on quality and compliance across all sites in its pursuit of excellence in quality.

## (ii) Composition

The Quality Committee comprises the following Chairperson/Member(s) as on March 31, 2023:

S. No.	Name
1.	<b>Mr. Shirish G. Belapure, Chairperson</b>
2.	Mr. Sushil Kumar Roongta, Member
3.	Mr. Priyavrat Bhartia, Member
4.	Mr. Arjun Shanker Bhartia, Member

## (iii) Meetings and Quorum

The Committee meets as frequently as circumstances necessitate.

During the year, no Committee meeting was held since it was formed in March 2023.

## D) PERFORMANCE EVALUATION AND ITS CRITERIA

Pursuant to the provisions of the Act, the Listing Regulations and the Performance Evaluation Policy of the Company, the Board has carried out annual evaluation of its performance, its committees, Chairperson and Directors through a structured questionnaire process.

Performance of the Board was evaluated by each Director on the parameters such as its role and responsibilities, business risks, contribution to the development of strategy and effective risk management, understanding of operational programmes, availability of quality information in a timely manner, regular evaluation of progress towards strategic goals and operational performance, adoption of good governance practices and adequacy and length of meetings, etc. Independent Directors also carried out evaluation of the Board performance.

Board committees were evaluated by the respective committee members on the parameters such as its role and responsibilities, effectiveness of the committee vis-a-vis assigned role, appropriateness of committee composition, timely receipt of information by the committee, effectiveness of communication by the committee with the Board, Senior Management and Key Managerial Personnel.

Performance of the Chairperson was evaluated by the Independent Directors on the parameters such as demonstration of effective leadership, contribution to the Board's work, communication with the Board, use of time and overall efficiency of Board meetings, quality of discussions at the Board meetings, process for settling Board agenda, etc.

Directors were evaluated individually by the Board of Directors (excluding the Director himself) on the parameters such as his/her preparedness at the Board meetings, attendance at the Board meetings, devotion of time and efforts to understand the Company and its business, quality of contribution at the Board meetings, application of knowledge and experience





while considering the strategy, effectiveness of follow-up in the areas of concern, communication with Board members, Senior Management and Key Managerial Personnel, etc.

Independent Directors were additionally evaluated for their performance and fulfilment of criteria of independence and their independence from the Management. Also, the performance evaluation of the Non Independent Directors was carried out by the Independent Directors.

The results of evaluation showed high level of commitment and engagement of Board, its various committees and senior leadership. The results of the evaluation were shared with the

Board, Chairperson of respective Committees and individual Directors. Based on the outcome of the evaluation, the Board and Committees have agreed on an action plan to further improve the effectiveness and functioning of the Board and Committees.

The Directors expressed their satisfaction with the evaluation process. During the year under review, the Committee ascertained and reconfirmed that the deployment of "questionnaire" as a methodology, is effective for evaluation of performance of Board and Committees and Individual Directors.

## E) REMUNERATION OF DIRECTORS

The details of remuneration paid to Executive Directors during the Financial Year 2022-23 are given below:

(Amount in ₹)

Sr. No.	Particulars	Mr. Hari S. Bhartia, Co-Chairperson and Managing Director*	Mr. Arvind Chokhany, Group Chief Financial Officer & Whole-time Director**	Mr. Ramamurthi Kumar, Whole-time Director***
1	Salary	27,000,000	13,787,130	5,159,970
2	Commission Payable (as a % of profit)	99,00,000	-	-
3	House Rent Allowance	16,200,000	8,272,278	3,095,982
4	Contribution to Provident Fund	3,240,000	1,654,456	619,196
5	Gratuity	-	-	-
6	Leave Encashment	-	-	-
7	Perquisite Value of Stock Options	-	-	-
8	Allowances/ Perquisites	63,558,702	29,717,578	3,344,257
9	Variable Pay	-	-	4,156,615
	<b>Total</b>	<b>119,898,702</b>	<b>53,431,442</b>	<b>16,376,020</b>

### (i) Remuneration to Managing/ Whole-Time Directors

Note: Remuneration comprises salary, allowances, commission, perquisites/ taxable value of perquisites, etc.

\* Mr. Hari S. Bhartia also holds 3,60,885 shares of the Company.

\*\* Mr. Arvind Chokhany also holds 46,739 stock options under Jubilant Pharmova Employees' Stock option Plan, 2018.

The remuneration of the Executive Directors are fixed keeping in view their qualification, experience, capabilities, their past performance and achievements and also remuneration paid to the Executive Directors of other companies which are similar to the Company in terms of nature of business, size and complexity. A suitable component of remuneration payable to the Executive Directors are linked to their individual performance and business performance of the Company.

\*\*\*Mr. Ramamurthi Kumar has been appointed as Whole-time Director of the Company for a period of three (3) consecutive years effective from July 1, 2022. His appointment was further regularised as duly approved by the shareholders of the Company at the AGM held on September 26, 2022.

### Service Contracts, Notice Period and Severance Fees

Appointment of Managing Director and Whole-time Director(s) are contractual. Appointment of Whole-time Director is terminable on 3 months' notice or by payment of Basic Salary in lieu thereof. No severance fee is payable to Managing Director and Whole-time Director.

### (ii) Remuneration to Non-Executive Directors

The Company considers the time and efforts put in by the Non-Executive Directors in deliberations at the Board/ Committee meetings. They are remunerated by way of sitting fees for attending the meetings and commission on profit, as approved by the Board and shareholders of the Company.



Details of Equity Shares held, commission and sitting fees of the Non-Executive Directors for the year ended March 31, 2023 are given in the table below:

Name of Director	No. of Equity Shares of ₹1 held	Sitting Fees (₹)	Commission Payable (₹)	Total (₹)
Mr. Shyam S. Bhartia	5,000	-	-	-
Mr. S. Sridhar	Nil	8,90,000	10,00,000	18,90,000
Ms. Sudha Pillai	Nil	10,10,000	10,00,000	20,10,000
Dr. Ashok Misra	Nil	7,15,000	10,00,000	17,15,000
Mr. Sushil Kumar Roongta	Nil	7,60,000	10,00,000	17,60,000
Mr. Vivek Mehra	Nil	8,50,000	10,00,000	18,50,000
Mr. Arun Seth	2,000	3,80,000	10,00,000	13,80,000
Mr. Priyavrat Bhartia	13,98,010	-	-	-
Mr. Arjun Shanker Bhartia	-	-	-	-
Mr. Shirish G. Belapure#3	-	NA	NA	NA
<b>Total</b>	<b>14,05,010</b>	<b>46,05,000</b>	<b>6,00,000</b>	<b>1,06,05,000</b>

**Notes:**

1. Mr. Shyam S. Bhartia, Chairman of the Company, Mr. Priyavrat Bhartia, Mr. Arjun Shanker Bhartia, Directors have opted not to take commission for the Financial Year 2022-23.
2. Other than holding Shares and remuneration indicated above, the Non-Executive Directors do not have any pecuniary relationship or transactions with the Company during the year.
3. Mr. Shirish G. Belapure has been appointed as Non-Executive Independent Director for a period of five (5) consecutive years effective from March 7, 2023. His appointment has been duly approved by the shareholders of the Company by way of special resolution passed through postal ballot, results of which were declared on April 13, 2023.

## F) GENERAL BODY MEETINGS

### (i) Date, time and location of the Annual General Meetings held during the last three years

Financial Year	Date	Time	Location
2019-20 (42 <sup>nd</sup> AGM)	September 11, 2020	10:00 a.m.	Video Conferencing/ Other Audio Visual Means
2020-21 (43 <sup>rd</sup> AGM)	September 22, 2021	11:00 a.m.	Video Conferencing/ Other Audio Visual Means
2021-22 (44 <sup>th</sup> AGM)	September 26, 2022	11.00 a.m.	Video Conferencing/ Other Audio Visual Means

Following are the Special Resolutions passed at the Annual General Meetings held in the last three years.

Meeting	Subject Matter of Special Resolutions Passed
42 <sup>nd</sup> AGM	Nil
43 <sup>rd</sup> AGM	<ol style="list-style-type: none"> <li>1. Approval for payment of Remuneration to Mr. Hari S. Bhartia, Co-Chairman and Managing Director, for the Financial Year 2021-22.</li> <li>2. Re-appointment of Mr. Hari S. Bhartia as Co-Chairman and Managing Director of the Company for a period of three years effective from April 1, 2022.</li> <li>3. Appointment of Mr. Arvind Chokhary as a Group Chief Financial Officer and Whole-time Director for a period of 3 years effective from April 1, 2021.</li> <li>4. Re-appointment of Mr. Sushil Kumar Roongta as an Independent Director for a term of 5 years ending on May 22, 2027.</li> <li>5. Re-appointment of Mr. Vivek Mehra as an Independent Director for a term of 5 years ending on May 22, 2027.</li> <li>6. Approval for continuation of appointment of Dr. Ashok Misra, as an Independent Director upto the completion of his present term ending on March 31, 2024, notwithstanding that he would be completing 75 years of age during his present term.</li> <li>7. Approval for payment of commission to Directors other than Managing Director(s) / Whole-time Director(s) in addition to sitting fees for attending meetings of the Board of Directors, Independent Directors, committee(s) of the Board, etc. not exceeding, three per cent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 and other applicable provisions, if any, of the Act.</li> </ol>
44 <sup>th</sup> AGM	<ol style="list-style-type: none"> <li>1. Appointment of Mr. Ramamurthi Kumar, Whole-time Director for a period of 3 years effective from July 1, 2022.</li> </ol>


**(ii) Special Resolutions passed through Postal Ballot in Financial Year 2022-23**

Sr. No.	Particulars of Resolutions passed through Postal Ballot on May 16, 2022	Votes in favour of Resolution	Votes Against Resolution
1.	Approval of Alteration of Articles of Association of the Company	10,83,64,169	35,44,257

Sr. No.	Particulars of Resolutions passed through Postal Ballot on November 14, 2022	Votes in favour of Resolution	Votes Against Resolution
1.	Approval for amendment in Jubilant Pharmova Employee Stock Option Plan 2018	10,09,04,372	1,14,18,220
2.	Approval for grant of stock options to the employees of subsidiary companies of the Company under Jubilant Pharmova Employees Stock Option Plan 2018	10,09,01,979	1,14,19,611
3.	Approval for acquisition of equity shares by way of secondary acquisition under Jubilant Pharmova Employees Stock Option Plan 2018	10,12,77,789	1,10,43,750

**(iii) Whether any Special Resolution passed through Postal Ballot post Financial Year 2022-23**

Sr. No.	Particulars of Resolutions passed through Postal Ballot on April 12, 2023	Votes in favour of Resolution	Votes Against Resolution
1.	Approval of appointment of Mr. Shirish G. Belapure as an Independent Director	10,73,57,722	6,06,768

**(iv) Procedure for Postal Ballot**

- The notices containing the proposed resolutions and explanatory statement are sent to the shareholders electronically containing the details of the Scrutiniser appointed by the Board for carrying out the Postal Ballot process;
- The Postal Ballot votes cast within 30 days of dispatch are considered by the Scrutiniser;
- The Scrutiniser submits his report to the Chairperson/ Co-Chairperson of the Company or a person authorised by them, who on the basis of the report, announces the results; and
- The Company has entered into an agreement with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') for providing e-voting facility to its shareholders. Under this facility, shareholders are provided an electronic platform to participate and vote on the resolutions to be passed through Postal Ballot.

compliance with the Code have been received from the Directors and Senior Management of the Company. A declaration to this effect signed by Mr. Hari S. Bhartia, Co-Chairman & Managing Director is enclosed as **Annexure-B**. The Code of Conduct is posted on the Company's website <https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/code-of-conduct>

**ii. Code of Conduct for Prevention of Insider Trading**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities of the Company by the Designated Persons. The Code also includes requirements for the Structured Digital Database, prescribed format for reporting of trading in the securities of the Company, reporting of violations to the stock exchanges etc. The Company has also implemented the Policy and Procedure for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information ('UPSI'), pursuant to the SEBI Insider Trading Regulations.

Dealing in the shares of the Company by the Designated Persons is effectively monitored for ensuring compliance with the Code. Report on dealing in the shares of the Company by the Designated Persons is placed before the Chairperson of the Audit Committee and the Board on a quarterly basis. Pursuant to the SEBI Insider Trading Regulations, the Company has established a Structured Digital Database with adequate internal controls and checks such as time stamp and audit trails. The Company has also established effective internal controls to ensure compliance with the SEBI Insider Trading Regulations.

**G) CODES AND POLICIES**

The Company has established a robust framework of Codes and Policies that facilitates and reflects adoption of good governance practices. The salient Codes and Policies adopted by the Company are mentioned below:

**i. Code of Conduct for Directors and Senior Management**

The Company has formulated and implemented a Code of Conduct for the Board members and Senior Management. Requisite annual affirmations of



These internal controls are reviewed annually by the Audit committee and the Board of Directors to ensure effectiveness of such controls. The compliances with the SEBI Insider Trading Regulations for the financial year ended March 31, 2023 were independently reviewed by the Secretarial Auditors of the Company.

### iii. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

The Company has adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information with a view to facilitate prompt, uniform and universal dissemination of unpublished price sensitive information. The Code also includes the Policy for Determination of Legitimate Purposes. The Code is posted on the Company's website <https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/code-of-fair-disclosures>.

### iv. Policy for Determination of Materiality of Events and Information

The Company has adopted the Policy for Determining Materiality of Events and Information. This policy aims to ensure timely and adequate disclosure of all material and price sensitive information to the Stock Exchanges. The Policy is displayed on the Company's website <https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/policy-for-determination-of-materiality-of-events-and-information>.

### v. Whistle Blower Policy

Jubilant has a robust Whistle Blower Policy and Ombudsman Process to make the workplace at Jubilant conducive to open communication regarding business practices. It enables the Directors and full time employees to voice their concerns or disclose or report fraud, unethical behavior, violation of the Code of Conduct, questionable accounting practices, grave misconduct, etc. without fear of retaliation/ unlawful victimisation/ discrimination which is a sine qua non for an ethical organisation.

The Whistle Blower Policy has been posted on the Company's website at <https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/whistle-blower-policy>. The Audit Committee periodically reviews functioning of the Policy and the Ombudsperson Process. During the year, no Director or full time employee was denied access to the Chairperson of the Audit Committee.

### vi. Appointment and Remuneration Policy

The Company has a Policy on appointment and remuneration of Directors, Key Managerial Personnel ('KMP') and Senior Management/ other employees ('Employees') of the Company. The Policy aims to ensure that the persons appointed as Directors, KMPs and Employees possess the requisite qualifications,

experience, expertise and attributes commensurate to their positions and level and that the remuneration of such person is fair, reasonable and sufficient to attract, retain and motivate the personnel to manage the Company successfully. The Policy contains, inter alia, provisions pertaining to qualification, attributes and process of their appointment and removal as well as remuneration. The Policy is displayed on the Company's website and web-link for the same is: <https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/appointment-and-remuneration-policy>.

### vii. Policy for Determining Material Subsidiaries

The Company has adopted a policy for Determining Material subsidiaries. This policy aims to determine material subsidiary(ies) of the Company.

Policy is displayed on the Company's website. <https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/policy-for-determining-material-subsidiaries>. As on March 31, 2023, the Company has 4 material subsidiaries, namely **Jubilant Generics Limited, Jubilant Draximage Inc., Canada, Jubilant Pharma Holdings Inc., USA and Jubilant HollisterStier LLC, USA.**

### viii. Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions

The Company has a policy on materiality of Related Party Transactions and dealing with Related Party Transactions. This policy aims to determine the materiality of Related Party Transactions to deal with Related Party Transactions of the Company.

The Policy is displayed on the Company's website <https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/policy-on-rpts>.

### ix. Dividend Distribution Policy

The Company has formulated and implemented the Dividend Distribution Policy in accordance with the Listing Regulations. The Policy is displayed on the Company's website. The web-link for the same is: <https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/dividend-distribution-policy>.

### x. Policy for Preservation of Documents

The Company has a Policy for Preservation of Documents. The Policy facilitates preservation of documents in compliance with the laws applicable to various functions and departments of the Company.

### xi. Archival Policy

The Company has an Archival Policy that lays down the process and manner of archiving the disclosures made to the Stock Exchanges under the Listing Regulations. The Policy provides that such disclosures shall be hosted on the website of the Company for a period of five (5)



years from the date of disclosure to the Stock Exchanges. The Policy also lays down the manner of archiving these disclosures after the period of Five (5) years. The Policy is posted on the Company's website at <https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/archival-policy>.

#### xii. Policy on Board Diversity

The Company has designed a policy which aims to achieve diversity in the Board of Directors of the Company. The policy is framed by Nomination, Remuneration and Compensation Committee ("NRC") in compliance with the provisions of the Listing Agreement which is displayed on the Company's website <https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/policy-on-board-diversity>

#### xiii. Succession Plan for Board Members and Senior Management

Nomination, Remuneration and Compensation Committee reviews the succession plan in respect of senior management and Board level positions and recommendations, if any are placed before the Board for its approval.

#### xiv. Performance Evaluation Policy

The Board of the Company undertakes a formal and rigorous annual evaluation of Independent Directors, Executive Directors, Non-Executive Directors and Chairperson of the Company for which the Company has a well defined Performance Evaluation Policy which outlines the various parameters for performance evaluation.

#### xv. Code of Conduct for Employees

The Company is committed to creating and nurturing a work environment that promotes transparent business practices in accordance with the statutory and regulatory requirements. In this regard, the Company has a well defined Code of Conduct for Employees which is displayed on the Company's website <https://www.jubilantpharmova.com/careers/code-of-conduct>. The same needs to be affirmed by employees on annual basis.

#### xvi. Policy for Prevention of Sexual Harassment

The Company as an employer is committed to creating a work place that is free from all forms of sexual harassment. In order to deal with sexual harassment at workplace. The Company has implemented the policy for Prevention of Sexual Harassment Policy (POSH) with training to all employees by an external consultant having expertise in subject matter.

or the management, subsidiaries, etc. that may have a potential conflict with the interests of the Company at large. Related Party Transactions are given at Note No. 37 to the Standalone Financial Statements;

- (ii) Listing fees for the Financial Year 2022-23 have been paid to the Stock Exchanges on which securities of the Company are listed;
- (iii) Detailed note on the risk management is included in the Management Discussion and Analysis section;
- (iv) Commodity Price Risks/ Foreign Exchange Risk and Hedging Activities: Your Company was exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Company.

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, including but not limited to, entering into forward contract and interest rate swap.

As per the Company's Policy for Determination of Materiality of Events and Information, your Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2018/0000000141 dated November 15, 2018;

- (v) Fees paid to Statutory Auditors: The Company and its subsidiaries have paid aggregate fees of ₹11.01 million to the Statutory Auditors and its network firms/ entities for audit and non-audit services availed during the Financial Year 2022-23;
- (vi) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under:

Sr. No.	Particulars	Details
1	Number of complaints filed during the Financial Year 2022-23	1
2	Number of complaints disposed of during the Financial Year 2022-23	1
3	Number of complaints pending as at the end of the Financial Year 2022-23	Nil

- (vii) The Company and its subsidiaries have not given Loans and advances in the nature of loans to the firms/ companies in which directors are interested.
- (viii) The Company has complied with the requirements pertaining to Corporate Governance specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

## H) DISCLOSURES

- (i) There are no materially significant transactions with the related parties viz. promoters, directors, their relatives

## I) MEANS OF COMMUNICATION

- (i) The quarterly results are regularly submitted to the Stock Exchanges and are published in leading business





newspaper of the country 'Mint' and regional newspaper 'Hindustan' in compliance with the Listing Regulations Regulations.

- (ii) The official news releases including the quarterly, half yearly and annual results and presentations are posted on the Company's website [www.jubilantpharmova.com](http://www.jubilantpharmova.com).
- (iii) Various sections of the Company's website [www.jubilantpharmova.com](http://www.jubilantpharmova.com) keep the investors updated on material developments of the Company by providing key and timely information like details of Directors, financial information, press releases, presentations, stock information, etc.
- (iv) Regular communications are sent to the shareholders including e-mailing of quarterly results and press release just after release to the Stock Exchanges, e-mailing of Annual Reports and Corporate Sustainability Reports. Maintaining user friendly Investor Section on the website of the Company [www.jubilantpharmova.com](http://www.jubilantpharmova.com).
- (v) Disclosures made to the Stock Exchanges are promptly uploaded on the website of the Company for information of the Investors.
- (vi) Online feedback form is placed on the website of the Company to enable the shareholders to provide feedback about shareholder services.
- (vii) The Company diligently works towards excellence in stakeholder communication. It believes in sharing all material information that may directly or indirectly affect the financial and operational performance of the Company and consequently the share price.
- (viii) A detailed docket on the financials and business highlights is released to the stock exchanges after the Board approves the results every quarter. The Company also hosts a quarterly conference call every quarter after the release of its financial results along with discussion on the performance of the businesses by its leadership team. This is followed by question and answer session such that whosoever has a question for the management can raise it in the forum. During the Financial Year 2022-23, we conducted 4 post results conference calls, wherein over 100 participants from leading brokerage houses, foreign and domestic institutional investors, banks, insurance and portfolio management companies and rating agencies, besides media and others logged into the conference each time to listen to the management's discussion and analysis. Transcripts of the conference calls are also made available on the Company's website and to Stock Exchanges. The Company, as a process, disseminates material information on specific business

updates through press releases, as appropriate. The Company has also started posting proceedings of audio transcript of the Earnings Conference Call effective from April 1, 2022.

- (ix) A dedicated e-mail address viz. [investors@jubl.com](mailto:investors@jubl.com) for interacting on various matters with respect to share transfer, transmission, dividends and other related issues with the Company Secretary and Compliance Officer.

## J) GENERAL SHAREHOLDER INFORMATION

### (i) Date, time and venue of 45<sup>th</sup> Annual General Meeting

Day	:	Thursday
Date	:	August 31, 2023
Time	:	11.00 A.M. (IST)
Place	:	Audio-Visual means

### (ii) Financial Year and Financial Calendar

The Company observes April 1 to March 31 as its Financial Year. The Financial Calendar for the year 2023-24 is as follows:

Item	Tentative Dates*
First Quarter Results	July 19, 2023
Second Quarter Results	October 27, 2023
Third Quarter Results	February 2, 2024
Audited Annual Results for the year	May 17, 2024

\*These dates are subject to change.

### (iii) Dividend Payment Dates

As per the Notice convening the 45<sup>th</sup> Annual General Meeting. The Dividend, if declared, will be paid within 30 days from the date of the Annual General Meeting.

### (iv) Listing

The names of the Stock Exchanges at which the securities of the Company are listed and the respective stock codes are as under:

Sr. No.	Name and Address of the Stock Exchange	Security Listed	Stock Code
1.	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	Equity Shares	530019
2.	National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	Equity Shares	JUBLPHARMA



#### (v) Market Information

Monthly high/ low of the market price of the Company's Equity Shares (of ₹1 each) traded on the Stock Exchanges during the Financial year 2022-23 is given hereunder:

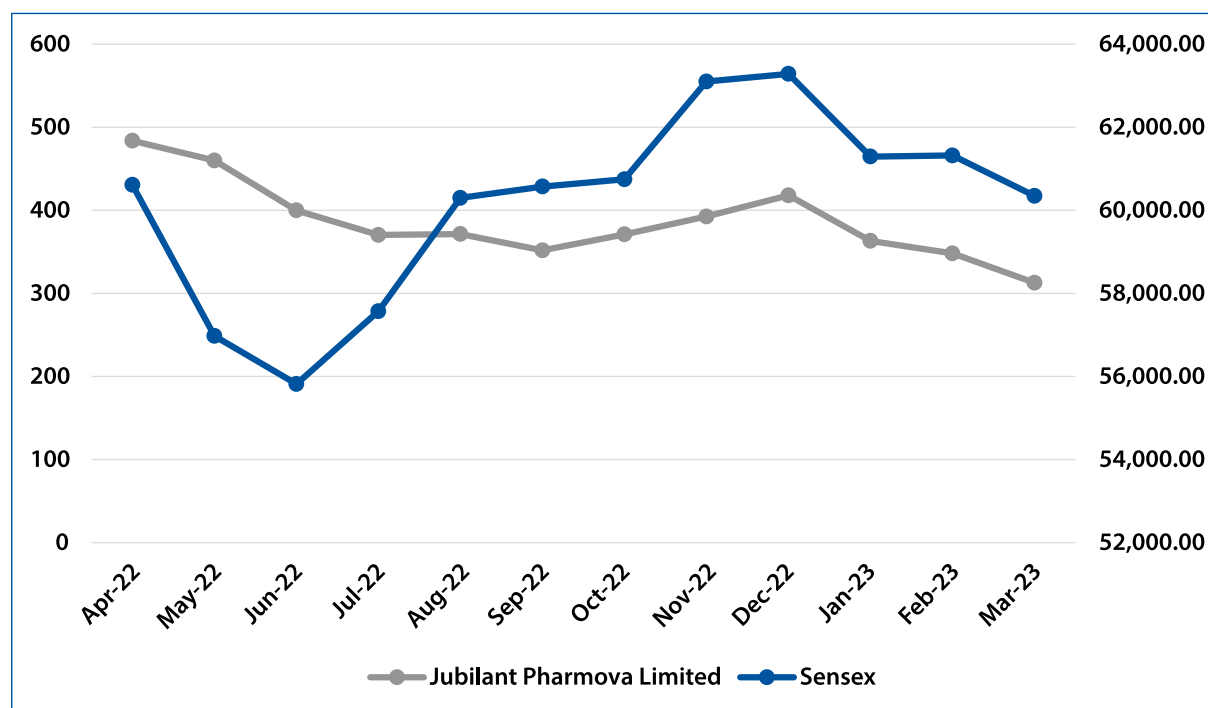
(Amount in ₹)

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
Apr-22	495.55	390.90	495.95	390.30
May-22	476.05	378.00	476.50	378.05
Jun-22	405.00	317.65	405.00	318.80
Jul-22	379.25	329.00	380.00	281.80
Aug-22	387.40	335.40	387.00	335.00
Sep-22	359.80	305.20	360.00	305.05
Oct-22	391.80	318.35	391.95	318.45
Nov-22	404.65	364.10	404.70	364.30
Dec-22	423.55	364.40	423.90	362.60
Jan-23	377.00	329.40	379.20	331.05
Feb-23	367.55	303.55	367.60	304.00
Mar-23	325.40	268.80	325.00	268.90

#### (vi) Performance of the Company's Equity Shares vis-a-vis BSE Sensex during Financial Year 2022-23

(Amount in ₹)

Month	SENSEX	Company Share Price
	Closing High	Closing High
Apr-22	60611.74	483.75
May-22	56975.99	459.95
Jun-22	55818.11	399.90
Jul-22	57570.25	370.30
Aug-22	60298.00	371.50
Sep-22	60571.08	351.80
Oct-22	60746.59	371.10
Nov-22	63099.65	392.55
Dec-22	63284.19	418.00
Jan-23	61294.20	363.15
Feb-23	61319.51	348.15
Mar-23	60348.09	312.85



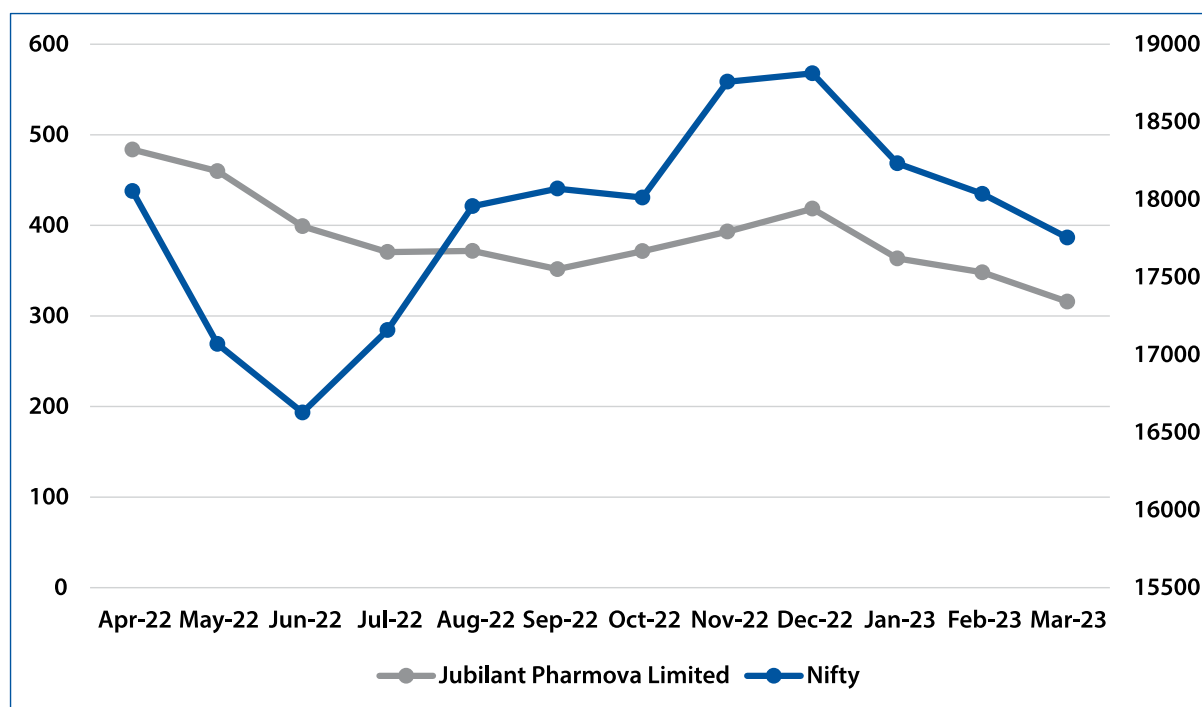
The above graph is based on the monthly closing prices of equity shares of the Company on BSE and monthly closing BSE Sensex.



(vii) Performance of the Company's Equity Shares vis-a-vis NSE Nifty during Financial Year 2022-23

(Amount in ₹)

Month	NIFTY Closing High	Company Share Price Closing High
Apr-22	18053.40	483.65
May-22	17069.10	459.80
Jun-22	16628.00	398.95
Jul-22	17158.25	370.50
Aug-22	17956.50	371.75
Sep-22	18070.05	351.65
Oct-22	18012.20	371.50
Nov-22	18758.35	393.05
Dec-22	18812.50	418.40
Jan-23	18232.55	363.45
Feb-23	18035.85	348.10
Mar-23	17754.40	315.75



(viii) Growth in Equity Capital

Year	Particulars	Increase in Number of Shares	Cumulative Number of Shares	Face Value (₹)/Per Share
1978	Issue of Shares to initial subscribers	1,200	1,200	10
1981	Issued to Indian promoters	608,370	609,570	10
1981	Issued to Foreign collaborators	655,430	1,265,000	10
1981	Issued to Public through public issue	2,200,000	3,465,000	10
1982-1983	Rights Issue 1:5	693,000	4,158,000	10
1984-1985	Forfeited on account of non-payment of allotment money	(3,200)	4,154,800	10
1986-1987	Conversion of loan into Equity Shares	1,006,180	5,160,980	10
1995-1996	Issued to shareholders of Ramganga Fertilizers Limited upon merger with the Company	256,522	5,417,502	10
1999-2000	Issued to shareholders of Anichem India Limited and Enpro Speciality Chemicals Limited upon merger with the Company	839,897	6,257,399	10



Year	Particulars	Increase in Number of Shares	Cumulative Number of Shares	Face Value (₹)/Per Share
2001-2002	Conversion of 1,500,000 Warrants issued to promoters on preferential basis	1,500,000	7,757,399	10
2002-2003	Sub-division of shares from ₹10 to ₹5	7,757,399	15,514,798	5
2002-2003	Cancellation of shares as per Scheme of Amalgamation of the Company with Vam Leasing Limited and Vam Investments Limited	(851,234)	14,663,564	5
2003-2004	Issue of Bonus Shares in the ratio of 3:5	8,798,139	23,461,703	5
2004-2005	Issued to foreign investors on preferential basis	2,424,273	25,885,976	5
2004-2005	Part conversion of FCCBs	27,379	25,913,355	5
2005-2006	Part conversion of FCCBs	1,448,348	27,361,703	5
2005-2006	Issued to foreign investors on preferential basis	990,000	28,351,703	5
2005-2006	Sub-division of shares from ₹5 to ₹1	113,406,812	141,758,515	1
2005-2006	Part conversion of FCCBs	684,480	142,442,995	1
2006-2007	Part conversion of FCCBs	999,339	143,442,334	1
2006-2007	Issue of shares upon exercise of Options under Jubilant Employees Stock Option Plan, 2005	3,000	143,445,334	1
2007-2008	Part conversion of FCCBs	2,675,375	146,120,709	1
2007-2008	Issue of shares upon exercise of Options under Jubilant Employees Stock Option Plan, 2005	65,205	146,185,914	1
2008-2009	Issue of shares upon exercise of Options under Jubilant Employees Stock Option Plan, 2005	46,630	146,232,544	1
2008-2009	Part conversion of FCCBs	1,309,714	147,542,258	1
2009-2010	Issue of Shares to Qualified Institutional Buyers	11,237,517	158,779,775	1
2010-2011	Issue of Shares under Scheme of Amalgamation & Demerger with Jubilant Industries Limited and Others	501,364	159,281,139	1

Note: Pursuant to the Composite Scheme of Arrangement between the Company, JVL and others, the Company had issued and cancelled equivalent number of shares i.e. 6,29,43,636 equity shares of ₹1 each to the equity shareholders of the Transferor Companies in two stages, during the Financial Year 2020-21. Therefore, there was no change in the paid up share capital of the Company on account of allotment of the equity shares.

#### (ix) Appreciation in Share Price

A person who invested ₹1 lac in the Company in April, 2001 has holdings worth approximately ₹167 lac now as computed below:

Date	Action	No. of Resultant Shares of JPM	Face Value of JPM Shares (₹)	No. of Resultant Shares of JIL/ JVL	Face Value of JIL / JVL Shares (₹)
April 2, 2001	Purchased shares @ ₹62.90 per share (BSE Opening Price)	1,589.83	10	NA	NA
November 21, 2002	Sub-division of shares from ₹10 to ₹5	3,179.65	5	NA	NA
March 18, 2004	Issue of Bonus Shares 3:5	5,087.44	5	NA	NA
March 24, 2006	Sub-division of shares from ₹5 to ₹1	25,437.20	1	NA	NA
November 26, 2010	Issue of Shares by JIL pursuant to Demerger	–	–	1,271.86	10
February 15, 2021	Issue of Shares by JVL pursuant to Demerger	–	–	25,437.20	1

Market Value of 25,437.20 Equity Shares of JPM as at the end of Financial Year 2022-23 @₹279.05 per share was ₹70.98 Lacs

Market Value of 1,271.86 Equity Shares of JIL as at the end of Financial Year 2022-23 @₹388.05 per share was ₹4.93 Lacs.

Market Value of 25,437.20 Equity Shares of JVL as at the end of Financial Year 2022-23 @₹359.95 per share was ₹91.56 Lacs resulting in an aggregate of ₹167.47 Lacs.

(Note: JPM means Jubilant Pharmova Limited, JIL means Jubilant Industries Limited and JVL means Jubilant Ingrevia Limited)



**(x) Compliance Officer**

Mr. Rajiv Shah superannuated from the position of Company Secretary and Compliance Officer from the close of business hours of July 31, 2022.

Mr. Naresh Kapoor appointed as Company Secretary and Compliance Officer of the Company effective from August 1, 2022.

Mr. Naresh Kapoor, can be contacted for any investor related matter relating to the Company. His contact no. is +91-120-4361000; Fax no. +91-120-4234895 and e-mail ID is [investors@jubl.com](mailto:investors@jubl.com).

**(xi) Registrar and Transfer Agent**

For securities related matters, investors are requested to correspond with the Company's Registrar and Transfer Agents - Alankit Assignments Limited quoting their Folio No. / DP ID & Client ID at the following address:

Mr. Vijay Pratap Singh, Alankit Assignments Limited (Unit: Jubilant Pharmova Limited), 205-208 Anar Kali Complex, Jhandewalan Extension, New Delhi-110055; Tel: +91-11-42541234; E-mail: [vijayps1@alankit.com](mailto:vijayps1@alankit.com), [rta@alankit.com](mailto:rta@alankit.com).

**(xii) Share Transfer System**

Trading in equity shares of the Company is permitted only in dematerialised form. The dematerialised shares are directly transferred by the depositories to the beneficiaries. Members holding shares in physical form are, therefore, advised to convert their shares in dematerialised form.

**(xiii) Shareholder Satisfaction Survey**

The Company offers the facility of online survey to assess the shareholders' satisfaction level for investor services rendered by the Company. The shareholders can submit their feedback for investor services on the parameters by accessing the web-link: <https://www.jubilantpharmova.com/investors/investor-feedback-form>

**(xiv) Distribution of Shareholding as on March 31, 2023**

(a) Value wise

Shareholding of Nominal Value in (₹)	Shareholders		Shareholding	
	Number	% of Total	Number	% of Total
Upto 5,000	97,344	99.40	15,082,763	9.47
5,001 to 10,000	261	0.27	1,885,180	1.18
10,001 to 20,000	135	0.14	1,931,334	1.21
20,001 to 30,000	45	0.05	1,094,286	0.69
30,001 to 40,000	22	0.02	775,214	0.49
40,001 to 50,000	20	0.02	901,316	0.57
50,001 to 100,000	41	0.04	2,840,907	1.78
100,001 and above	67	0.07	134,770,139	84.61
<b>Total</b>	<b>97,935</b>	<b>100.00</b>	<b>159,281,139</b>	<b>100.00</b>

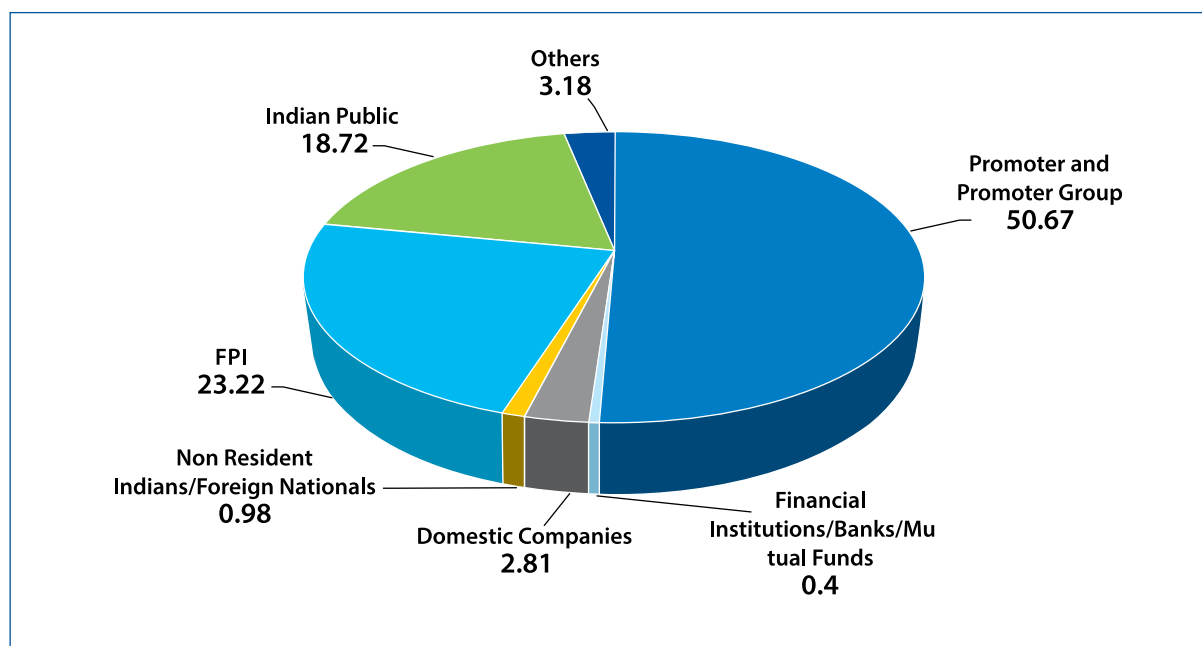
(b) Category wise

Sr. No.	Category	No. of Shares	Shareholding as a Percentage of Total Number of Shares
A	Promoters & Promoter Group	80,717,056	50.67
B	Public Shareholding:		
	1. Financial Institutions/ Banks/Mutual Funds	643,585	0.40
	2. Domestic Companies	44,84,578	2.81
	3. Non Resident Indians/ Foreign Nationals	1,559,739	0.98
	4. FPI	36,985,759	23.22
	5. Indian Public	29,820,641	18.72
	6. Others	506,781	3.18
	<b>Grand Total</b>	<b>159,281,139</b>	<b>100.00</b>





### Shareholding as a Percentage of Total Number of Shares as on March 31, 2023



#### (xv) Unclaimed Dividends

Dividends pertaining to the financial years upto and including 1993-94, remaining unpaid/ unclaimed, have been transferred to the General Revenue Account of the Central Government. Shareholders having valid claims of unpaid/ unclaimed dividend for any of these financial years may approach the Investor Education and Protection Fund Authority constituted by the Central Government.

Dividends pertaining to the Financial Years 1994-95 to 2014-15 remaining unpaid and shares pertaining to unpaid dividends upto the Financial Year 2014-15 have been transferred to the Investor Education and Protection Fund (the 'Fund').

In respect of unpaid/ unclaimed dividends for the Financial Year 2015-16 onwards, the shareholders are requested to write to the Registrar and Transfer Agent. Dividends remaining unclaimed for seven years from the date of transfer to the unpaid dividend account shall be transferred alongwith the underlying shares to the Fund.

Shareholders who have not encashed their warrants relating to the dividends mentioned below are requested to immediately approach the Registrar and Transfer Agent for claiming the dividend:

Financial Year	Date of Dividend Declaration	Due Date for Transfer to the Fund
2014-15	September 1, 2015	October 3, 2022
2015-16	August 30, 2016	October 1, 2023
2016-17	August 29, 2017	October 5, 2024
2017-18	September 26, 2018	November 1, 2025
2018-19	September 25, 2019	October 31, 2026
2019-20 (Interim Dividend)	February 27, 2020	April 3, 2027
2020-21	September 22, 2021	October 28, 2028
2021-22	September 26, 2022	October 31, 2029

#### (xvi) Compliance Certificate of Practicing Company Secretary

The Company has obtained a certificate from the Practicing Company Secretary, Mr. R. S. Bhatia, Company Secretary, (C.P. No.: 2514) confirming compliance with the conditions of Corporate Governance as stipulated in Schedule V(E) of the Listing Regulations. The Certificate is attached as **Annexure-C**.



**(xvii) (a) Dematerialisation of Shares**

The equity shares of the Company fall under the category of compulsory delivery in dematerialised mode by all categories of investors. The Company has signed agreements with NSDL and CDSL for dematerialisation connectivity. As on March 31, 2023, 99.67% of the Paid-up capital is held in dematerialised form.

The break-up of Shareholding is as under:

S. No.	Particulars	No. of Shares	% shareholding
1	NSDL	149,569,215	93.90
2	CDSL	9,196,194	5.77
	<b>Total – Demat</b>	<b>158,765,409</b>	<b>99.67</b>
3	Physical	515,730	0.32
	<b>Grand Total</b>	<b>159,281,139</b>	<b>100</b>

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's equity shares is INE700A01033.

**(b) Liquidity**

The equity shares of the Company are frequently traded on the National Stock Exchange of India Limited as well as on BSE Limited and as on March 31, 2023 classified in the category of Group A scrips on BSE Limited.

**(xviii) Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity**

- (a) As on March 31, 2023, no FCCBs / GDRs / ADRs / Warrants or convertible instruments were outstanding.  
(b) Paid-up Share Capital

The Paid-up Share Capital as on March 31, 2023 stands at ₹159,281,139 comprising 159,281,139 equity shares of ₹1 each. There was no change in the issued and paid-up share capital during the year.

**(xix) Location of the Manufacturing Facilities**

56 Industrial Area, Nanjangud, Distt. Mysuru - 571302, Karnataka, India

**(xx) Address for Correspondence**

Jubilant Pharmova Limited  
1A, Sector 16A  
Noida - 201 301, Uttar Pradesh  
Tel: +91-120-4361000  
Fax: +91-120-4234895  
E-mail: [investors@jubl.com](mailto:investors@jubl.com)  
Website: [www.jubilantpharmova.com](http://www.jubilantpharmova.com)

**(xxi) Corporate Identification Number (CIN)**

L24116UP1978PLC004624

**(xxii) Details of Credit Ratings obtained by the Company alongwith revisions thereof during the year are mentioned below:**

Sr. No.	Facility/ Instrument	Amount in ₹ Crore	Rating Agency	Rating	Outlook	Remarks
1	Bank Loan	1,247.50	India Ratings & Research	IND AA+/ IND A1+	Stable	Long Term Rating has been upgraded to IND AA+/Stable, Short term rating has been affirmed at A1+ and both rating has simultaneously been withdrawn vide Rating Rationale dated May 26, 2021.
2	Bank Loan Facilities (Long Term)	510.00	CRISIL Ratings Limited	CRISIL AA	Positive	Rating outlook has been changed to Positive from Rating watch with developing implications and has simultaneously been withdrawn vide letter dated May 6, 2021.
3	Non-Convertible Debentures	100.00	CRISIL Ratings Limited	CRISIL AA	Positive	Rating outlook has been changed to Positive from Rating watch with developing implications and has simultaneously been withdrawn vide letter dated May 6, 2021.



4	Fund-based Working Capital limits	100.00	India Ratings & Research	INDAA+/Stable/INDA1+	-	New Rating
5	Non-fund-based Working Capital limits	150.00	India Ratings & Research	IND A1+	-	New Rating
6	Proposed Commercial Paper programme	100.00	India Ratings & Research	IND A1+	-	New Rating

#### (xxiii) Equity Shares in Suspense Account

Pursuant to Clause 5A of the erstwhile Listing Agreement (corresponding to Schedule VI to the Listing Regulations), shareholders holding shares in physical form and not having claimed share certificates were sent three reminder letters requesting them to claim their equity shares. In terms of the aforesaid clause, equity shares which remained unclaimed were transferred in the year 2012 to Jubilant Pharmova Limited-Unclaimed Suspense Account. Details required under Schedule V(F) of the Listing Regulations are given below:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on April 1, 2022	241	209,615
Number of shareholders who approached the Company for claiming shares from the Unclaimed Suspense Account during 2022-23	7	61,400
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during 2022-23	7	61,400
Number of shares transferred to Investors Education and Protection Fund (the 'Fund') during 2022-23	8	2,070
Aggregate number of shareholders and outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2023	226	146,145

The voting rights on the shares lying in Jubilant Pharmova Limited-Unclaimed Suspense Account shall remain frozen till the rightful owners of such shares claim the shares.

## K) COMPLIANCE WITH THE REGULATIONS RELATED TO CORPORATE GOVERNANCE IN THE LISTING REGULATIONS

### (a) Mandatory Requirements

The Company has complied with the mandatory requirements relating to Corporate Governance as prescribed in the Listing Regulations.

### (b) Extent to which Non-Mandatory requirements have been adopted

The status of adoption of non-mandatory requirements as specified in Regulation 27(1) read with Part E of Schedule II to the Listing Regulations is given below:

- The Board
    - Non-Executive Chairperson's Office

The Company has provided office facility to Chairperson, who is Non-Executive Promoter Director.
  - Shareholders' Rights
- Quarterly and year to date results along with press releases are sent to those shareholders whose e-mail addresses are available with the Company.

### 3. Modified opinion(s) in the audit reports

Audit Reports on the Financial Statements of the Company do not contain any modified opinion.

### 4. Reporting of Internal Auditors

Internal Auditors report to the Audit Committee.

### (c) CEO/CFO Certification

In compliance with Regulation 17(8) read with Schedule II (B) of the Listing Regulations, a declaration by CEO i.e. the Co-Chairman & Managing Director and Chief Financial Officer, is enclosed as **Annexure-D** which, inter alia, certifies to the Board about accuracy of the financial statements and adequacy of internal controls for the financial reporting purpose.

For and on behalf of the Board

**Shyam S. Bhartia**

Chairman  
(DIN: 00010484)

Place: Noida

Date: May 29, 2023

**Hari S. Bhartia**

Co-Chairman & Managing Director  
(DIN: 00010499)



## Annexure A

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
Jubilant Pharmova Limited  
CIN: L24116UP1978PLC004624  
Bhartiagram, Gajraula  
District Amroha - 244223  
Uttar Pradesh, India

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Jubilant Pharmova Limited (CIN: L24116UP1978PLC004624) having registered office at Bhartiagram, Gajraula, District Amroha - 244223, Uttar Pradesh, India (hereinafter referred to as 'the Company') and produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers and the representations made by the management, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Director of the company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment
1	Mr. Shyam S. Bhartia	00010484	21/06/1978
2	Mr. Hari S. Bhartia	00010499	01/11/1983
3	Mr. S. Sridhar	00004272	15/06/2013
4	Ms. Sudha Pillai	02263950	03/09/2013
5	Dr. Ashok Misra	00006051	15/09/2014
6	Mr. Sushil Kumar Roongta	00309302	23/05/2017
7	Mr. Vivek Mehra	00101328	23/05/2017
8	Mr. Priyavrat Bhartia	00020603	23/05/2017
9	Mr. Arjun Shanker Bhartia	03019690	23/05/2017
10	Mr. Arun Seth	00204434	22/10/2018
11	Mr. Arvind Chokhany	06668147	01/04/2021
12	Mr. Ramamurthi Kumar	09139426	01/07/2022
13	Mr. Shirish G. Belapure	02219458	07/03/2023

It is solemnly the responsibility of Directors to submit relevant declarations and disclosures with complete and accurate information in compliance with the relevant provisions. Further, ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**R. S. Bhatia**

Practicing Company Secretary

C.P. No.: 2514

Peer Review No. 1496/2021

UDIN: F002599E000403208

Date: May 29, 2023

Place: Delhi



## Annexure B

### To Whomsoever It May Concern

This is to confirm that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company for the year ended March 31, 2023.

Place: Noida

Date: May 29, 2023

For Jubilant Pharmova Limited

**Hari S. Bhartia**

Co-Chairman & Managing Director

## Annexure C

### Certificate By Practicing Company Secretary on Compliance with the Conditions of Corporate Governance as per Schedule V(E) of the SEBI (LODR) Regulations

To,

The Members of

Jubilant Pharmova Limited

CIN: L24116UP1978PLC004624

Bhartiagram, Gajraula

District Amroha – 244223,

Uttar Pradesh, India

1. I have examined the compliance of the conditions of Corporate Governance by Jubilant Pharmova Limited (the 'Company') for the Financial Year ended on March 31, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination has been limited to the review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In my opinion and to the best of our information and according to the explanations given to me and the representation made by the directors and the management, I certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**R. S. Bhatia**

Practicing Company Secretary

C.P. No.: 2514

Peer Review No. 1496/2021

UDIN: F002599E000403318

Date: May 29, 2023

Place: Delhi





## Annexure D

### Certificate of CEO - CFO

This is to certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:
  - 1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee:
  - 1. significant changes in internal control over financial reporting during the year;
  - 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Jubilant Pharmova Limited

**Arun Kumar Sharma**

Head - Group Treasury & Chief Financial Officer

Date: May 29, 2023

**Hari S. Bhartia**

Co-Chairman & Managing Director



# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. Details of the Listed Entity

1	Corporate Identity Number (CIN) of the Listed Entity	L24116UP1978PLC004624
2	Name of the Listed Entity	Jubilant Pharmova Limited
3	Year of incorporation	1978
4	Registered office address	Bhartiagram, Gajraula, District Amroha-244 223, Uttar Pradesh, India
5	Corporate address	1A, Sector 16A, Noida - 201 301, Uttar Pradesh
6	E-mail	<a href="mailto:satish.kanagala@jubl.com">satish.kanagala@jubl.com</a>
7	Telephone	91-120-4361000
8	Website	<a href="http://www.jubilantpharmova.com">www.jubilantpharmova.com</a>
9	Financial year for which reporting is being done	FY 2022-23
10	Name of the Stock Exchange(s) where shares are listed	<ul style="list-style-type: none"> <li>National Stock Exchange of India Limited</li> <li>BSE Limited</li> </ul>
11	Paid-up Capital	INR 159281139
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. KVS Satish Kanagala Chief Sustainability Officer 1-A, Sector 16A, Noida -201301 Uttar Pradesh, India. Phone: +91-120-4361000, Email: <a href="mailto:Satish.kanagala@jubl.com">Satish.kanagala@jubl.com</a>
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Disclosures are made on a consolidated basis (Report boundary covers Jubilant Pharmova Limited and its subsidiaries which forms part of the consolidated basis unless otherwise stated)

### II. Products/services

#### 14 Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
1	Radiopharma	Radiopharma	40.63%
2	Allergy Immunotherapy	Allergy Immunotherapy	9.60%
3	Contract Development and Manufacturing Organisation - Sterile Injectables	Contract Development and Manufacturing Organisation - Sterile Injectables	18.38%
4	Generics	Generics	12.12%
5	Contract Research, Development and Manufacturing Organisation	Contract Research, Development and Manufacturing Organisation	18.86%
6	Proprietary Novel Drugs	Proprietary Novel Drugs	0.06%
7	Management Services	Management Services	0.35%



**15 Products/ Services sold by the entity (accounting for 90% of the entity's Turnover):**

Sr. No.	Product/ Service	NIC Code	% of Total Turnover Contributed
1	Radiopharmaceuticals	21002	40.63%
2	Contract manufacturing operations	21002	18.38%
3	Allergy therapy products	21002	9.60%
4	Solid dosage formulations	21002	11.56%
5	Active pharmaceutical ingredients	21001	10.55%
6	Contract Research and Development Services	72100	8.31%
7	India branded pharmaceuticals	46497	0.56%
8	Management Services	70200	0.35%
9	Proprietary Noval Drugs	72100	0.06%

**III. Operations**

**16 Number of locations where plants and/or operations/offices of the entity are situated**

Location	Number of plants	Number of offices	Total
National	2	2*	4
International	4	8	12
<b>*Registered offices</b>			

**17 Markets served by the entity:**

A	Number of location	
	<b>Location</b>	<b>Number</b>
	National (No. of States)	20
	International (No. of Countries)	85
B	What is the contribution of exports as a percentage of the total turnover of the entity	67.6% (Standalone)
c	A brief on types of customers	The Company serves leading Pharmaceutical companies, Biotech companies, Group Purchasing Organisations ('GPOs'), allergists and hospitals in various markets by offering API, Solid Dosage Form, Allergy Immunotherapy Products, Radio Pharmaceuticals Products, Contract Manufacturing of sterile and non-sterile injectables, Compounding and dispensing of Radiopharmaceuticals products, Contract Research and Development Services. Through India Branded Pharmaceuticals business, the Company sells branded pharmaceuticals in the India market.

**IV. Employees**

**18 Details as at the end of Financial Year:**

**A Employees and workers (including differently abled):**

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	3,271	2,429	74	842	26
2.	Other than Permanent (E)	49	37	77	12	23
3.	Total employees (D + E)	3,320	2,466	74	854	26
WORKERS						
4.	Permanent (F)	1089	947	87	142	13
5.	Other than Permanent (G)	595	570	98	25	4
6.	Total workers (F + G)	1,684	1,517	90	167	10



## B Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)*	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	40	31	78	9	23
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	40	31	78	9	23
DIFFERENTLY ABLED WORKERS						
4.	Permanent (D)	35	29	83	6	17
5.	Other than Permanent (E)	0	0	0	0	0
6.	Total differently abled employees (D + E)	35	29	83	6	17

\*Other than Salisbury

## 19 Participation/Inclusion/Representation of women

	Total (A)	No. and % of Females	
		No. (B)	% (B/A)
Board of Directors	13	1	7.69
Key Management Personnel	4	0	0

## 20 Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover Rate)			*FY 2021-22 (Turnover Rate)			FY 2020-21 (*) (Turnover Rate)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>**Permanent Employees</b>	32%	52%	37%	24.1%	23.7%	24.0%	19.7%	20.9%	20.0%
<b>**Permanent Workers</b>	21%	44%	24%	Not monitored			Not monitored		

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

## 21 (a) Names of holding / subsidiary / associate companies / joint ventures

S. No	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Jubilant Pharma Limited	Subsidiary	100	No
2	Jubilant Generics Limited	Subsidiary	100	No
3	Jubilant Cadista Pharmaceuticals Inc.	Subsidiary	100	No
4	Jubilant HollisterStier LLC	Subsidiary	100	No
5	Jubilant Pharma NV	Subsidiary	100	No
6	Jubilant Pharmaceuticals NV	Subsidiary	100	No
7	PSI Supply NV	Subsidiary	100	No
8	Jubilant Therapeutics Inc.	Subsidiary	96.7	No
9	Jubilant Pharma Holdings Inc.	Subsidiary	100	No



S. No	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
10	Jubilant Biosys Limited	Subsidiary	100	No
11	Jubilant Pharma Australia Pty. Limited	Subsidiary	100	No
12	Jubilant Innovation (USA) Inc.	Subsidiary	100	No
13	Jubilant HollisterStier Inc.	Subsidiary	100	No
14	Jubilant First Trust Healthcare Limited	Subsidiary	100	No
15	Jubilant Draximage Limited	Subsidiary	100	No
16	Jubilant Draximage (USA) Inc.	Subsidiary	100	No
17	Jubilant Discovery Services LLC	Subsidiary	100	No
18	Jubilant Clinsys Inc.	Subsidiary	100	No
19	Jubilant Clinsys Limited	Subsidiary	100	No
20	Jubilant Therapeutics India Limited	Subsidiary	100	No
21	Jubilant Pharma SA Pty. Limited	Subsidiary	100	No
22	Jubilant Pharma UK Limited	Subsidiary	100	No
23	Jubilant Episcibe LLC	Subsidiary	96.7	No
24	Jubilant Epicore LLC	Subsidiary	96.7	No
25	Jubilant Prodel LLC	Subsidiary	96.7	No
26	Jubialnt Epipad LLC	Subsidiary	96.7	No
27	Drug Discovery and Development Solutions Limited	Subsidiary	100	No
28	Draxis Pharma LLC	Subsidiary	100	No
29	Draximage (UK) Limited	Subsidiary	100	No
30	TrialStat Solutions Inc.	Subsidiary	100	No
31	Jubilant Pharma ME FZ-LLC	Subsidiary	100	No
32	Jubilant Draximage Radiopharmacies Inc.	Subsidiary	100	No
33	Jubialnt Biosys Innovative Research Services Pte. Limited	Subsidiary	100	No
34	Jubilant Draximage Inc	Subsidiary	100	No
35	1359773 B.C. Unlimited Liabailty Company	Subsidiary	100	No
36	Jubilant Business Services Limited	Subsidiary	100	No
37	SOFIE Biosciences Inc., USA.	Associate	25	No
38	SPV Laboratories Private Limited	Associate	25.21	No

## VI. CSR Details

22	Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes
	(ii) Turnover (in ₹ million) - FY 2023	<b>62,817</b>
	(iii) Net worth (in ₹ million) - FY 2023	<b>53,993</b>





## VII. Transparency and Disclosures Compliances

23. Compliments/ Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If Yes, then provide web-link for grievance redress policy)	FY 2023 (Current Financial Year)			FY2022 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, <a href="https://www.jubilantpharmova.com/Uploads/image/2274imguf-GrievanceRedressalPolicy.pdf">https://www.jubilantpharmova.com/Uploads/image/2274imguf-GrievanceRedressalPolicy.pdf</a>	0	0	-	0	0	The Company conducts Community Interface meet every year where representatives of community and government are invited to the manufacturing unit to create a dialogue between all the stakeholders.
Investors (other than shareholders)	Yes	0	0	-	Nil	Nil	NA
Shareholders	Yes	8	1	-	10	1	Resolved on April 13, 2022
Employees and workers	Yes	0	0	-	1	0	NA
Customers	Yes	0	0	-	Nil	Nil	NA
Value Chain Partners	Yes	0	0	-	Nil	Nil	NA
Other (please specify)		0	0	-			

Some of the policies guiding the Company's conduct with all its stakeholders, including grievance mechanisms are placed on the Company's website. The link is: <https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/policy-on-rpts>. In addition, there are internal policies placed on the intranet platform of the Company.

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	<b>Environment:</b> <ul style="list-style-type: none"> <li>Climate Change</li> <li>Water</li> <li>Waste Management</li> </ul>	Both Risk & Opportunity as well.	Any issue which may lead to non-compliance and or resource loss is a Risk and any issue leading to resource optimisation or improving company performance & image is an opportunity.	The Board of Directors constituted a Risk Management Committee (RMC) to formulate detailed Risk Management Policy and oversee risk management process and systems. The Risk Management Committee acts as a governing body to monitor the effectiveness of the risk management framework twice in a year.	Quantitative estimation not done.



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	<b>Social:</b> <ul style="list-style-type: none"> <li>Human Rights</li> <li>Community</li> <li>Occupational Health and Safety</li> <li>Training and development</li> <li>Employee attrition</li> </ul>	Both Risk & Opportunity as well.	As mentioned above.	As mentioned above.	Quantitative estimation not done.
3	<b>Governance:</b> <ul style="list-style-type: none"> <li>Direct Economic Value Generated</li> <li>Compliance</li> <li>Customer Satisfaction</li> <li>Responsible Supply Chain</li> </ul>	Both Risk & Opportunity as well.	As mentioned above.	As mentioned above.	Quantitative estimation not done.

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1 a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(*) b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	<a href="https://www.jubilantpharmova.com/sustainability/policies">https://www.jubilantpharmova.com/sustainability/policies</a> <a href="https://www.jubilantpharmova.com/Uploads/image/1930imguf_CodeofConduct_JPM-August2021.pdf">https://www.jubilantpharmova.com/Uploads/image/1930imguf_CodeofConduct_JPM-August2021.pdf</a> <a href="https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/policy-on-rpts">https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/policy-on-rpts</a> <a href="https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/code-of-conduct">https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/code-of-conduct</a> <a href="https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/policy-on-rpts">https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/policy-on-rpts</a> <a href="https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/corporate-social-responsibility-policy">https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/corporate-social-responsibility-policy</a> <a href="https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/policy-for-determination-of-materiality-of-events-and-information">https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/policy-for-determination-of-materiality-of-events-and-information</a> <a href="https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/policy-on-board-diversity">https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/policy-on-board-diversity</a> <a href="https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/appointment-and-remuneration-policy">https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/appointment-and-remuneration-policy</a> <a href="https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/whistle-blower-policy">https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/whistle-blower-policy</a> <a href="https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/policy-for-determining-material-subidiaries">https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/policy-for-determining-material-subidiaries</a> <a href="https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/archival-policy">https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/archival-policy</a> <a href="https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/dividend-distribution-policy">https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/dividend-distribution-policy</a> <a href="https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/code-of-fair-disclosures">https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/code-of-fair-disclosures</a> <a href="https://www.jubilantpharmova.com/careers/code-of-conduct">https://www.jubilantpharmova.com/careers/code-of-conduct</a>								



2	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes																																
3	Do the enlisted policies extend to your value chain partners? (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes																																
4	Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	All applicable national and international laws as well as international conventions are captured in the policies articulated by the Company. In addition, they reflect the purpose and intent of the United Nations Global Compact (UNGC) principles and Sustainable Development Goals (SDGs), GRI standards, Carbon Disclosure Project (CDP) and Dow Jones Sustainability Index (DJSI) and international standards such as ISO 14001, ISO 9001, ISO 27001, ISO 45001 and others.																																							
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company has set sustainability targets covering environmental and social performances (covering principle 3, 6, 8 & 9 primarily). Sustainability specific goals & targets are monitored regularly and reported publicly in annual sustainability report of the Company.																																							
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	<table><tr><th>Sustainability Goal</th><th>UOM</th><th>FY 2023 Target</th><th>FY 2023 Achievement</th></tr><tr><td>Reduce Lost Time Injuries Frequency Rate (LTIFR)</td><td>No.</td><td>0.76&lt;</td><td>0.66</td></tr><tr><td>Reduce Lost Time Injuries Severity Rate (LTISR)</td><td>No.</td><td>23.10&lt;</td><td>20.96</td></tr><tr><td>Fatalities</td><td>No.</td><td>0</td><td>0</td></tr><tr><td>Reduce the specific energy consumption</td><td>GJ/ Cr INR</td><td>132.77</td><td>115</td></tr><tr><td>Reduce the specific GHG emission</td><td>tCO2e/Cr INR</td><td>17.56</td><td>8.95</td></tr><tr><td>Reduce specific water consumption</td><td>m3/ Cr INR</td><td>113.58</td><td>100</td></tr><tr><td>Improve skill and knowledge of employees by imparting training</td><td>Training man-days / employee / yr.</td><td>4.9</td><td>7.67</td></tr></table>								Sustainability Goal	UOM	FY 2023 Target	FY 2023 Achievement	Reduce Lost Time Injuries Frequency Rate (LTIFR)	No.	0.76<	0.66	Reduce Lost Time Injuries Severity Rate (LTISR)	No.	23.10<	20.96	Fatalities	No.	0	0	Reduce the specific energy consumption	GJ/ Cr INR	132.77	115	Reduce the specific GHG emission	tCO2e/Cr INR	17.56	8.95	Reduce specific water consumption	m3/ Cr INR	113.58	100	Improve skill and knowledge of employees by imparting training	Training man-days / employee / yr.	4.9	7.67
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Governance, leadership and oversight																																									
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	<p>Dear Stakeholders,</p> <p>I am pleased to present Jubilant Pharmova Limited's BRSR Report for the fiscal year 2023 (FY2023). As a pharmaceutical company, our core purpose is to improve lives through scientific and medical advancements. Our commitment to harnessing the power of science and technology has been instrumental in our holistic growth.</p> <p>Within this report, we emphasise the sustainability challenges and opportunities encountered during FY 2023. Despite the obstacles faced, our Company achieved stable revenues due to the diversification of our businesses. We have expedited capacity expansions to bolster our capabilities and meet evolving demands. Moreover, we have successfully reduced our absolute greenhouse gas (GHG) emissions year after year. This year, we are also fulfilling the reporting requirements of the Business Responsibility and Sustainability Reporting (BRSR) as mandated by SEBI.</p>																																							



Our commitment to sustainability is evidenced by our remarkable achievements in ESG ratings. We attained an outstanding percentile of 94% in the S&P Global ESG Indices CSA 2022 (DJSI), signifying a substantial increase of 42.50% compared to last year's score. We take pride in attaining a GOLD Sustainability rating in EcoVadis, placing us among the top 5% of global pharmaceutical companies. This achievement underscores our dedication to environmental, social, and governance factors. Additionally, we have received an impressive 'B' score band from CDP for 'Climate Change' and 'Water Security.' The Company has moved from the 'B-' band (last year's score) to the esteemed 'B' band, known as the 'Management' band. Furthermore, our leading position in the pharmaceutical sector and fourth position across all sectors in the Asia-Pacific Climate Leaders survey by Nikkei Asia validate our commitment to combatting climate change.

Our progress towards sustainability goals has been truly remarkable. We have surpassed expectations by achieving a 22% reduction in specific energy consumption, a 20.9% decrease in specific water consumption, and an impressive 55.1% reduction in specific greenhouse gas (GHG) emissions compared to our FY 2019 baselines. Additionally, our unwavering dedication and adaptability have resulted in a significant 38% reduction in absolute GHG emissions since FY 2019. We also take equal pride in maintaining a gender diversity ratio of 25.2% and remain focused on further enhancing diversity within our workforce.

This report provides detailed insights into our initiatives, progress, and future plans. We acknowledge the evolving business landscape and the growing demands from stakeholders regarding ESG issues. Our strong ESG position instills confidence among stakeholders and allows us to explore new markets.

ESG excellence is ingrained in our corporate culture and reflected in our policies. We strive to minimise our environmental footprint, uphold good governance, and create shared value. We are integrating our in-house portal, 'Sanchetna,' to record all identified hazards and implement Corrective Action Preventive Action (CAPA) across all our manufacturing sites and offices. We also have 'HumanTech,' a cloud-based software utilising artificial intelligence technology, to assess ergonomic risks in our manufacturing operations and provide systematic solutions. Additionally, last year our Radiopharmacy business in the United States has implemented a Driver Safety training program called Driver Insights to address specific skill gaps.

Transparency is a core value for us, and we consistently share our ESG performance and goals with stakeholders. Our sustainability culture is fueled by our strong value system, and we continue to innovate and learn from the markets we serve. We aim to inspire the right talent and foster a supportive team that embraces change and supports our organisation's cause.

As we move forward, we are committed to giving back more than we take. We look forward to continued sustainable growth in collaboration with our stakeholders.

8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details	Yes, CSR & Sustainability Committee



## 10 Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action					Yes.									Half Yearly				
Compliance with statutory requirements of relevance to the principles and, rectification of any non-compliances					Yes									Quarterly				
11 Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9	P5	P6	P7	P8	P9				
										Yes.								
12 If answer to question (1) above is 'No' i.e. not all Principles are covered by a policy, reasons to be stated										NA								

(\*) The policies are approved by the Board/ competent authority to which requisite authority has been delegated by the Board.





## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

**PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

### Essential Indicators

1. Percentage coverage by training and awareness programs on any of the Principles during the financial year:

Segment	Total number of training and awareness programs held*	Topics / principles covered corrective action under the training and its impact	%age of persons in respective category covered by the awareness programs*
Board of Directors	1	i) Risk Management and Enterprise Resilience ii) Labour codes	53.8
Key Managerial Personnel	1	i) Risk Management and Enterprise Resilience ii) Labour codes	75
Employees other than BoD and KMPs	195	(Occupational Health & Safety (OHS))	43
Workers	147	(Occupational Health & Safety (OHS))	89

\* Response provided for Indian operation (2 manufacturing sites)

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website)

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	NA	NA	NA	NA
Settlement	Nil	NA	NA	NA	NA
Compounding fee	Nil	NA	NA	NA	NA
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	NA	NA	NA	NA
Punishment	Nil	NA	NA	NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a eblink to the policy

**Yes.** The Company has adopted Code of Conduct which is applicable to the Company and all its subsidiary / associate / joint venture companies. This Code is applicable to all employees, employees who are Directors, Officers or workers of the Company on full-time or part-time employment with the Company. The Code of Conduct contains anti-corruption and anti-bribery policy and can be accessed at the weblink: [https://www.jubilantpharmova.com/Uploads/image/1930imguf\\_CodeofConduct\\_JPM-August2021.pdf](https://www.jubilantpharmova.com/Uploads/image/1930imguf_CodeofConduct_JPM-August2021.pdf)



**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2023 (Current Financial Year)	FY2022 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

**6. Details of complaints with regard to conflict of interest:**

Details of complaints with regard to conflict of interest	FY 2023 (Current Financial Year)		FY 2022 (Previous Financial Year)	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0		0	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0		0	

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest**

*No such cases reported during reporting year FY 2023*

**Leadership Indicators**

- Awareness programs conducted for value chain partners on any of the Principles during the financial year:**
- Does the entity have processes in place to avoid / manage conflict of interests involving members of the Board? (Yes / No) If yes, provide details of the same.**

Yes. The Company has formulated Code of Conduct for Directors and Senior Management. Apart from this, the Directors keep the Board informed about disclosure of interest in particular transaction/ entity wherever they are director or member. The Code can be accessed at the weblink: <https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/code-of-conduct>.

**PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential Indicators**

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D*	100	100	Environmental innovation, resource efficiency, social impact, and sustainable supply chains, driving positive environmental and social outcomes
Capex	100	100	Do

- Does the entity have procedures in place for sustainable sourcing? (Yes/No). If yes, what percentage of inputs were sourced sustainably?**

Yes. We have not yet quantified percentage of inputs sourced sustainably.

- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Since we are in Pharma business we don't reclaim our products to recycle & reuse. However, we do have policy and system in place to manage different type of wastes generated in our pant premises. In brief following approaches followed while handling and disposing our wastes:



## Waste Management approach

The Company adopted the 3R approach for waste minimisation: Reduce, Reuse, Recycle

### a) Hazardous waste

The Company follows the following methods for proper disposal of the hazardous waste generated at its facilities, depending on their nature and local regulation:

- Recycle and Reuse through authorised third party
- Co-processing at cement kiln
- Secured land fill
- Incineration (both solid and liquid)

### b) Non-hazardous waste

At Company, the non-hazardous wastes are either recycled or reused by the third parties. Metal scrap, plastic scrap, paper and wooden material scraps are a few major contributors of non-hazardous waste.

#### 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Since the operations in India does not sale branded products (with plastic packaging) to consumer directly and also does not import any plastic packaging items, EPR is not applicable

## Leadership Indicators

#### 1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Not yet.

#### 2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not applicable, since not conducted any product LCA yet. However, the Company is careful about and comply with all social & environmental concerns, if any, arising from its production and disposal of products as briefed below:

Name of Product/Service	Description of the risk/concern	Action Taken
Pharmaceutical products like API, dosage, Radiopharma, etc.	Process wastes mostly come under hazardous category. Company takes care of all such hazardous waste and dispose them in line with local regulations.	There is dedicated EHS Team both at corporate and site level who takes care of all environmental issues/ impact in line with local regulations and beyond.

#### 3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Since the Company is engaged in Pharmaceuticals sector, we do not recycle or reuse input materials.

#### 4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Since the Company is engaged in Pharmaceuticals sector, we do not reclaim products for reusing recycling and disposing them at the end of their life.

#### 5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Since the Company is engaged in Pharmaceuticals sector, we do not reclaim products for reusing recycling and disposing them at the end of their life.


**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**
**Essential Indicators**

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	*Health insurance		*Accident insurance		*Maternity benefits		*Paternity benefits		*Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
	Permanent Employees*										
Male	2003	2003	100	2003	100	NA	NA	NA	NA	2003	100
Female	502	502	100	502	100	502	100	NA	NA	502	100
Total	2505	2505	100	2505	100	502	100	NA	NA	2505	100
	Other than Permanent Employees										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

\* All eligible permanent employees in India operations are covered

1. b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total	Health insurance*		Accident insurance*		Maternity benefits*		Paternity benefits*		Day Care facilities*	
		Number	% (B/A)	Number	% (C/A)	Number	% (D/A)	Number	% (E/A)	Number	% (F/A)
	(B)		(C)		(D)		(E)		(F)		
Permanent Workers*											
Male	501	501	100	501	100	NA	NA	NA	NA	501	100
Female	0	0	0	0	0	0	0	0	0	0	0
Total	501	501	100	501	100	0	0	NA	NA	501	100
Other than Permanent Workers*											
Male	570	570	100	570	100	NA	NA	NA	NA	570	100
Female	24	24	100	24	100	24	100	NA	NA	24	100
Total	594	594	100	594	100	24	100	NA	NA	594	100

\* All eligible workers (including contract workers) in India operations are covered

2. Details of retirement benefits, for Current and Previous Financial Year.

Benefits	FY 2023 Current Financial Year			FY 2022 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
*PF	100	100	Yes	100	100	Yes
*Gratuity	100	100	Yes	100	100	Yes
**ESI	100	100	Yes	100	100	Yes
Others – please specify						

\* 100% covered for all permanent employees as applicable under local regulation

\*\*100% covered for all employees/ workers (contract workers) as applicable under local regulation



3. **Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

We are in the process of conducting assessment of each of the premises for accessibility of workplaces for differently abled employees and workers.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy**

Yes, please refer the link for our Code of Conduct policy and our approach on diversity and inclusion -

<https://www.jubilantpharmova.com/careers/code-of-conduct>

<https://www.jubilantpharmova.com/careers/diversity-and-inclusion>

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent Employees*		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	-	-
Female	100%	67%	-	-
<b>Total</b>	100%	67%	-	-

\* Employees include workers.

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief**

Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, the Company has a Whistle-Blower policy and a dedicated Ombudsperson office for addressing employee grievances in neutral and unbiased manner. A charter of the Ombudsperson has been prepared and made available on the Company intranet. This charter allows stakeholders, including employees, to voice their concerns and guide the Company to resolve challenges efficiently. To maintain the reporting and anonymity of the whistle-blower, the Company has a dedicated portal and Ombudsperson email address. Portal <a href="https://www.cwiportal.com">https://www.cwiportal.com</a> Email: <a href="mailto:Ombudsperson@jubl.com">Ombudsperson@jubl.com</a>
Other than Permanent Worker	
Permanent Employees	
Other than Permanent Employees	

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)	Total employees/ workers in respective category (A)	No. of employees / workers in Respective category, who are part of association(s) or Union (B)	% (B/A)
<b>Total Permanent Employees</b>	3321	199	6.0	3,992	0	0
- Male	2467	199	8.1	3,111	0	0
- Female	854	0	0	881	0	0
<b>Total Permanent Workers</b>	1685	347	20.6	1,786	361	20.21
- Male	1518	302	19.9	1,391	361**	25.95
- Female	167	45	26.9	395	0	0

\*\*During FY 2022, total unionised employee no. without gender split was monitored and reported under the heading 'Male'.





## 8. Details of training given to employees and workers:

Category	FY 2023 Current Financial Year*					FY 2022 Previous Financial Year**				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (D)	% (E/D)	No. (F)	% (F/D)
	Employees									
Male	2003	855	43	296	15	-	-	-	-	-
Female	502	214	43	502	100	-	-	-	-	-
Total	2505	1069	43	983	39	-	-	-	-	-
	Workers									
Male	501	501	100	501	100	-	-	-	-	-
Female	0	0	NA	0	NA	-	-	-	-	-
Total	501	501	100	501	100	-	-	-	-	-

\*Considering permanent employee/ workers of Indian operation

\*\* Detail break up not available for FY 2022

## 9. Details of performance and career development reviews of employees and worker

Category	FY 2023 Current Financial Year			FY 2022 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees*</b>						
Male	2003	2003	100	2603	2603	100
Female	502	502	100	487	487	100
<b>Total</b>	<b>2505</b>	<b>2505</b>	<b>100</b>	<b>3090</b>	<b>3090</b>	<b>100</b>
<b>Workers*</b>						
Male	501	302	60	537	334	62
Female	0	NA	NA	0	0	NA
<b>Total</b>	<b>501</b>	<b>302</b>	<b>60</b>	<b>537</b>	<b>334</b>	<b>62</b>

\*All permanent employees and workers in Indian operation covered other than unionised employees who are covered under long term agreement.

## 10. Health and safety management system,

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, the coverage is 100%

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company ensures Occupational Health and Safety (OHS) standards are bench-marked with global best practices and standards at all locations. A knowledgeable and experienced Environmental, Health, and Safety (EHS) management team has been deployed across all locations to continuously monitor and manage the systems and respond to emergencies whenever needed. The Company's one out of two manufacturing sites in India are OHSAS 18001 / ISO 45001 certified. All employees who have access to operating sites are covered under these Occupational Health and Safety management systems which are audited periodically.

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes



# 11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023 Current Financial Year	FY 2022 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.66*	1.21*
	Workers		
Total recordable work-related injuries	Employees	5**	14**
	Workers		
No. of fatalities	Employees	0	2
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers		

\* Reported figure presents Lost Time (>=24 Hrs.) Injury Frequency Rate per one million-person hours worked

\*\* Reported figure presents total number of lost time (>=24 Hrs.) injuries including fatality

# 12. Describe the measures taken by the entity to ensure a safe and healthy work place

The Company ensures Occupational Health and Safety (OHS) standards are bench-marked with global best practices and standards at all locations. A knowledgeable and experienced Environmental, Health, and Safety (EHS) management team has been deployed across all locations to continuously monitor and manage the systems and respond to emergencies whenever needed. The Company's one out of two manufacturing sites in India are OHSAS 18001 / ISO 45001 certified. All employees who have access to operating sites are covered under these Occupational Health and Safety management systems which are audited periodically. All visitors and contractors are briefed in safety requirements before entering the premises. A comprehensive EHS management software solution has been implemented with the majority of sites in the network and arrangements made to add the remaining sites. Leadership is actively involved in improving Jubilant's health and safety performance. The Board is updated on key EHS issues on weekly basis, senior leadership reviews EHS progress monthly, and the Sustainability and CSR committee reviews Jubilant's health and safety performance bi-annually.

# 13. Number of Complaints on the following made by employees and workers:

Number of Complaints on the following made by employees and workers:	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	NA	Nil	Nil	NA
Health & Safety	Nil	Nil	N.A	Nil	Nil	NA

# 14. Assessments for the year:

Assessments for the year:	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

There is dedicated personnel who continuously review and report senior management on different OHS- (Occupational health & safety) performance parameters (OHS practices, working conditions) of all manufacturing sites, R&D facilities and corporate offices.

# 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions

All OHS related incidents are investigated and where applicable (e.g. lost time incidents) are reported to respective regulatory bodies. No significant risks / concerns in relation to OHS practices & working conditions came to our notice during FY 2023.

## Leadership Indicators

### 1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, for all permanent Employees and Workers



2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

All statutory dues are deducted and deposited to regulatory bodies for all of our employees.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Employees	0	2*	0	2
Workers	0	0	0	0

\*There was two fatality last year.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

None at this moment.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed*
Health and safety practices	39
Working Conditions	2

\*Information pertains to API business under Indian Operation

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners

Not applicable as mentioned above.

#### PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

1. Describe the processes for identifying key stakeholder groups of the entity.

We consider individuals, groups, institutions or entities that contribute to shaping our business, that add value or constitute a core part of the business value chain as key stakeholders. Our stakeholders are both internal and external, and direct as well as indirect. We began stakeholder prioritisation in FY2015, involving top management, who engages with various stakeholders at regular interval. Stakeholder groups are identified as mentioned below in point no. 2.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others– please specify)	Purpose and scope of engagement including key topics and Concerns raised during such engagement
Customers	No	<ul style="list-style-type: none"> <li>Customer meets &amp; Exhibitions</li> <li>Direct visits</li> <li>Feedback calls</li> <li>Online platform – Customer Relation Management (CRM)</li> </ul>	Regularly all throughout the year	<ul style="list-style-type: none"> <li>Quality</li> <li>Packaging and Labelling</li> <li>Climate Change</li> <li>Timely Delivery</li> </ul>



Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others– please specify)	Purpose and scope of engagement including key topics and Concerns raised during such engagement
Investors and Shareholders	No	<ul style="list-style-type: none"> <li>Investors meet &amp; calls, quarterly Investors conference calls with investors attended by Chairman, CCMD, Group CFO, CFO &amp; CEO.</li> <li>Shareholders/Investors Grievance forums (Dedicated team who takes care of investor relation)</li> <li>Investors are provided with Annual Report, Quarterly Earnings Release and Sustainability Report</li> <li>Company website is updated regularly with relevant information</li> <li>AGM</li> </ul>	Quarterly Annual	<ul style="list-style-type: none"> <li>Sustainable business growth to create long term value</li> <li>Timely receipt of dividends and shares</li> <li>Timely receipt of financial reports (e.g. Annual Report)</li> </ul>
Employees	No	<ul style="list-style-type: none"> <li>Town Hall meets</li> <li>Skip level meets</li> <li>Chairmen's Award</li> <li>New Joiners' meet</li> <li>Online forum</li> <li>Six month Stay interview</li> <li>CEO Videos</li> <li>Exit Interviews</li> </ul>	Regularly all throughout the year	<ul style="list-style-type: none"> <li>Faster decision making</li> <li>Larger Talent pool</li> <li>Collaboration</li> <li>Job enrichment</li> <li>Career growth</li> <li>No discrimination</li> <li>Work Life Balance</li> </ul>
Suppliers and Vendors	No	<ul style="list-style-type: none"> <li>Time to time Suppliers meeting</li> <li>Vendor council, vendor meetings</li> <li>Online forums, supply chain and contract manufacturer's site audits</li> </ul>	Regularly all throughout the year	<ul style="list-style-type: none"> <li>Timely payment</li> </ul>
Regulatory Bodies	No	<ul style="list-style-type: none"> <li>One to one meetings</li> <li>Industry bodies and other related platform</li> </ul>	Regularly all throughout the year	<ul style="list-style-type: none"> <li>Compliance related to EHS, TAX, labour practice</li> </ul>
Community	No	<ul style="list-style-type: none"> <li>Meetings during formal community engagements</li> <li>Community interface meet</li> <li>Suggestion box at gate</li> </ul>	Regularly all throughout the year	<ul style="list-style-type: none"> <li>Road safety</li> <li>Local employability</li> <li>Environmental pollution</li> <li>Health and hygiene</li> <li>Vocational training</li> <li>Water</li> </ul>

#### Leadership Indicators

##### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Respective business/ functional heads engage with the stakeholders on various ESG topics and the relevant feedback from such consultation is provided to the Board, wherever applicable.



2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, our material issues are identified based on our engagement with our stakeholders. Based on the identified material topics, we have formulated policies and have set stretched yearly sustainability goals till 2024. Annually we publish our performance against these targets in our sustainability report.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

For our Indian operation, every year CSR team engage with surrounding community members (including vulnerable/ marginalised groups, if any) and prioritise the stakeholder needs and make action plan accordingly. Post approval CSR team implement different projects covering these community members.

#### PRINCIPLE 5: Businesses should respect and promote human rights.

##### Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:]**

Category	FY 2023 Current Financial Year			FY 2022 Previous Financial Year		
	Total (A)	No. of employees covered (B)	% (B/A)	Total (C)	No. of employees covered (D)	% (D/C)
<b>Employees*</b>						
Permanent	2505	986	40	3090	1137	37
Other than Permanent	NA	NA	NA	NA	NA	NA
<b>Total Employees</b>	<b>2505</b>	<b>986</b>	<b>40</b>	<b>3090</b>	<b>1137</b>	<b>37</b>
<b>Workers*</b>						
Permanent	501	501	100	537	537	100
Other than Permanent	594	594	100	1290	310	24
<b>Total Workers</b>	<b>1095</b>	<b>1095</b>	<b>100</b>	<b>1827</b>	<b>847</b>	<b>46</b>

\*For Indian operation only

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2023					FY 2022				
	Current Financial Year					Previous Financial Year				
	Total (A)	Equal to minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	2505	0	0	2505	100	3090	0	0	3090	100
Male	2003	0	0	2003	100	2603	0	0	2603	100
Female	502	0	0	502	100	487	0	0	487	100
Other than Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Workers										
Permanent	501	0	0	501	100	537	0	0	537	100
Male	501	0	0	501	100	537	0	0	537	100
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent	594	594	100	0	0	1290	1290	100	0	0
Male	570	570	100	0	0	-	-	-	0	0
Female	24	24	100	0	0	-	-	-	0	0





**3. Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	12	17,37,500	1	20,10,000
Key Managerial Personnel	4	3,86,69,381	Nil	Nil
*Employees other than BoD and KMP	764	7,01,502.28	71	8,67,280.58
*Workers	199	8,12,984.56	Nil	Nil

*\*Details are stand alone and for Indian operation*

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes: Any issue or concern may be reported by e-mail to [ombudsperson@jubl.com](mailto:ombudsperson@jubl.com)

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Yes: Any issue or concern may be reported by e-mail to [ombudsperson@jubl.com](mailto:ombudsperson@jubl.com)

The Company has formulated a 'Whistle Blower Policy' to enable the employees and Directors to voice their concerns anonymously without the fear of retaliation /victimisation / discrimination which is a sine qua non for an ethical organisation. To further augment the Corporate Governance standards, an office of the Ombudsperson for the Jubilant Bhartia Group has been established. Any issue or concern may be reported by e-mail to [ombudsperson@jubl.com](mailto:ombudsperson@jubl.com) or by logging on to [www.cwportal.com](http://www.cwportal.com), an external web portal with the Group has tied-up for processing issues/ concerns independently and confidentially.

**6. Number of Complaints on the following made by employees and workers:**

	FY 2023 Current Financial Year			FY 2022 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	0		0	NA	
Discrimination at workplace	0	NA		0	NA	
Child Labour	0	NA		0	NA	
Forced Labour/Involuntary Labour	0	NA		0	NA	
Wages	0	NA		0	NA	
Other human rights related issues	NA	NA	NA	NA	NA	NA

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Jubilant has a robust Whistle Blower Policy and Ombudsman Process to make the workplace at Jubilant conducive to open communication regarding business practices. It enables the Directors and full time employees to voice their concerns or disclose or report fraud, unethical behavior, violation of the Code of Conduct, questionable accounting practices, grave misconduct, etc. without fear of retaliation/ unlawful victimisation/ discrimination which is a sine qua non for an ethical organisation. To maintain the reporting and anonymity of the whistle-blower, the Company has a dedicated portal and Ombudsperson email address.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes



## 9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	-

## 10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable

### Leadership Indicators

#### 1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

NA

#### 2. Details of the scope and coverage of any Human rights due-diligence conducted.

NA

#### 3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

*YES, in line with local regulatory requirement.*

#### 4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	-
Forced/involuntary labour	-
Sexual harassment	-
Discrimination at workplace	-
Wages	-
Others - please specify	-

*Not monitored at this moment*

## 5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

*NA as mentioned above.*

### PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

#### Essential Indicators

#### 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Total electricity consumption (A)	414,279.59	400,606.26
Total fuel consumption (B)	147,930.10	200,292.93
Energy consumption through other sources (C)	191,763.05	184,354.26
<b>Total energy consumption (A+B+C)</b>	<b>753,972.74</b>	<b>785,253.44</b>
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	0.0000120040238	0.0000128096645
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA



Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency – No. However, the Company publish sustainability report following GRI Standards every year where all our sustainability performances are assured by Ernst & Young Associates & LLP.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0	0
(ii) Groundwater	97881.02	112855.8
(iii) Third party water	504580.75	489020.599
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>602461.77</b>	<b>601876.40</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>602461.77</b>	<b>601876.40</b>
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)	<b>0.00000959</b>	<b>0.00000982</b>
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency – No. However, the Company publish sustainability report following GRI Standards every year where all our sustainability performances are assured by Ernst & Young Associates & LLP.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Our all Indian manufacturing sites are Zero Liquid Discharge (ZLD). And this is in line with local regulatory requirement.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	*FY 2023 (Current Financial Year)	*FY 2022 (Previous Financial Year)
NOx	MT	4.1	8.88
Sox	MT	0.7	1.97
Particulate matter (PM)	MT	1.9	3.94
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

\*From Indian operation only.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No. However, the Company publish sustainability report following GRI Standards every year where all our sustainability performances are assured by Ernst & Young Associates & LLP.



6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	tCO <sub>2</sub>	8492	12362
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	tCO <sub>2</sub>	54703	57670
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	tCO <sub>2</sub> /INR	0.000001006	0.000001142
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No. However, the Company publish sustainability report following GRI Standards every year where all our sustainability performances are assured by Ernst & Young Associates & LLP.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The Company has a dedicated business excellence team who every year identifies different resource efficiency projects across manufacturing sites. These includes energy saving projects also. This year the Company has implemented 19 no. of new energy saving projects leading to total reduction of 1737 tCO<sub>2</sub>e GHG emission from all energy saving projects.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023 (Current Financial Year)	*FY 2022 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	34.0	29.5
E-waste (B)	0.4	0.6
Bio-medical waste (C)	105.6	58.2
Construction and demolition waste (D)	0.0	0
Battery waste (E)	0.4	9.3
Radioactive waste (F)	0.0	0.0
Other Hazardous waste. Please specify, if any. (G)	12008.5	12099.4
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1194.1	1111.0
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>13343.0</b>	<b>13308.0</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	7456.1	8,972.0
(ii) Re-used	0.0	0.0
(iii) Other recovery operations (Co-Processing)	2078.3	1,528.2
<b>Total</b>	<b>9534.4</b>	<b>10,500.2</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	502.88	320.6
(ii) Landfilling	3305.7	2,487.2
(iii) Other disposal operations (Authorised agency)	0	0.0
<b>Total</b>	<b>3808.6</b>	<b>2,807.8</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No. However, the Company publish sustainability report following GRI Standards every year where all our sustainability performances are assured by Ernst & Young Associates & LLP.



**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes**

The Company follows the following methods for proper disposal of the hazardous waste generated at its facilities, depending on their nature and local regulation:

- Recycle and Reuse through authorised third party
- Co-processing at cement kiln
- Secured land fill
- Incineration (both solid and liquid)

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in the following format:**

Sr. No.	Location of operations/ offices	Type of Operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	NA	NA	NA

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA	NA	NA	NA	NA	NA

For the introduction of new products, infrastructure Environmental Impact Assessments (EIAs) were performed as per the Environmental Regulatory Requirements. During the reporting year, no new products or new infrastructure was developed at our site.

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: Yes**

Sr. No.	Specify the law / regulation/ guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties /action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	NA	Nil	NA	NA

**Leadership Indicators**

**1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A)	113,780.51	99,620.63
Total fuel consumption (B)	13,729.20	12974.88
Energy consumption through other sources (C)	NA	NA
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>127,509.71</b>	<b>112,595.51</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	295,739.40	300752.99
Total fuel consumption (E)	134,179.01	187318.05
Energy consumption through other sources (F) (Steam)	191,763.05	184354.26
<b>Total energy consumed from non -renewable sources (D+E+F)</b>	<b>621,681.45</b>	<b>672425.29</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No. However, the Company publish sustainability report following GRI Standards every year where all our sustainability performances are assured by Ernst & Young Associates & LLP.





## 2. Provide the following details related to water discharged:

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	NA	NA
- With treatment – please specify level of Treatment	NA	NA
(ii) To Groundwater		
- No treatment	NA	NA
- With treatment – please specify level of Treatment	NA	NA
(iii) To Seawater		
- No treatment	NA	NA
- With treatment – please specify level of Treatment	NA	NA
(iv) Sent to third-parties		
- No treatment		
- With treatment – (ETP)	245918.96	271502.18
(v) Others		
- No treatment	NA	NA
- With treatment – please specify level of Treatment	NA	NA
<b>Total water discharged (in kilolitres)</b>	<b>245918.96</b>	<b>271502.18</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No. However, the Company publish sustainability report following GRI Standards every year where all our sustainability performances are assured by Ernst & Young Associates & LLP.

## 3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area: NA
- (ii) Nature of operations: NA
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
<b>Total volume of water withdrawal (in kilolitres)</b>	NA	NA
<b>Total volume of water consumption (in kilolitres)</b>	NA	NA
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	NA	NA
<b>Water intensity (optional)</b> – the relevant metric may be selected by the Entity	NA	NA
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water	NA	NA



Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(ii) Into Groundwater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) Into Seawater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
<b>Total water discharged (in kilolitres)</b>	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No. However, the Company publish sustainability report following GRI Standards every year where all our sustainability performances are assured by Ernst & Young Associates & LLP.

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	*FY 2023 (Current Financial Year)	*FY 2022 (Previous Financial Year)
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	662,296	681770
<b>Total Scope 3 emissions per rupee of turnover</b>	tCO <sub>2</sub> /INR	0.00001054	0.00001112
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity	NA	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No. However, the Company publish sustainability report following GRI Standards every year where all our sustainability performances are assured by Ernst & Young Associates & LLP.

**5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities**

NA

**6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format**

The Company is introducing cost improvement initiatives and manufacturing efficiency improvement plans at plants by undertaking projects under Business Excellence program every year. This year company implemented 27 no. of resource efficiency projects. These projects, along with carry forward projects led to total savings of ₹ 223.5 million.

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative



**7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

The Company has onsite emergency plan at every site to take care of site specific emergency situation and site mock drill is conducted for the same in India.

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

No significant adverse impact has come to our notice yet.

**9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

46.25%, supplier sustainability audits have been completed by FY 2020-21.

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

1. a. **Number of affiliations with trade and industry chambers/ associations. - 13**
- b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	All India Management Association (AIMA)	National
2	Centre for Social and Economic Progress (Formerly Brookings India)	National
3	Confederation of Indian Industry (CII)	National
4	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
5	Global Compact Network	National
6	Indo-Canadian Business Chamber (ICBC)	National
7	International Ombudsman Association (IOA)	National
8	International Society of Pharmaceutical Engineering (ISPE)	National
9	Karnataka Drugs and Pharmaceuticals Manufacturers' Association (KDPMA)	State
10	Mysore Chamber of Commerce & Industry	State

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
NA	NA	NA

**Leadership Indicators**

1. **Details of public policy positions advocated by the entity**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half Yearly/Quarterly/ Others – Please specify)	Web link, if available
1.	PLI in Chemicals	Representations through industry Associations, connecting with the Ministry and actively participating in stakeholder consultations	No	NA	NA
2.	Reduction in customs duty of denatured ethyl alcohol	Representations through industry Associations, connecting with the Ministry	It was considered in Union Budget 2023-24	NA	NA
3.	Notification of Hastinapur Wildlife Sanctuary	Representations through industry Associations, state government, central government Ministry	Notification in favour of the industry by the state government	NA	NA

\*Advocacy is channelised through the Industry Chambers and Associations as well with the relevant Ministries at the state and centre



## PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

### Essential Indicators

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws in the current financial year.**

None of the projects undertaken by Jubilant in FY 2022-23 required Social Impact Assessments.

- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Not Applicable

- Describe the mechanisms to receive and redress grievances of the community**

There are multiple mechanism to receive and address the grievances like regular meetings with community, community interface meetings, suggestion box at the factory gates, etc. Grievances could also be sent to any of the HR / Admin teams of the plant locations who will handle it appropriately. Further, all grievances could also be directly submitted at [satish.kanagala@jubl.com](mailto:satish.kanagala@jubl.com).

A policy on grievance receipt & redress is uploaded on the company's website ([https://www.jubilantpharmova.com/Uploads/image/2274imguf\\_GrevianceRedressalPolicy.pdf](https://www.jubilantpharmova.com/Uploads/image/2274imguf_GrevianceRedressalPolicy.pdf))

- Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2023 Current Financial Year	FY 2022 Previous Financial Year
Directly sourced from MSMEs/ small producers	2	-
Sourced directly from within the district and neighbouring districts	1	-

*\*Information pertains to API business under Indian Operation*

### Leadership Indicators

- Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above)**

Not applicable

- Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

The community around our operations at all locations are key stakeholders for the Company and we believe in having an inclusive growth along with them. None of our operations are in the aspirational districts as identified by the government bodies.

- Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No) :**

No

- From which marginalised /vulnerable groups do you procure?**

None

- What percentage of total procurement (by value) does it constitute?**

NA

- Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Not Applicable.

- Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Not Applicable.



#### 6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised group
1	Health	97225	100%
2	Education	48820	100%
3	Livelihood	5214	100%

#### PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

##### Essential Indicators

#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Standard operating procedure for 'Customer complaint' handling available at respective sites. Market complaint is received, logged & investigated/evaluated through this procedure.

#### 2. Turnover of products and/ services as a percentage of turnover from all products/ service that carry information about:

	As a percentage of total turnover*
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

\*All our products follow local regulatory norms in relation to product packaging, labelling, usage and disposal.

#### 3. Number of consumer complaints in respect of the following:

Number of consumer complaints in respect of the following:	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	Not Applicable	NA	0	Not Applicable	NA
Advertising	0	Not Applicable	NA	0	Not Applicable	NA
Cyber-security	0	Not Applicable	NA	0	Not Applicable	NA
Delivery of essential services	883	128		844	115	
Restrictive Trade Practices	0	NA	NA	0	NA	NA
Unfair Trade Practices	0	NA	NA	0	NA	NA
Other	NA	NA	NA	NA	NA	NA

#### 4. Details of instances of product recalls on account of safety issues:

Details of instances of product recalls on account of safety issues:	Number	Reasons for recall
Voluntary recalls	3	1 due to OOS in dissolution test and 2 related out specification result
Forced recalls	0	NA

#### 5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, Weblink - <https://www.jubilantpharmova.com/privacy-policy>

Our IT processes are ISO 27001 certified and we follow NIST Cyber Security framework which ensures compliance with international standards and frameworks.

#### 6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable.



## Leadership Indicators

1. **Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Web link - <https://www.jubilantpharmova.com/#business-segments>

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

The Company displays product information on the product label, over and above what is mandated as per local laws. Our products also carry a detailed information leaflet on the safe use of the products where ever applicable. As a pharmaceutical manufacturer, the Company's manufacturing facilities are required to comply with all applicable Quality and Regulatory authority requirements of country of origin and country of export, including ensuring that quality and manufacturing processes conform to current Good Manufacturing Practices (cGMP).

3. **Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services.**
4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

No. Our products are regulated by many agencies and do not display information on the product over and above what is mandated per regulations. All product labeling must be approved by the regulatory agencies to assure compliance with the regulations and laws.

5. **Provide the following information relating to data breaches:**

- a. **Number of instances of data breaches along-with impact** - None
- b. **Percentage of data breaches involving**





# Independent Auditor's Report

## To the Members of Jubilant Pharmova Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of Jubilant Pharmova Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities* for the Audit of the Standalone Financial Statements section of our report. We are independent of the

Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

#### Emphasis of Matter

We draw attention to Note 31 of the standalone financial statements which describes the impact of Active Pharmaceutical Ingredients undertaking business of Jubilant Generics Limited vested into the Company, pursuant to the Scheme of Arrangement ("Scheme"). The Scheme has been approved by the National Company Law Tribunal during the year vide its order dated 13 June 2022 with an appointed date of 01 April 2022. The standalone financial statements for the year ended 31 March 2022 have been restated to give the effect of the Scheme.

Our opinion is not modified in respect of this matter.

#### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Impairment of goodwill

See Note 4 to standalone financial statements

#### The key audit matter

As at 31 March 2023, the goodwill represents 6% of the total non-current assets. The Company's process of assessment of impairment of goodwill is complex as it involves significant judgement in determining the assumptions used to estimate the recoverable amount.

The recoverable amount of the cash generating units has been derived from discounted forecast cash flow model which uses several key assumptions, including estimates of future sales volumes and prices, operating costs, terminal value growth rates and the discount rate.

Given the significant level of judgement involved in making the above estimates and the quantitative significance, we have determined this to be a key audit matter.

#### How the matter was addressed in our audit

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

- Assessed the appropriateness of accounting policy for impairment of goodwill as per the relevant accounting standard.
- Tested the design and implementation of key controls in determining the carrying amount and the recoverable amount of the cash generating unit to which the goodwill is allocated.
- Evaluated the impairment model which is based on discounted cash flows. This included evaluation of the appropriateness of the assumptions applied to key inputs such as revenue projections, discount rate and terminal growth rates based on our knowledge of the Company and the industry with the assistance of valuation specialists.



## Independent Auditor's Report (Continued)

The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> <li>Examined the causes of differences between past cash flow projections and actual cash flows.</li> <li>Performed sensitivity analysis of the key assumptions used to determine which changes to assumptions would change the outcome of impairment assessment.</li> <li>Compared the recoverable amount of the cash generating unit to the carrying amount to determine impairment loss, if any.</li> <li>Assessed the adequacy of related disclosures in the standalone financial statements.</li> </ul>

### Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and report under the applicable laws and regulations.

### Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

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

of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



## Independent Auditor's Report (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in

terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the back-up of certain books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis during 11 August 2022 till 16 February 2023.
- c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

- a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 38 to the standalone financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



## Independent Auditor's Report (Continued)

- d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 48 to the standalone financial statements, no funds 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 person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 48 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- As stated in Note 35 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Manish Gupta**

Partner

Place: Noida

Date: 29 May 2023

Membership No.: 095037

ICAI UDIN:23095037BGYZGX1066



## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Jubilant Pharmova Limited for the year ended 31 March 2023

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all the Property, Plant and Equipment are verified every year. Pursuant to the merger (also refer note 31), the management has revised its regular programme of physical verification designed to cover all the items in a phased manner over three years. According to the information and explanations given to us, the management has physically verified certain Property, Plant and Equipment during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, the discrepancies noticed on such verification were not material and have been properly adjusted in the books of account.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security, granted any advances in the nature of loans, secured or unsecured, to firms, limited liability partnership or any other parties during the year. The Company has made investment in one Company during the year. Further, the Company has given loans to other parties (employees) during the year, details of the loans are stated in the sub- clause (a) as below. The Company has not made investments and provided any loans, secured or unsecured, to firms and limited liability partnership during the year.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans as below:

Particulars	Loans (₹ in million)
Aggregate amount during the year	25.92
Others	
Balance outstanding sheet date	
Others	3.17

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investment made during the year and the terms and conditions of the grant of the loan provided are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records



## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Jubilant Pharmova Limited for the year ended 31 March 2023 (Continued)

of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount involved (₹ in million)	Amount Paid under protest (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Central Goods and Services Tax Act, 2017	Goods and Services Tax	1.80	1.80	2018-19	Joint Commissioner, Commercial Tax (Appeals)
		5.67	0.51	2019-20	Deputy Commissioner

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix) (c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.





## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Jubilant Pharmova Limited for the year ended 31 March 2023 (Continued)

- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate company (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) Based on the information and explanations provided by the management of the Company, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company. For reporting on this clause / sub clause, while we have performed the audit procedures, we have relied on and not been able to independently validate the information provided to us by the management of the Company with respect to entities outside the consolidated Group but covered in the Core Investment Companies (Reserve Bank) Directions, 2016.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither



## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Jubilant Pharmova Limited for the year ended 31 March 2023 (*Continued*)

give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in annual report is expected to be made available to us after the date of this auditor's report.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under

sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

**Manish Gupta**

*Partner*

Membership No.: 095037

ICAI UDIN:23095037BGYZGX1066

Place: Noida

Date: 29 May 2023



## Annexure B to the Independent Auditor's Report on the standalone financial statements of Jubilant Pharmova Limited for the year ended 31 March 2023

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

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

#### Opinion

We have audited the internal financial controls with reference to financial statements of Jubilant Pharmova Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

#### Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit

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

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

#### Meaning of Internal Financial Controls with Reference to Financial Statements

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

#### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Manish Gupta**

Partner

Place: Noida

Date: 29 May 2023

Membership No.: 095037

ICAI UDIN:23095037BGYZGX1066



## Standalone Balance Sheet as at 31 March 2023

(₹ in million)

	Notes	As at	
		31 March 2023	31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	4,914.76	4,740.71
Capital work-in-progress	3	469.66	352.57
Goodwill	4	1,371.32	1,371.32
Other intangible assets	4	7.54	9.96
Right-of-use assets	40	580.37	243.13
<b>Financial assets</b>			
i. Investments	5	16,565.65	16,457.48
ii. Loans	6	3.00	3.76
iii. Other financial assets	7	95.94	90.83
Deferred tax assets (net)	8	170.27	353.32
Income tax assets (net)		95.03	58.59
Other non-current assets	12	22.36	15.79
<b>Total non-current assets</b>		<b>24,295.90</b>	<b>23,697.46</b>
<b>Current assets</b>			
Inventories	9	3,136.01	3,231.82
<b>Financial assets</b>			
i. Trade receivables	10	1,885.23	1,307.02
ii. Cash and cash equivalents	11	109.93	225.25
iii. Loans	6	0.17	0.03
iv. Other financial assets	7	136.15	133.10
Other current assets	12	521.28	360.90
<b>Total current assets</b>		<b>5,788.77</b>	<b>5,258.12</b>
<b>Total assets</b>		<b>30,084.67</b>	<b>28,955.58</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	159.30	159.30
Other equity		23,986.22	24,231.37
<b>Total equity</b>		<b>24,145.52</b>	<b>24,390.67</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	15(A)	1,740.00	1,740.00
ii. Lease liabilities		352.97	61.73
Provisions	16	228.25	234.08
Other non-current liabilities	19	6.03	6.49
<b>Total non-current liabilities</b>		<b>2,327.25</b>	<b>2,042.30</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	15(B)	1,275.00	-
ii. Lease liabilities		88.13	23.50
iii. Trade payables	17		
Total outstanding dues of micro enterprises and small enterprises		100.57	23.50
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,542.13	1,561.92
iv. Other financial liabilities	18	292.56	267.21
Other current liabilities	19	201.68	535.77
Provisions	16	110.19	109.59
Current tax liabilities (net)		1.64	1.12
<b>Total current liabilities</b>		<b>3,611.90</b>	<b>2,522.61</b>
<b>Total liabilities</b>		<b>5,939.15</b>	<b>4,564.91</b>
<b>Total equity and liabilities</b>		<b>30,084.67</b>	<b>28,955.58</b>

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

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

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

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

**Manish Gupta**

Partner

Membership No.: 095037

**Shyam S. Bhartia**

Chairman

DIN: 00010484

**Arun Kumar Sharma**

Chief Financial Officer

**Hari S. Bhartia**

Co-Chairman and Managing Director

DIN: 00010499

**Naresh Kapoor**

Company Secretary

Place: Noida

Date: 29 May 2023

Place: Noida

Date: 29 May 2023



## Statement of Standalone Profit and Loss for the year ended 31 March 2023

(₹ in million)

	Notes	For the year ended	
		31 March 2023	31 March 2022
Revenue from operations	20	8,101.17	7,257.34
Other income	21	1,378.92	1,261.58
<b>Total income</b>		<b>9,480.09</b>	<b>8,518.92</b>
<b>Expenses</b>			
Cost of materials consumed	22	3,962.95	3,702.61
Purchases of stock-in-trade	23	148.05	26.28
Changes in inventories of finished goods and work-in-progress	24	34.54	(406.08)
Employee benefits expense	25	1,672.72	1,636.44
Finance costs	26	185.24	109.87
Depreciation and amortisation expense	27	432.50	369.12
Other expenses	28	2,250.65	2,233.47
<b>Total expenses</b>		<b>8,686.65</b>	<b>7,671.71</b>
<b>Profit before tax</b>		<b>793.44</b>	<b>847.21</b>
Tax expense	29		
- Current tax		138.17	142.76
- Deferred tax charge/(credit)		156.44	(100.47)
<b>Total tax expense</b>		<b>294.61</b>	<b>42.29</b>
<b>Profit for the year</b>		<b>498.83</b>	<b>804.92</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity investments which are classified at fair value through other comprehensive income		20.89	(2.36)
Remeasurement of defined benefit obligations		(11.89)	12.42
Income tax relating to items that will not be reclassified to profit or loss	29	4.16	(4.31)
<b>Other comprehensive income for the year, net of tax</b>		<b>13.16</b>	<b>5.75</b>
<b>Total comprehensive income for the year</b>		<b>511.99</b>	<b>810.67</b>
<b>Earnings per equity share of ₹ 1 each</b>	50		
Basic (₹)		3.13	5.05
Diluted (₹)		3.13	5.05

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

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

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

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

**Manish Gupta**

Partner

Membership No.: 095037

**Shyam S. Bhartia**

Chairman

DIN: 00010484

**Arun Kumar Sharma**

Chief Financial Officer

**Hari S. Bhartia**

Co-Chairman and Managing Director

DIN: 00010499

**Naresh Kapoor**

Company Secretary

Place: Noida

Date: 29 May 2023

Place: Noida

Date: 29 May 2023



## Statement of Changes in Equity for the year ended 31 March 2023

### A. Equity share capital

	(₹ in million)
<b>Balance as at 1 April 2021</b>	<b>159.30</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2022</b>	<b>159.30</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2023</b>	<b>159.30</b>

### B. Other equity

	Reserves and surplus (1)					Items of Other Comprehensive Income (1)	Total
	Capital reserve	Capital redemption reserve	Amalgamation reserve	Share based payment reserve (refer note 46)	Retained earnings	Equity instruments through OCI	Total
<b>Balance as at 1 April 2021</b>	<b>1,088.23</b>	<b>9.86</b>	<b>13.21</b>	-	<b>11,549.15</b>	<b>4.70</b>	<b>12,665.15</b>
Adjustment on account of common control business combination (refer note 31)	11,612.94	-	-	-	(25.49)	-	11,587.45
<b>Adjusted balance as at 1 April 2021</b>	<b>12,701.17</b>	<b>9.86</b>	<b>13.21</b>	-	<b>11,523.66</b>	<b>4.70</b>	<b>24,252.60</b>
Profit for the year	-	-	-	-	804.92	-	804.92
Other comprehensive income/(loss)	-	-	-	-	8.11	(2.36)	5.75
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>813.03</b>	<b>(2.36)</b>	<b>810.67</b>
Adjustment during the year (refer note 31)	(40.45)	-	-	-	-	-	(40.45)
Dividend	-	-	-	-	(796.41)	-	(796.41)
Share-based payment expense	-	-	-	4.96	-	-	4.96
<b>Balance as at 31 March 2022</b>	<b>12,660.72</b>	<b>9.86</b>	<b>13.21</b>	<b>4.96</b>	<b>11,540.28</b>	<b>2.34</b>	<b>24,231.37</b>
Profit for the year	-	-	-	-	498.83	-	498.83
Other comprehensive (loss)/income	-	-	-	-	(7.73)	20.89	13.16
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>491.10</b>	<b>20.89</b>	<b>511.99</b>
Dividend	-	-	-	-	(796.41)	-	(796.41)
Share-based payment expense	-	-	-	34.87	-	-	34.87
Issue of equity shares on exercise of options	-	-	-	(1.31)	1.31	-	-
Changes in ownership interest in subsidiary without control (net of tax)	4.40	-	-	-	-	-	4.40
<b>Balance as at 31 March 2023</b>	<b>12,665.12</b>	<b>9.86</b>	<b>13.21</b>	<b>38.52</b>	<b>11,236.28</b>	<b>23.23</b>	<b>23,986.22</b>





# Statement of Changes in Equity for the year ended 31 March 2023 (Continued)

**Notes:**

(1) Refer note 14 for nature and purpose of other equity.

The accompanying notes form an integral part of the standalone 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 Pharmova Limited**

**Shyam S. Bhartia**  
Chairman  
DIN: 00010484

**Hari S. Bhartia**  
Co-Chairman and Managing Director  
DIN: 00010499

**Arun Kumar Sharma**  
Chief Financial Officer

**Naresh Kapoor**  
Company Secretary

Place: Noida  
Date: 29 May 2023



## Statement of Cash Flows for the year ended 31 March 2023

	(₹ in million)	
	For the year ended	
	31 March 2023	31 March 2022
<b>A. Cash flow from operating activities</b>		
Net profit before tax	793.44	847.21
Adjustments:		
Depreciation and amortisation expense	432.50	369.12
Gain on disposal of property, plant and equipment (net)	(4.24)	(0.21)
Finance costs	185.24	109.87
Share-based payment expense	9.69	4.96
Unrealised foreign exchange loss	4.36	10.49
Interest income	(5.27)	(9.96)
Dividend income	(974.17)	(971.11)
	<b>(351.89)</b>	<b>(486.84)</b>
<b>Operating cash flow before working capital changes</b>	<b>441.55</b>	<b>360.37</b>
Increase in trade receivables	(487.20)	(183.22)
(Increase)/decrease in loans, other financial assets and other assets	(167.74)	152.24
Decrease/(increase) in inventories	95.81	(542.87)
Increase in trade payables	18.35	90.65
(Decrease)/increase in other financial liabilities, other liabilities and provisions	(377.45)	449.00
<b>Cash (used in)/generated from operations</b>	<b>(476.68)</b>	<b>326.17</b>
Income tax paid (net of refund)	(174.47)	(193.78)
Adjustment on account of common control business combination (refer note 31)	-	(167.91)
<b>Net cash used in operating activities</b>	<b>(651.15)</b>	<b>(35.52)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment and other intangible assets (including capital work-in-progress and intangible assets under development)	(595.30)	(373.93)
Proceeds from sale of property, plant and equipment	9.21	1.37
Investment in associate	(87.50)	-
Sale of investment in subsidiary	5.00	-
Loans repaid by/(given to) subsidiary (net)	0.50	(0.50)
Movement in other bank balances	(1.18)	(29.21)
Interest received	5.82	9.94
Dividend received	974.17	971.11
Adjustment on account of common control business combination (refer note 31)	-	352.22
<b>Net cash generated from investing activities</b>	<b>310.72</b>	<b>931.00</b>



## Statement of Cash Flows for the year ended 31 March 2023

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
<b>C. Cash flow from financing activities</b>		
Payment of lease liabilities	(67.58)	(29.95)
Proceeds from short term borrowings (net)	1,275.00	-
Proceeds from long term borrowings taken from subsidiaries	-	60.00
Dividend paid	(800.61)	(801.07)
Finance costs paid	(181.70)	(110.01)
Adjustment on account of common control business combination (refer note 31)	-	(192.67)
Net cash generated from/(used in) financing activities	<b>225.11</b>	<b>(1,073.70)</b>
Net decrease in cash and cash equivalents (A+B+C)	<b>(115.32)</b>	<b>(178.22)</b>
Add: cash and cash equivalents at the beginning of year	225.25	403.47
Cash and cash equivalents at the end of the year (Refer note 11)	<b>109.93</b>	<b>225.25</b>

Notes:

- Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".
- During the year, the Company paid in cash ₹ 43.62 million (31 March 2022: ₹ 50.40 million) towards corporate social responsibility (CSR) expenditure (refer note 42).

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of **Jubilant Pharmova Limited**For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

**Manish Gupta**

Partner

Membership No.: 095037

**Shyam S. Bhartia**

Chairman

DIN: 00010484

**Arun Kumar Sharma**

Chief Financial Officer

**Hari S. Bhartia**

Co-Chairman and Managing Director

DIN: 00010499

**Naresh Kapoor**

Company Secretary

Place: Noida

Date: 29 May 2023

Place: Noida

Date: 29 May 2023



## Notes to the financial statements for the year ended 31 March 2023

### Note 1. Corporate information

Jubilant Pharmova Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is situated at Bhartiagram, Gajraula, District Amroha, Uttar Pradesh – 244223.

The Company along with its subsidiaries is an integrated global pharmaceutical company engaged in radiopharma, allergy immunotherapy, contract development and manufacturing of sterile injectable, generics, contract research development and manufacturing (CRDMO) and proprietary novel drugs businesses. With a network of 46 radiopharmacies in the USA, the radiopharma business is engaged in manufacturing and supply of radiopharmaceutical products and services. Allergy immunotherapy, contract development and manufacturing of sterile injectables and non-sterile products and generics businesses cater to major regulated markets (USA, EU and other geographies) through 5 manufacturing facilities. CRDMO business provides collaborative research and partnership for drug discovery through 2 research centers in India. The Company is also engaged in the manufacturing of active pharmaceutical products through a USFDA approved facility in Nanjangud, Karnataka. Proprietary novel drugs is an innovative biopharmaceutical business developing breakthrough therapies in the area of oncology and auto-immune disorders. The Company is well recognized as a 'Partner of Choice' by leading pharmaceuticals companies globally.

The Scheme of Arrangement ("the Scheme") for demerger of the Active Pharmaceuticals Ingredients ("API") business undertaking of Jubilant Generics Limited ("JGL"), an indirect wholly owned subsidiary of the Company, and vesting of the same with the 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 ("NCLT") vide its order dated 13 June 2022. Also refer note 31.

### Note 2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. The accounting policies adopted are consistent with those of the previous financial year.

#### (a) Basis of preparation

##### (i) Statement of compliance

These Standalone 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 the Companies Act, 2013, ("the Act"), relevant provisions of the Act and other accounting principles generally accepted in India.

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or '₹') and are rounded to the nearest million, except per share data and unless stated otherwise.

The financial statements have been authorised for issue by the Company's Board of Directors on 29 May 2023.

##### (ii) Historical cost convention

These 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 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 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 and Loss and Other Comprehensive Income. The cost of acquisition also includes the fair value



## Notes to the financial statements for the year ended 31 March 2023

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 as a gain on bargain purchase, unless there is no clear evidence for the underlying reason for classification of the business combination as a bargain purchase, in which case, it shall be recognised directly in equity as capital reserve.

Business combinations between entities under common control are accounted at historical cost. The difference between the consideration paid/received and the carrying amount of assets and liabilities transferred is recorded in the capital reserve, a component of other equity.

Business combinations arising from transfers of interests in entities that are under the common control 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.

### (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 capitalised 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 arising on business combinations is disclosed separately 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 is 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 tangible fixed assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.
- Intangible assets that are acquired and 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 amortisation 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 fixed assets 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



## Notes to the financial statements for the year ended 31 March 2023

following classes of fixed assets 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
Vehicles – owned	5 years	8 years
Computer servers and networks (included in office equipment)	5 years	6 years
Employee perquisite related assets (except end user computers) (included in furniture and fixtures)	5 years, being the period of perquisite scheme	10 years

Software systems are being amortised over a period of five years being their useful life.

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

Depreciation and amortisation 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 property, plant and equipment and intangible assets 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

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 the Statement of Profit and Loss.

Once classified as held-for sale, property, plant and equipment and intangible assets are no longer amortised or depreciated.

### (f) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life 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.

#### (i) 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.





## Notes to the financial statements for the year ended 31 March 2023

### *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.

### *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 FVOCI 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*

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

### *Impairment of financial assets*

The Company recognises 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 derecognised (i.e., removed from the Company's balance sheet) when:

## Notes to the financial statements for the year ended 31 March 2023

- 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.

### (ii) 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.

### (iii) 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.

### (iv) Share capital

Equity shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

### (h) Inventories

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

The methods of determining cost of various categories of inventories are as follows:

Raw materials	Weighted average method
Stores and spares	Weighted average method
Work-in-progress and finished goods (manufactured)	Direct materials, direct labour and an appropriate proportion of variable and fixed production overheads, the latter being allocated on the basis of normal operating capacity
Fuel, consumables, packing material etc.	Weighted average method
Finished goods (traded)	Weighted average method
Goods in transit	Cost of purchase

Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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 recognised 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



## Notes to the financial statements for the year ended 31 March 2023

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 recognised as a finance cost.

The amount recognised 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 recognised 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 when the Company satisfies a performance obligation upon transfer of control of products to customers at the time of shipment to or receipt of goods by the customers. Service income is recognized when the Company satisfies a performance obligation as and when the underlying services are performed.

The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc. Invoices are issued as per the general business terms and are payable in accordance with the contractually agreed credit period.

Revenues are measured based on the transaction price allocated to the performance obligation, which is the consideration, net of taxes or duties collected on behalf of the government 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 and expected sell-through levels in supply chain. The transaction price is allocated to each performance obligation in the contract on the basis of the relative standalone selling prices of the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes significant financing component.

Contract assets are recognised when there is excess of revenue earned over billings on contracts, excluding amounts 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.

### (l) Employee benefits

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

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

#### a) Gratuity

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

#### b) Superannuation

Certain employees of the Company are also participants in the superannuation plan, a defined contribution plan. Contribution made by the Company to the superannuation plan during the year is charged to Statement of Profit and Loss.

#### c) Provident fund

The Company's contribution to the provident fund is deposited with Regional Provident Fund Commissioner for its employees in India. The Company's contribution to the provident fund is charged to Statement of Profit and Loss. This is treated as defined contribution plan. Also refer note 32(A).



## Notes to the financial statements for the year ended 31 March 2023

### (iii) Other long-term employee benefits:

#### Compensated absences:

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

### (iv) Termination benefits:

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

### (v) Actuarial valuation

The liability in respect of all defined benefit plans and other long term benefits is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. 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.

Remeasurement gains and losses on other long term benefits are recognised in the Statement of Profit and Loss in the year in which they arise. Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

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

### (m) Share based payments

The Company has adopted the policy to account for Employees Welfare Trust as a legal entity separate from the Company but as a subsidiary of the Company. Any loan from the Company to the trust is accounted for as a loan in accordance with its term.

The grant date fair value of options granted (net of estimated forfeiture) to employees of the Company is recognised as an employee expense, and those granted to employees of subsidiaries is recharged to subsidiaries or considered as the Company's equity contribution and is added to the carrying value of investment in the respective subsidiaries, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "share based payment reserve". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes-Merton). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

### (n) Finance costs and finance income

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 capitalised 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 capitalisation. 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.

Finance income consists of interest income. Interest income or expense is recognised using the effective interest 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. In calculating interest income or expense, the effective interest rate is applied to the gross carrying



## Notes to the financial statements for the year ended 31 March 2023

amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### (o) Exceptional items

Exceptional items refer to items of income or expense within the Statement of Profit and Loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

### (p) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and 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, 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. MAT is a tax liability of a company computed at specified rate on adjusted book profits as per applicable provisions of the Income Tax Act. A company is liable to pay MAT, if the income tax payable under normal provisions of the Income Tax Act is less than tax payable under MAT.

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.

Deferred income tax is not provided on the undistributed earnings of the subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

### (q) 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 2 to 6 years, with an option to renew the lease after that date. 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.





## Notes to the financial statements for the year ended 31 March 2023

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

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates based on information available as at the date of commencement of the lease. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and right-of-use asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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

### (r) Foreign currency translation

#### (i) Functional and presentation currency

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

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in

foreign currencies at balance sheet date exchange rates are generally recognised in Statement of Profit and Loss.

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

### (s) 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 revenue.

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 income.

### (t) 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.

#### (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.

### (u) 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:





## Notes to the financial statements for the year ended 31 March 2023

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.

### (v) 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 recognised 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 recognised in the financial statements is included in the following notes.

- Assessment of useful life of property, plant and equipment and intangible asset – Note 2(d)
- Valuation of inventories – Note 2(h)
- Recognition of revenue and related accruals – Note 2(k)

- Impairment of financial assets and non-financial assets – Note 2(f), 2(g) and 4(a)
- Lease term: whether the Company is reasonably certain to exercise extension options – Note 2(q) and 40
- Recognition and estimation of tax expense including deferred tax – Note 8 and 29
- Fair value measurement – Note 2(u) and 33
- Estimation of assets and obligations relating to employee benefits – Note 2(l) and 32
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 38

### (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.

## Notes to the financial statements for the year ended 31 March 2023

### Note 3: Property, plant and equipment and capital work-in-progress

	Land-freehold	Building-others	Plant and equipment	Furniture and fixtures	Vehicles-Owned	Office Equipment	Total	(₹ in million) Capital work-in-progress
<b>Gross carrying amount as at 1 April 2021</b>	<b>0.12</b>	<b>1,047.38</b>	<b>5,412.05</b>	<b>80.14</b>	<b>26.56</b>	<b>255.20</b>	<b>6,821.45</b>	<b>164.29</b>
Additions (3)	-	14.12	174.99	5.36	-	19.86	214.33	402.61
Deductions	-	-	(26.87)	(1.09)	-	(3.65)	(31.61)	(214.33)
<b>Gross carrying amount as at 31 March 2022</b>	<b>0.12</b>	<b>1,061.50</b>	<b>5,560.17</b>	<b>84.41</b>	<b>26.56</b>	<b>271.41</b>	<b>7,004.17</b>	<b>352.57</b>
<b>Accumulated depreciation as at 1 April 2021</b>	<b>-</b>	<b>104.07</b>	<b>1,625.91</b>	<b>45.06</b>	<b>19.75</b>	<b>153.95</b>	<b>1,948.74</b>	<b>-</b>
Depreciation charge for the year	-	17.43	278.29	6.16	1.88	27.55	331.31	-
Deductions	-	-	(12.79)	(0.96)	-	(2.84)	(16.59)	-
<b>Accumulated depreciation as at 31 March 2022</b>	<b>-</b>	<b>121.50</b>	<b>1,891.41</b>	<b>50.26</b>	<b>21.63</b>	<b>178.66</b>	<b>2,263.46</b>	<b>-</b>
<b>Net carrying amount as at 31 March 2022</b>	<b>0.12</b>	<b>940.00</b>	<b>3,668.76</b>	<b>34.15</b>	<b>4.93</b>	<b>92.75</b>	<b>4,740.71</b>	<b>352.57</b>

	Land-freehold	Building-others	Plant and equipment	Furniture and fixtures	Vehicles-Owned	Office Equipment	Total	(₹ in million) Capital work-in-progress
<b>Gross carrying amount as at 1 April 2022</b>	<b>0.12</b>	<b>1,061.50</b>	<b>5,560.17</b>	<b>84.41</b>	<b>26.56</b>	<b>271.41</b>	<b>7,004.17</b>	<b>352.57</b>
Additions (3)	-	4.57	419.50	10.05	5.08	83.33	522.53	639.62
Deductions	-	-	-	(2.03)	(15.84)	(3.41)	(21.28)	(522.53)
<b>Gross carrying amount as at 31 March 2023</b>	<b>0.12</b>	<b>1,066.07</b>	<b>5,979.67</b>	<b>92.43</b>	<b>15.80</b>	<b>351.33</b>	<b>7,505.42</b>	<b>469.66</b>
<b>Accumulated depreciation as at 1 April 2022</b>	<b>-</b>	<b>121.50</b>	<b>1,891.41</b>	<b>50.26</b>	<b>21.63</b>	<b>178.66</b>	<b>2,263.46</b>	<b>-</b>
Depreciation charge for the year	-	19.00	284.20	6.14	1.16	32.49	342.99	-
Deductions	-	-	-	(1.77)	(12.24)	(1.78)	(15.79)	-
<b>Accumulated depreciation as at 31 March 2023</b>	<b>-</b>	<b>140.50</b>	<b>2,175.61</b>	<b>54.63</b>	<b>10.55</b>	<b>209.37</b>	<b>2,590.66</b>	<b>-</b>
<b>Net carrying amount as at 31 March 2023</b>	<b>0.12</b>	<b>925.57</b>	<b>3,804.06</b>	<b>37.80</b>	<b>5.25</b>	<b>141.96</b>	<b>4,914.76</b>	<b>469.66</b>

**Notes:** (1) Refer note 15(b) for information on property, plant and equipment provided as security by the Company.

(2) Refer note 39 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

	(₹ in million)	
Particulars	31 March 2023	31 March 2022
Opening capital work-in-progress of R&D assets	2.76	6.01
Expenditure incurred during the year	7.60	39.04
Less: Capitalised during the year	(9.49)	(42.29)
Closing capital work-in-progress of R&D assets	<b>0.87</b>	<b>2.76</b>



## Notes to the financial statements for the year ended 31 March 2023

### Capital work-in-progress ageing schedule:

Ageing for capital work-in-progress as at 31 March 2023 is as follows:

	Amount in capital work-in-progress for a period of				(₹ in million)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	378.63	53.81	4.04	33.18	469.66
<b>Total capital work-in-progress</b>	<b>378.63</b>	<b>53.81</b>	<b>4.04</b>	<b>33.18</b>	<b>469.66</b>

Ageing for capital work-in-progress as at 31 March 2022 is as follows:

	Amount in capital work-in-progress for a period of				(₹ in million)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	264.80	37.12	37.62	13.03	352.57
<b>Total capital work-in-progress</b>	<b>264.80</b>	<b>37.12</b>	<b>37.62</b>	<b>13.03</b>	<b>352.57</b>

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.

### Note 4: Goodwill and other intangible assets

	Goodwill	Other intangible assets		(₹ in million)
		Software	Total	
Gross carrying amount as at 1 April 2021	1,371.32	11.47	11.47	
Additions	-	4.72	4.72	
Gross carrying amount as at 31 March 2022	1,371.32	16.19	16.19	
Accumulated amortisation as at 1 April 2021	-	3.36	3.36	
Amortisation for the year	-	2.87	2.87	
Accumulated amortisation as at 31 March 2022	-	6.23	6.23	
<b>Net carrying amount as at 31 March 2022</b>	<b>1,371.32</b>	<b>9.96</b>	<b>9.96</b>	

	Goodwill	Other intangible assets		(₹ in million)
		Software	Total	
Gross carrying amount as at 1 April 2022	1,371.32	16.19	16.19	
Additions	-	0.77	0.77	
Gross carrying amount as at 31 March 2023	1,371.32	16.96	16.96	
Accumulated amortisation as at 1 April 2022	-	6.23	6.23	
Amortisation for the year	-	3.19	3.19	
Accumulated amortisation as at 31 March 2023	-	9.42	9.42	
<b>Net carrying amount as at 31 March 2023</b>	<b>1,371.32</b>	<b>7.54</b>	<b>7.54</b>	



## Notes to the financial statements for the year ended 31 March 2023

### Note 4 (a): Impairment testing of goodwill

For the purposes of impairment testing, goodwill is allocated to the Cash Generating Units (CGU) which represents the lowest level at which the goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to CGU are as follows:

	(₹ in million)	
	As at	
	31 March 2023	31 March 2022
Active Pharmaceutical Ingredients	1,371.32	1,371.32
<b>Total</b>	<b>1,371.32</b>	<b>1,371.32</b>

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. The Company performed an analysis of the sensitivity towards change in key assumptions. Based on such analysis, the Company believes that any reasonably possible change in key assumptions on which recoverable amount of the above mentioned CGU is based would not cause the carrying amount to exceed the recoverable amount of related CGU.

Value in use 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:

- 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.
- The terminal growth rate represents management view on the future long-term growth rate.

	31 March 2023	31 March 2022
Active Pharmaceutical Ingredients	0.5%	0.5%

- The pre-tax discount rate was estimated based on past experience and taking into consideration the industry's weighted average cost of capital.

	31 March 2023	31 March 2022
Active Pharmaceutical Ingredients	15%	11%

- 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.

### Note 5: Non-current investments

	(₹ in million)	
	As at	
	31 March 2023	31 March 2022
<b>I. Investment in equity instruments (at cost)</b>		
<b>Unquoted (fully paid up)</b>		
<b>Subsidiary companies:</b>		
326,758,994 (31 March 2022: 326,758,994) equity shares with no par value Jubilant Pharma Limited	14,913.01	14,913.01
2,050,000 (31 March 2022: 2,050,000) equity shares of ₹10 each Jubilant First Trust Healthcare Limited	44.43	44.43
4,650,001 (31 March 2022: 4,650,001) equity shares with no par value Drug Discovery and Development Solutions Limited	641.31	641.31
50,000 (31 March 2022: 50,000) equity shares of ₹10 each Jubilant Business Services Limited	0.50	0.50
86,645,213 (31 March 2022: 86,645,213) equity shares of ₹ 10 each Jubilant Therapeutics India Limited	570.00	570.00
251,890,534 (31 March 2022: 252,140,534) equity shares of ₹10 each Jubilant Biosys Limited	219.55	219.77



## Notes to the financial statements for the year ended 31 March 2023

(₹ in million)

	As at	
	31 March 2023	31 March 2022
<b>Associate:</b>		
1,037,582 (31 March 2022: Nil) equity shares of ₹10 each SPV Laboratories Private Limited	87.50	-
	<b>16,476.30</b>	<b>16,389.02</b>
<b>II. Investment in equity instruments (at fair value through other comprehensive income)</b>		
<b>Unquoted (fully paid up)</b>		
<b>Other Companies:</b>		
6,569,310 (31 March 2022: 6,569,310) equity shares of ₹ 10 each Forum I Aviation Limited*	89.35	68.46
	<b>89.35</b>	<b>68.46</b>
<b>Total non-current investments</b>	<b>16,565.65</b>	<b>16,457.48</b>
<b>Aggregate amount of unquoted investments</b>	<b>16,565.65</b>	<b>16,457.48</b>
<b>Aggregate amount of impairment in the value of investments</b>	-	-

\* The Company designated this investment as equity instruments measured at FVOCI because these shares represent investment that the Company intends to hold for long-term for strategic purposes.

### Note 6: Loans

(₹ in million)

	As at			
	31 March 2023		31 March 2022	
	Current	Non-current	Current	Non-current
<b>Unsecured, considered good</b>				
Loan to related party (refer note 37)	-	-	-	0.50
Loan to employees	0.17	3.00	0.03	3.26
<b>Non-current loans</b>	<b>0.17</b>	<b>3.00</b>	<b>0.03</b>	<b>3.76</b>

### Note 7: Other financial assets

(₹ in million)

	As at			
	31 March 2023		31 March 2022	
	Current	Non-current	Current	Non-current
Bank deposits with more than twelve months maturity (1)	-	30.39	-	29.21
Security deposits	-	65.55	-	61.62
Receivable from related parties (refer note 37)	14.38	-	-	-
Insurance claims receivable	118.01	-	131.68	-
Others	3.76	-	1.42	-
<b>Total other financial assets</b>	<b>136.15</b>	<b>95.94</b>	<b>133.10</b>	<b>90.83</b>

#### Note:

(1) These deposits have restricted use.



## Notes to the financial statements for the year ended 31 March 2023

### Note 8. Deferred tax

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

Deferred tax assets:

	(₹ in million)						
	Provision for compensated absences and gratuity	Expenditure allowed on actual payment basis	MAT credit entitlement	Tax losses carried forward	Lease liability	Accrued expenses and other temporary differences	Total
<b>As at 1 April 2021</b>	<b>89.61</b>	<b>(11.32)</b>	<b>743.42</b>	<b>373.97</b>	<b>27.97</b>	<b>3.50</b>	<b>1,227.15</b>
<b>(Charged)/credited:</b>							
- to statement of profit and loss	(11.77)	56.76	144.92	(23.75)	(5.02)	2.32	<b>163.46</b>
- to MAT credit adjusted/utilised	-	-	(9.22)	-	-	-	<b>(9.22)</b>
- to other comprehensive income	(4.31)	-	-	-	-	-	<b>(4.31)</b>
<b>As at 31 March 2022</b>	<b>73.53</b>	<b>45.44</b>	<b>879.12</b>	<b>350.22</b>	<b>22.95</b>	<b>5.82</b>	<b>1,377.08</b>
<b>(Charged)/credited:</b>							
- to statement of profit and loss	7.96	(14.46)	116.51	(262.81)	88.08	0.63	<b>(64.09)</b>
- to MAT credit adjusted/ utilised	-	-	(30.77)	-	-	-	<b>(30.77)</b>
- to other comprehensive income	4.16	-	-	-	-	-	<b>4.16</b>
<b>As at 31 March 2023</b>	<b>85.65</b>	<b>30.98</b>	<b>964.86</b>	<b>87.41</b>	<b>111.03</b>	<b>6.45</b>	<b>1,286.38</b>

Deferred tax liabilities:

	(₹ in million)	
	PPE, Intangibles and Right-of-use assets	Total
<b>As at 1 April 2021</b>	<b>960.77</b>	<b>960.77</b>
<b>Charged/(credited):</b>		
- to statement of profit and loss	62.99	<b>62.99</b>
- to other comprehensive income	-	-
<b>As at 31 March 2022</b>	<b>1,023.76</b>	<b>1,023.76</b>
<b>Charged/(credited):</b>		
- to statement of profit and loss	92.35	<b>92.35</b>
- to other comprehensive income	-	-
<b>As at 31 March 2023</b>	<b>1,116.11</b>	<b>1,116.11</b>

Deferred tax assets (net):

	(₹ in million)	
	As at	
	31 March 2023	31 March 2022
Deferred tax assets	1,286.38	1,377.08
Deferred tax liabilities	1,116.11	1,023.76
<b>Deferred tax assets (net)</b>	<b>170.27</b>	<b>353.32</b>





## Notes to the financial statements for the year ended 31 March 2023

Reconciliation of deferred tax assets/(liabilities) (net):

	(₹ in million)	
	For the year ended	
	31 March 2023	31 March 2022
<b>Balance as at the commencement of the year</b>	<b>353.32</b>	<b>266.38</b>
<b>Credit/(charge) during the year recognised:</b>		
- in statement of profit and loss (including MAT)	(156.44)	100.47
- in other comprehensive income	4.16	(4.31)
MAT credit adjusted/utilised	(30.77)	(9.22)
<b>Balance as at the end of the year</b>	<b>170.27</b>	<b>353.32</b>

DTA has not been recognized on temporary differences in relation to indexation benefit of investment in subsidiaries amounting to ₹ 5,495.07 million (31 March 2022: ₹ 5,003.64 million) 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.

Tax related contingencies: Refer note 38.

### Note 9: Inventories

	(₹ in million)	
	As at	
	31 March 2023	31 March 2022
Raw materials *	999.33	1,105.96
Work-in-progress	1,619.73	1,434.13
Finished goods *	293.73	513.87
Stores and spares	213.14	168.01
Others- process chemicals and fuels	10.08	9.85
<b>Total inventories</b>	<b>3,136.01</b>	<b>3,231.82</b>
*Goods in transit included in above		
Raw materials	73.34	134.34
Finished goods	14.26	248.36
<b>Total goods in transit</b>	<b>87.60</b>	<b>382.70</b>
Total write down of inventories recognised during the year	<b>132.89</b>	<b>208.64</b>

### Note 10: Trade receivables

	(₹ in million)	
	As at	
	31 March 2023	31 March 2022
<b>Unsecured and current</b>		
Trade receivables - considered good	1,085.04	819.32
Trade receivables from related parties – considered good (refer note 37)	800.19	495.73
Trade receivables - credit impaired	13.53	-
Less: Expected credit loss allowance	(13.53)	(8.03)
<b>Total trade receivables</b>	<b>1,885.23</b>	<b>1,307.02</b>

Trade receivables ageing schedule as at 31 March 2023:

	(₹ in million)						
	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	1,044.48	541.98	298.08	0.52	-	0.17	1,885.23
Undisputed trade receivables – credit impaired	1.99	1.40	3.49	0.25	0.27	6.13	13.53
	<b>1,046.47</b>	<b>543.38</b>	<b>301.57</b>	<b>0.77</b>	<b>0.27</b>	<b>6.30</b>	<b>1,898.76</b>
Less: Expected credit loss allowance							(13.53)
<b>Total trade receivables</b>							<b>1,885.23</b>



## Notes to the financial statements for the year ended 31 March 2023

### Trade receivables ageing schedule as at 31 March 2022:

	Not due	Outstanding for following periods from due date of payment					(₹ in million)
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	1,109.67	192.04	6.64	0.54	0.02	6.14	1,315.05
	<b>1,109.67</b>	<b>192.04</b>	<b>6.64</b>	<b>0.54</b>	<b>0.02</b>	<b>6.14</b>	<b>1,315.05</b>
Less: Expected credit loss allowance							(8.03)
<b>Total trade receivables</b>							<b>1,307.02</b>

### Note 11: Cash and cash equivalents

	As at		(₹ in million)
	31 March 2023	31 March 2022	
<b>Balances with banks</b>			
- current accounts	78.57	39.69	
- dividend accounts	31.36	35.56	
- deposit accounts with original maturity up to three months	-	150.00	
<b>Total cash and cash equivalents (1)</b>	<b>109.93</b>	<b>225.25</b>	

#### Note:

(1) ₹ 31.36 million (31 March 2022: ₹ 35.56 million) has restricted use.

### Note 12: Other assets

	As at				(₹ in million)
	31 March 2023		31 March 2022		
	Current	Non-current	Current	Non-current	
Capital advances	-	22.36	-	15.79	
Prepaid expenses	86.92	-	62.37	-	
Recoverable from/balance with government authorities	341.64	-	210.54	-	
Advance to employees	8.10	-	4.32	-	
Advance for supply of goods and services	82.03	-	62.23	-	
Assets held for sale	-	-	14.14	-	
Others	2.59	-	7.30	-	
<b>Total other current assets</b>	<b>521.28</b>	<b>22.36</b>	<b>360.90</b>	<b>15.79</b>	

### Note 13: Equity share capital

	As at		(₹ in million)
	31 March 2023	31 March 2022	
<b>Authorised</b>			
1,430,200,000 (31 March 2022 : 1,430,200,000) equity shares of ₹ 1 each	1,430.20	1,430.20	
	<b>1,430.20</b>	<b>1,430.20</b>	
<b>Issued and subscribed</b>			
159,313,139 (31 March 2022 : 159,313,139) equity shares of ₹ 1 each	159.31	159.31	
	<b>159.31</b>	<b>159.31</b>	
<b>Paid up capital</b>			
159,281,139 (31 March 2022 : 159,281,139) equity shares of ₹ 1 each	159.28	159.28	
Add: Equity shares forfeited (paid up)	0.02	0.02	
	<b>159.30</b>	<b>159.30</b>	



## Notes to the financial statements for the year ended 31 March 2023

### Movement in equity share capital:

	As at 31 March 2023		As at 31 March 2022	
	Number	₹ in million	Number	₹ in million
At the commencement and at the end of the year	159,281,139	159.28	159,281,139	159.28

### Terms and rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having par value of ₹ 1 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:

Equity shares of ₹ 1 each fully paid-up held by	As at 31 March 2023		As at 31 March 2022	
	Number	% of total shares	Number	% of total shares
SPB Trustee Company Private Limited & SS Trustee Company Private Limited (Jointly on behalf of Shyam Sunder Bhartia Family Trust)	32,686,161	20.52%	32,686,161	20.52%
HSB Trustee Company Private Limited & HS Trustee Company Private Limited (Jointly on behalf of Hari Shanker Bhartia Family Trust)	30,257,475	19.00%	30,257,475	19.00%

### Disclosure of shareholding of promoters:

Shareholding of promoters as at 31 March 2023 is as follows:

Promoter name	31 March 2023		31 March 2022		% change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
- Mr. Hari Shanker Bhartia	360,885	0.23%	360,885	0.23%	-
- Ms. Kavita Bhartia	10,285	0.01%	10,285	0.01%	-
- Mr. Priyavrat Bhartia	1,398,010	0.88%	3,085	0.00%	0.88%
- Mr. Shamit Bhartia	129,245	0.08%	129,245	0.08%	-
- Jaytee Private Limited	7,600	0.00%	7,600	0.00%	-
- Nikita Resources Private Limited	3,504,540	2.20%	3,504,540	2.20%	-
- HSB Trustee Company Private Limited & HS Trustee Company Private Limited (Jointly on behalf of Hari Shanker Bhartia Family Trust)	30,257,475	19.00%	30,257,475	19.00%	-
- SPB Trustee Company Private Limited & SS Trustee Company Private Limited (Jointly on behalf of Shyam Sunder Bhartia Family Trust)	32,686,161	20.52%	32,686,161	20.52%	-
- MAV Management Advisors LLP	5,011,400	3.15%	5,011,400	3.15%	-
- Jubilant Enpro Private Limited	2,116,000	1.33%	2,116,000	1.33%	-
- Mr. Shyam Sunder Bhartia	5,000	0.00%	1,399,925	0.88%	(0.88%)
- Miller Holdings Pte. Limited	5,230,455	3.28%	5,230,455	3.28%	-
<b>Total</b>	<b>80,717,056</b>	<b>50.68%</b>	<b>80,717,056</b>	<b>50.68%</b>	<b>-</b>



## Notes to the financial statements for the year ended 31 March 2023

Shareholding of promoters as at 31 March 2022 is as follows:

Promoter name	31 March 2022		31 March 2021		% change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
- Mr. Hari Shanker Bhartia	360,885	0.23%	360,885	0.23%	-
- Ms. Kavita Bhartia	10,285	0.01%	10,285	0.01%	-
- Mr. Priyavrat Bhartia	3,085	0.00%	3,085	0.00%	-
- Mr. Shamit Bhartia	129,245	0.08%	129,245	0.08%	-
- Jaytee Private Limited	7,600	0.00%	7,600	0.00%	-
- Nikita Resources Private Limited	3,504,540	2.20%	3,504,540	2.20%	-
- HSB Trustee Company Private Limited & HS Trustee Company Private Limited (Jointly on behalf of Hari Shanker Bhartia Family Trust)	30,257,475	19.00%	30,257,475	19.00%	-
- SPB Trustee Company Private Limited & SS Trustee Company Private Limited (Jointly on behalf of Shyam Sunder Bhartia Family Trust)	32,686,161	20.52%	32,686,161	20.52%	-
- MAV Management Advisors LLP	5,011,400	3.15%	5,011,400	3.15%	-
- Jubilant Enpro Private Limited	2,116,000	1.33%	2,116,000	1.33%	-
- Mr. Shyam Sunder Bhartia	1,399,925	0.88%	1,399,925	0.88%	-
- Miller Holdings Pte. Limited	5,230,455	3.28%	5,230,455	3.28%	-
<b>Total</b>	<b>80,717,056</b>	<b>50.68%</b>	<b>80,717,056</b>	<b>50.68%</b>	<b>-</b>

### Note 14: Nature and purpose of other equity

- Capital reserve**  
Accumulated capital surplus not available for distribution of dividend and expected to remain invested permanently and includes excess/shortfall of consideration over book value of net assets/liabilities transferred under a common control transaction.
- Capital redemption reserve**  
Capital redemption reserve represents the unutilized accumulated amount set aside at the time of redemption of preference shares. This reserve is utilised in accordance with the provisions of the Act.
- Amalgamation reserve**  
Amalgamation reserve represents the unutilized accumulated surplus created at the time of amalgamation of another company with the Company. This reserve is not available for distribution of dividend and is expected to remain invested permanently.
- Share based payment reserve**  
The fair value of the equity settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to share based payment reserve. Further, equity settled share based payment transaction with employees of subsidiary is recognised in investment of subsidiaries/recharged to subsidiaries with corresponding credit to Share based payment reserve.
- Retained earnings**  
Retained earnings represent the amount of accumulated earnings of the Company and re-measurement differences on defined benefit plans.
- Equity instrument through OCI**  
The Company has elected to recognize changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the equity instrument through OCI within equity. The Company transfers amount therefrom to retained earnings when the relevant equity securities are derecognized.



## Notes to the financial statements for the year ended 31 March 2023

### Note 15 (A): Non-current borrowings

(₹ in million)

	As at	
	31 March 2023	31 March 2022
<b>Secured debentures</b>		
Non-convertible debentures (secured) (refer note 37)	950.00	950.00
<b>Term loans</b>		
<b>From related parties</b>		
Indian rupee loans from subsidiary (unsecured) (refer note 37)	790.00	790.00
<b>Total non-current borrowings</b>	<b>1,740.00</b>	<b>1,740.00</b>

### Note 15 (B): Current borrowings

(₹ in million)

	As at	
	31 March 2023	31 March 2022
<b>Working capital loans</b>		
<b>From banks</b>		
Secured	1,275.00	-
<b>Total current borrowings</b>	<b>1,275.00</b>	<b>-</b>

#### 15 (a). Nature of security and other terms of repayment of borrowings

15(a)(i) Non-convertible debentures amounting to ₹ 950.00 million is repayable in January 2026 and carries an interest rate of 7.38% (31 March 2022: 6.22%) per annum. These non-convertible debentures are secured by way of first charge on immovable fixed assets located at Plot No.15, Knowledge Park-II, Greater Noida, Uttar Pradesh.

15(a)(ii) Loan from subsidiary carry interest rate of 7.75% (31 March 2022: 6.75%) per annum and is repayable in March 2026.

15(a)(iii) Indian rupee working capital facilities (including cash credit) sanctioned by banks are secured by a first charge by way of hypothecation, ranking pari-passu on all current assets of the Company, both present and future. Working capital facilities carry interest rate ranging from 5.90% to 9.25% and are repayable as per terms of the agreement within one year.

#### 15 (b). Assets pledged as security

Assets with following carrying amounts are pledged as collateral/security against loans and borrowings at year end.

(₹ in million)

	As at	
	31 March 2023	31 March 2022
Leasehold land and property, plant and equipment	879.86	896.32
Inventories	3,136.01	-
Trade receivables	1,885.23	-
	<b>5,901.10</b>	<b>896.32</b>

#### 15 (c). Reconciliation of movements of liabilities (borrowings, lease liabilities and interest accrued) to cash flows arising from financing activities

(₹ in million)

	31 March 2023	31 March 2022
<b>As at beginning of the year</b>	<b>1,835.28</b>	<b>1,798.40</b>
Movement due to cash transactions as per the statement of cash flows	1,025.72	(79.96)
Movement due to:		
- Finance costs expensed	185.24	109.87
- Lease liabilities	423.46	6.97
<b>As at end of the year</b>	<b>3,469.70</b>	<b>1,835.28</b>



## Notes to the financial statements for the year ended 31 March 2023

### Note 16: Provisions

(₹ in million)

	As at			
	31 March 2023		31 March 2022	
	Current	Non-current	Current	Non-current
<b>Unsecured, considered good</b>				
Provision for employee benefits (refer note 32)	110.19	228.25	109.59	234.08
<b>Total provisions</b>	<b>110.19</b>	<b>228.25</b>	<b>109.59</b>	<b>234.08</b>

### Note 17: Trade payables

(₹ in million)

	As at	
	31 March 2023	31 March 2022
<b>Current</b>		
Total outstanding dues of micro enterprises and small enterprises (refer note 30)	100.57	23.50
Total outstanding dues of creditors other than micro enterprises and small enterprises *	1,542.13	1,561.92
<b>Total trade payables</b>	<b>1,642.70</b>	<b>1,585.42</b>
* Amount payable to related party included in the above (refer note 37)	270.09	137.43

#### Trade payables ageing schedule as at 31 March 2023:

(₹ in million)

	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises	11.62	80.48	8.47	-	-	-	100.57
Other than micro enterprises and small enterprises	332.88	442.69	638.13	46.12	1.31	81.00	1,542.13
Disputed dues - micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues - other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total trade payables</b>	<b>344.50</b>	<b>523.17</b>	<b>646.60</b>	<b>46.12</b>	<b>1.31</b>	<b>81.00</b>	<b>1,642.70</b>

#### Trade payables ageing schedule as at 31 March 2022:

(₹ in million)

	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises	1.54	10.40	11.56	-	-	-	23.50
Other than micro enterprises and small enterprises	493.91	479.79	504.48	4.16	26.01	53.57	1,561.92
Disputed dues - micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues - other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total trade payables</b>	<b>495.45</b>	<b>490.19</b>	<b>516.04</b>	<b>4.16</b>	<b>26.01</b>	<b>53.57</b>	<b>1,585.42</b>





## Notes to the financial statements for the year ended 31 March 2023

### Note 18: Other current financial liabilities

(₹ in million)

	As at	
	31 March 2023	31 March 2022
Interest accrued	13.60	10.05
Unpaid dividend	31.36	35.56
Security deposit	1.70	2.70
Capital creditors (refer note 30) *	128.72	77.06
Employee benefits payable	101.21	118.96
Other payables	15.97	22.88
<b>Total other current financial liabilities</b>	<b>292.56</b>	<b>267.21</b>

\* Includes outstanding dues of micro enterprises and small enterprises of ₹ 11.88 million (31 March 2022: ₹ 2.38 million).

### Note 19: Other liabilities

(₹ in million)

	As at			
	31 March 2023		31 March 2022	
	Current	Non-current	Current	Non-current
Contract liabilities	137.51	-	461.98	-
Deferred income – government grant	0.47	6.03	0.47	6.49
Statutory dues payables	63.70	-	73.32	-
<b>Total other current liabilities</b>	<b>201.68</b>	<b>6.03</b>	<b>535.77</b>	<b>6.49</b>

### Note 20: Revenue from operations

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
Sale of products	6,856.20	6,199.33
Sale of services	888.02	812.12
Other operating revenue (refer note 43)	356.95	245.89
<b>Total revenue from operations</b>	<b>8,101.17</b>	<b>7,257.34</b>

### Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market and major products/service lines.

(₹ in million)

	For the year ended 31 March 2023			For the year ended 31 March 2022		
	Management Services	Active Pharmaceutical Ingredients	Total	Management Services	Active Pharmaceutical Ingredients	Total
<b>Primary geographical markets</b>						
- India	298.88	2,210.18	2,509.06	312.20	1,232.17	1,544.37
- Americas and Europe	589.14	3,439.40	4,028.54	499.92	3,899.34	4,399.26
- Rest of the world	-	1,206.62	1,206.62	-	1,067.82	1,067.82
<b>Total</b>	<b>888.02</b>	<b>6,856.20</b>	<b>7,744.22</b>	<b>812.12</b>	<b>6,199.33</b>	<b>7,011.45</b>
<b>Major products/service lines</b>						
- Active Pharmaceutical Ingredients	-	6,856.20	6,856.20	-	6,199.33	6,199.33
- Management Services	888.02	-	888.02	812.12	-	812.12
<b>Total</b>	<b>888.02</b>	<b>6,856.20</b>	<b>7,744.22</b>	<b>812.12</b>	<b>6,199.33</b>	<b>7,011.45</b>



## Notes to the financial statements for the year ended 31 March 2023

### Contract balances

(₹ in million)

	31 March 2023	As at	
		31 March 2022	1 April 2021
Trade receivables	1,885.23	1,307.02	1,173.95
Contract liabilities	137.51	461.98	43.47

The amount of ₹ 51.10 million and ₹ 5.72 million recognised in contract liabilities at the beginning of the year has been recognised as revenue for the year ended 31 March 2023 and 31 March 2022, respectively.

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

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
Contracted price	7,744.22	7,011.45
Reductions towards variable consideration components	-	-
Revenue recognised	7,744.22	7,011.45

The reduction towards variable consideration primarily comprises of volume discounts, price discounts.

### Note 21: Other income

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
Interest income	5.27	9.96
Dividend from subsidiaries	974.17	971.11
Gain on disposal of property, plant and equipment (net)	4.24	0.21
Net foreign exchange gain	6.90	-
Other non-operating income	388.34	280.30
<b>Total other income</b>	<b>1,378.92</b>	<b>1,261.58</b>

### Note 22: Cost of materials consumed

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
Raw materials consumed	3,962.95	3,702.61
<b>Total cost of materials consumed</b>	<b>3,962.95</b>	<b>3,702.61</b>

### Note 23: Purchases of stock-in-trade

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
Purchases of stock-in-trade	148.05	26.28
<b>Total purchases of stock-in-trade</b>	<b>148.05</b>	<b>26.28</b>



## Notes to the financial statements for the year ended 31 March 2023

### Note 24: Changes in inventories of finished goods and work-in-progress

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
<b>Opening balance</b>		
Work-in-progress	1,434.13	1,258.34
Finished goods	513.87	283.58
<b>Total opening balance</b>	<b>1,948.00</b>	<b>1,541.92</b>
<b>Closing balance</b>		
Work-in-progress	1,619.73	1,434.13
Finished goods	293.73	513.87
<b>Total closing balance</b>	<b>1,913.46</b>	<b>1,948.00</b>
<b>Total changes in inventories of finished goods and work-in-progress</b>	<b>34.54</b>	<b>(406.08)</b>

### Note 25: Employee benefits expense

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
Salaries, wages, bonus, gratuity and allowances	1,470.15	1,441.23
Contribution to provident fund, superannuation and other funds	69.94	65.48
Share-based payment expense	9.69	4.96
Staff welfare expenses	122.94	124.77
<b>Total employee benefits expense</b>	<b>1,672.72</b>	<b>1,636.44</b>

### Note 26: Finance costs

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
Interest expense	183.35	109.87
Other finance costs	1.89	-
<b>Total finance costs</b>	<b>185.24</b>	<b>109.87</b>

### Note 27: Depreciation and amortisation expense

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
Depreciation of property, plant and equipment	342.99	331.31
Depreciation of right-of-use assets	86.32	34.94
Amortisation of intangible assets	3.19	2.87
<b>Total depreciation and amortisation expense</b>	<b>432.50</b>	<b>369.12</b>



## Notes to the financial statements for the year ended 31 March 2023

### Note 28: Other expenses

	(₹ in million)	
	For the year ended	
	31 March 2023	31 March 2022
Power and fuel	753.72	623.09
Consumption of stores and spares and packing materials	248.77	244.03
Processing charges	8.51	11.67
Rental charges	0.87	9.32
Rates and taxes	25.54	17.27
Insurance	48.83	45.39
Advertisement, publicity and sales promotion	14.29	3.56
Travel and conveyance	100.78	74.61
Repairs and maintenance:		
i. Plant and machinery	158.16	120.35
ii. Buildings	12.38	8.48
iii. Others	62.79	13.46
Office expenses	60.92	64.74
Vehicle running and maintenance	5.27	4.33
Printing and stationery	9.34	6.87
Telephone and communication charges	5.53	4.75
Staff recruitment and training	48.00	26.48
Donation [including corporate social responsibility expenditure (refer note 42)]	43.70	50.40
Payments to statutory auditors (refer note 28(a) below)	8.49	11.40
Legal and professional fees	496.56	677.83
Freight and forwarding (including ocean freight)	19.31	116.81
Subscription	22.90	12.31
Commission on sales	62.82	40.23
Net foreign exchange loss	-	15.99
Miscellaneous expenses	33.17	30.10
<b>Total other expenses</b>	<b>2,250.65</b>	<b>2,233.47</b>

### Note 28(a): Details of payment to statutory auditors (excluding applicable taxes and including out of pocket expenses)

	(₹ in million)	
	For the year ended	
	31 March 2023	31 March 2022
As auditor:		
Audit fee	6.77	6.79
Certification fees and other services	1.72	4.61
<b>Total payment to auditors</b>	<b>8.49</b>	<b>11.40</b>

### Note 29: Income tax

The major components of income tax expense:

	(₹ in million)	
	For the year ended	
	31 March 2023	31 March 2022
<b>Profit or loss section:</b>		
<b>Current tax:</b>		
Current tax charge for the year	137.13	150.18
Adjustments in respect of current tax of previous years	1.04	(7.42)
<b>Total current tax expense</b>	<b>138.17</b>	<b>142.76</b>



## Notes to the financial statements for the year ended 31 March 2023

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
<b>Deferred tax:</b>		
Deferred tax charge/(credit) for the year	137.69	(99.06)
Adjustments in respect of deferred tax of previous years	18.75	(1.41)
<b>Total deferred tax expense/(benefit)</b>	<b>156.44</b>	<b>(100.47)</b>
<b>Income tax expense</b>	<b>294.61</b>	<b>42.29</b>
<b>Other comprehensive income section:</b>		
<b>Deferred tax:</b>		
Tax (credit)/charge related to items that will not be reclassified to profit and loss	(4.16)	4.31
<b>Income tax (expense)/benefit</b>	<b>(4.16)</b>	<b>4.31</b>
<b>Equity section:</b>		
<b>Current tax:</b>		
Tax expense related to items recognised in capital reserve	0.38	-
	<b>0.38</b>	<b>-</b>

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

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
Profit before income tax	793.44	847.21
At statutory income tax rate of 34.944% (31 March 2022: 34.944%)	277.26	296.04
- Effect of non-deductible expenses and exempt income	15.43	(269.49)
- Effect of prior year taxes	19.79	(8.83)
- Effect of change in tax rate on opening deferred tax balance	(20.30)	30.04
- Others	2.43	(5.47)
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>294.61</b>	<b>42.29</b>

### Note 30: Micro, small and medium enterprises

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

(₹ in million)

	As at	
	31 March 2023	31 March 2022
The principal amount remaining unpaid to any supplier as at the end of the year	112.45	25.88
The interest due on principal amount remaining unpaid to any supplier as at the end of the year	-	-
The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-



## Notes to the financial statements for the year ended 31 March 2023

### Note 31: Scheme of Arrangement:

The Scheme of Arrangement ("the Scheme") for demerger of the Active Pharmaceuticals Ingredients ("API") business undertaking of Jubilant Generics Limited ("JGL"), an indirect wholly owned subsidiary of the Company, and vesting of the same with the 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 ("NCLT") vide its order dated 13 June 2022. The said NCLT order was filed with the Registrar of Companies by the Company and JGL on 1 July 2022 thereby making the Scheme effective from that date. As a result, all assets and liabilities of the API business undertaking as at 1 April 2022, aggregating to ₹ 13,947.77 million and ₹ 2,375.28 million respectively, vested into the Company were recorded at the respective book values appearing in the books of account of JGL.

The transferred business undertaking is engaged in the manufacturing of active pharmaceutical products. This transaction being a Business Combination between entities under common control in accordance with the requirements of Ind AS 103 "Business Combinations", the financial information in respect of the previous year, included in these financial statements, have been restated to include the financial information of API business as if the Business Combination had occurred from the beginning of the preceding period in these financial statements, irrespective of the Appointed Date.

The book value of assets and liabilities of API business undertaking as at 1 April 2021 were as under:

	(₹ in million)
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant and equipment	3,872.15
Capital work-in-progress	161.02
Goodwill	1,371.32
Other intangible assets	8.11
Right-of-use assets	0.92
Financial assets	
i. Loans	3,253.43
ii. Other financial assets	25.40
Deferred tax assets (net)	354.94
Other non-current assets	0.82
<b>Total non-current assets</b>	<b>9,048.11</b>
<b>Current assets</b>	
Inventories	2,688.96
Financial assets	
i. Trade receivables	1,173.95
ii. Cash and cash equivalents	0.15
iii. Other financial assets	161.16
Other current assets	264.96
<b>Total current assets</b>	<b>4,289.18</b>
<b>Total assets</b>	<b>13,337.29</b>
<b>Liabilities</b>	
<b>Non-current liabilities</b>	
Financial liabilities	
i. Lease liabilities	0.86
Provisions	151.88
Other non-current liabilities	6.96
<b>Total non-current liabilities</b>	<b>159.70</b>





## Notes to the financial statements for the year ended 31 March 2023

(₹ in million)

<b>Current liabilities</b>	
Financial liabilities	
i. Lease liabilities	0.23
ii. Trade payables	1,383.23
iii. Other financial liabilities	88.86
Other current liabilities	82.66
Provisions	35.16
<b>Total current liabilities</b>	<b>1,590.14</b>
<b>Total liabilities</b>	<b>1,749.84</b>
<b>Net assets transferred</b>	<b>11,587.45</b>
<b>Accounted within "other equity" as under:</b>	
Capital reserve	11,612.94
Retained earnings	(25.49)
	<b>11,587.45</b>

The statement of profit and loss of API business undertaking for the year ended 31 March 2022 was as under:

(₹ in million)

Revenue from operations	6,445.23
Other income	200.32
<b>Total income</b>	<b>6,645.55</b>
<b>Expenses</b>	
Cost of materials consumed	3,702.61
Purchases of stock-in-trade	26.28
Changes in inventories of finished goods and work-in-progress	(406.08)
Employee benefits expense	1,144.30
Finance costs	1.40
Depreciation and amortisation expense	306.63
Other expenses	1,845.68
<b>Total expenses</b>	<b>6,620.82</b>
<b>Profit before tax</b>	<b>24.73</b>
Tax expense	
- Current tax	6.21
- Deferred tax credit	(1.37)
<b>Total tax expense</b>	<b>4.84</b>
<b>Profit for the year</b>	<b>19.89</b>
<b>Other comprehensive income</b>	
<i>Items that will not be reclassified to profit or loss</i>	
Remeasurement of defined benefit obligations	8.58
Income tax relating to items that will not be reclassified to profit or loss	(2.98)
<b>Other comprehensive income for the year, net of tax</b>	<b>5.60</b>
<b>Total comprehensive income for the year</b>	<b>25.49</b>

### Note 32: 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 provident fund, employee state insurance, employee pension scheme, employee superannuation fund wherein specified percentage is contributed to these plans. During the year, the Company has contributed following amounts to:



## Notes to the financial statements for the year ended 31 March 2023

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
Employer's contribution to provident fund (1)	48.62	15.54
Employer's contribution to employee's pension scheme	14.91	14.94
Employer's contribution to superannuation fund	0.79	0.45
Employer's contribution to employee state insurance	0.70	0.76

(1) For certain employees where Provident Fund was deposited with government authority e.g. Regional Provident Fund Commissioner. With effect from 1 December 2021, the Company transferred the balance in the VAM Employees Provident Fund Trust to Regional Provident Fund Commissioner and started depositing contribution with Regional Provident Fund Commissioner for all the employees.

### (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. The discount rate assumed is 7.35% p.a. (31 March 2022: 7.20% 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 (31 March 2022: 58 years) and mortality table is as per IALM (2012-14) (31 March 2022: 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 (31 March 2022: 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.

The plans assets were maintained with Life Insurance Corporation of India in respect of gratuity scheme for certain employees of a unit of the Company. The details of investments maintained by Life Insurance Corporation were not available with the Company, hence not disclosed. The expected rate of return on plan assets is 7.35 % p.a. (31 March 2022: 7.20% p.a.).

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

(₹ in million)

	31 March 2023	31 March 2022
Present value of obligation at the beginning of the year	270.79	245.43
Employees transferred out	(11.86)	(2.19)
Current service cost	22.26	29.46
Interest cost	19.50	23.29
Actuarial loss/(gain)	10.57	(13.33)
Benefits paid	(46.99)	(11.87)
<b>Present value of obligation at the end of the year</b>	<b>264.27</b>	<b>270.79</b>

#### Fair value of plan assets\*\*:

(₹ in million)

	31 March 2023	31 March 2022
Plan assets at the beginning of the year	29.67	32.07
Expected return on plan assets	2.14	2.31
Contribution by employer	5.90	2.84
Benefits paid	(16.35)	(6.64)
Actuarial loss	(1.32)	(0.91)
<b>Plan assets at the end of the year</b>	<b>20.04</b>	<b>29.67</b>

\*\* In respect of one location, the plan assets were invested in insurer managed funds.



## Notes to the financial statements for the year ended 31 March 2023

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

(₹ in million)

	As at 31 March 2023	As at 31 March 2022
Present value of obligation at the end of the year	264.27	270.79
Fair value of plan assets at the end of the year	(20.04)	(29.67)
<b>Net liabilities recognised in the Balance Sheet</b>	<b>244.23</b>	<b>241.12</b>

The Company's best estimate of contribution during next year is ₹ 40.76 million (31 March 2022: ₹ 41.29 million)

### Expense recognised in the Statement of Profit and Loss under employee benefits expense:

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
Current service cost	22.26	29.46
Interest cost	17.36	20.98
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>39.62</b>	<b>50.44</b>

### Amount recognised in the other comprehensive income:

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
Actuarial loss/(gain) due to demographic assumption change	1.23	(0.01)
Actuarial gain due to financial assumption change	(0.79)	(0.52)
Actuarial loss/(gain) due to experience adjustment	10.13	(12.80)
Actuarial loss on plan assets	1.32	0.91
<b>Amount recognised in the other comprehensive income</b>	<b>11.89</b>	<b>(12.42)</b>

### Sensitivity analysis

#### Discount rate

	31 March 2023		31 March 2022	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(5.20)	5.46	(6.21)	6.56

#### Future salary increase

	31 March 2023		31 March 2022	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	5.47	(5.25)	6.57	(6.27)

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.

The table below summarises the maturity profile of the defined benefit obligation:

(₹ in million)

	As at	
	31 March 2023	31 March 2022
Within one year	90.86	88.93
Between one to three years	41.94	42.32
Between three to five years	36.10	28.27
Later than five years	95.37	111.27
	<b>264.27</b>	<b>270.79</b>



## Notes to the financial statements for the year ended 31 March 2023

### ii. Provident Fund:

During the previous year, the Company made contributions to a recognised provident fund "VAM Employees Provident Fund Trust" (a multiemployer trust) for qualifying employees. The Trust was surrendered with effect from 31 December 2021. The Company had contributed to this provident fund ₹ 30.03 million for the year ended 31 March 2022.

### (C) Other long term benefits (Compensated absences):

		(₹ in million)	
		As at	
		31 March 2023	31 March 2022
Present value of obligation at the end of the year		94.21	102.55

### Note 33. Fair value measurements

(₹ in million)						
	Notes	Level of hierarchy	Carrying Value as at		Fair Value as at	
			31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Financial assets</b>						
<b>FVOCI</b>						
Investments in equity instruments	(d)	3	89.35	68.46	89.35	68.46
<b>Amortised Cost</b>						
Trade receivables	(a)		1,885.23	1,307.02	1,885.23	1,307.02
Loans	(b)		3.17	3.79	3.17	3.79
Cash and cash equivalents	(a)		109.93	225.25	109.93	225.25
Other financial assets	(a, b)		232.09	223.93	232.09	223.93
<b>Total financial assets</b>			<b>2,319.77</b>	<b>1,828.45</b>	<b>2,319.77</b>	<b>1,828.45</b>
<b>Financial liabilities</b>						
<b>Amortised Cost</b>						
Borrowings	(a, c)	3	3,015.00	1,740.00	3,004.55	1,732.79
Lease liabilities	(a)		441.10	85.23	-	-
Trade payables	(a)		1,642.70	1,585.42	1,642.70	1,585.42
Other financial liabilities	(a)		292.56	267.21	292.56	267.21
<b>Total financial liabilities</b>			<b>5,391.36</b>	<b>3,677.86</b>	<b>4,939.81</b>	<b>3,585.42</b>

The following methods / assumptions were used to estimate the fair values:

- Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments. Further, the fair value disclosure of lease liabilities is not required.
- Fair 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.
- The fair value of long-term borrowings is estimated by discounting future cash flows using adjusted discount rate of 7.50%-8.00% (31 March 2022: 6.50%-7.00%) (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts.
- The fair value is determined by using the valuation model/technique with observable/non-observable inputs and assumptions.

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



## Notes to the financial statements for the year ended 31 March 2023

### Reconciliation of Level 3 fair value measurement:

	(₹ in million)	
	For the year ended	
	31 March 2023	31 March 2022
Opening balance	68.46	70.82
Gain/(loss) recognized in other comprehensive income	20.89	(2.36)
<b>Closing balance</b>	<b>89.35</b>	<b>68.46</b>

### Note 34. Financial risk management

#### Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The 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 counterparty 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 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 grouped 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 with respect to trade receivables:*

With respect to 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. Also refer note 10.

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

	(₹ in million)	
	As at	
	31 March 2023	31 March 2022
Balance at the beginning of the year	8.03	5.91
Provided during the year (net of reversal)	5.50	2.12
<b>Balance at the end of the year</b>	<b>13.53</b>	<b>8.03</b>

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



## Notes to the financial statements for the year ended 31 March 2023

### Expected credit loss with respect to other financial asset:

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 in 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 weekly by 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.

(₹ in million)				
As at 31 March 2023	Carrying Amount	Contractual Cash flows (1)		
		Total	Within 1 year	More than 1 year
<b>Non-derivative financial liabilities</b>				
Borrowings	3,015.00	3,015.00	1,275.00	1,740.00
Lease liabilities	441.10	441.10	88.13	352.97
Trade payables	1,642.70	1,642.70	1,642.70	-
Other financial liabilities	292.56	292.56	292.56	-

(₹ in million)				
As at 31 March 2022	Carrying Amount	Contractual Cash flows (1)		
		Total	Within 1 year	More than 1 year
<b>Non-derivative financial liabilities</b>				
Borrowings	1,740.00	1,740.00	-	1,740.00
Lease liabilities	85.23	85.23	23.50	61.73
Trade payables	1,585.42	1,585.42	1,585.42	-
Other financial liabilities	267.21	267.21	267.21	-

### Note:

(1) Contractual cash flows exclude interest payable.

### iii. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, 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 and the functional currency of the Company. The currencies in which the Company is exposed to risk are USD, CAD, EUR and others.

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, including but not limited to, entering into forward contract and interest rate swap.





## Notes to the financial statements for the year ended 31 March 2023

### 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	CAD	EUR	Others	USD	CAD	EUR	Others
Cash and cash equivalents	27.99	-	-	-	25.81	-	-	-
Trade receivables	1,587.60	10.26	35.19	-	953.70	1.69	46.33	-
Other financial assets	0.56	-	-	-	-	-	-	-
Trade payables	(898.20)	(0.02)	(36.75)	(0.13)	(778.18)	(0.02)	(1.35)	(0.16)
<b>Net statement of financial position exposure</b>	<b>717.95</b>	<b>10.24</b>	<b>(1.56)</b>	<b>(0.13)</b>	<b>201.33</b>	<b>1.67</b>	<b>44.98</b>	<b>(0.16)</b>

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD, CAD, EUR and other currencies against all other currencies at year end would have affected the measurement of financial exposure denominated in a foreign currency and affected 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.

	Profit or loss (before tax)	
	Strengthening	Weakening
<b>31 March 2023</b>		
USD (1% movement)	7.18	(7.18)
CAD (1% movement)	0.10	(0.10)
EUR (1% movement)	(0.02)	0.02
Other (1% movement)	(0.00)	0.00
<b>31 March 2022</b>		
USD (1% movement)	2.01	(2.01)
CAD (1% movement)	0.02	(0.02)
EUR (1% movement)	0.45	(0.45)
Other (1% movement)	(0.00)	0.00

### 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:

	As at	
	31 March 2023	31 March 2022
Fixed-rate borrowings	790.00	790.00
Floating rate borrowings	2,225.00	950.00
<b>Total borrowings (gross of transaction cost)</b>	<b>3,015.00</b>	<b>1,740.00</b>



## Notes to the financial statements for the year ended 31 March 2023

The sensitivity analysis below has 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 before tax for the year ended 31 March 2023 would decrease / increase by ₹ 3.50 million (31 March 2022: ₹ 2.38 million). This is mainly attributable to the Company's exposure to interest rates on its floating rate borrowings.

### Note 35. Capital management

#### (a) Risk management

The Company's objectives when managing capital are to:

- safeguard its 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.

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:

	(₹ in million)	
	As at	
	31 March 2023	31 March 2022
Net debt	2,905.07	1,514.75
Total equity	24,145.52	24,390.67
<b>Net debt to equity ratio</b>	<b>0.12</b>	<b>0.06</b>

#### (b) Dividends

	(₹ in million)	
	As at	
	31 March 2023	31 March 2022
<b>Equity shares</b>		
Final dividend for the year ended 31 March 2022 of ₹ 5 per fully paid equity share (31 March 2022 : Final dividend for the year ended 31 March 2021 of ₹ 5 per fully paid equity share)	796.41	796.41

In addition to the above dividends, since year end the Board of Directors has recommended a dividend of ₹ 5 per equity share of ₹ 1 each, fully paid up amounting to ₹ 796.41 million for the year ended 31 March 2023, subject to approval in the ensuing Annual General Meeting.

### Note 36. Segment information

In accordance with Ind AS 108 "Operating Segments", segment information has been provided in the consolidated financial statements of the Group and therefore no separate disclosure on segment information is given in these standalone financial statements.

### Note 37. Related Party Disclosures

#### 1. Related parties where control exists or with whom transactions have taken place

##### a) Subsidiaries including step-down subsidiaries:

Jubilant Pharma Limited, Draximage Limited, Ireland (liquidated w.e.f. 30 June 2021), Jubilant DraxImage (USA) Inc., Jubilant DraxImage Inc., 6981364 Canada Inc. (merged with Jubilant DraxImage Inc. w.e.f. 31 May 2021), Draximage (UK) Limited, Jubilant Pharma Holdings Inc., Jubilant Clinsys Inc., Jubilant Cadista Pharmaceuticals Inc., Jubilant HollisterStier LLC, Jubilant Pharma NV, Jubilant Pharmaceuticals NV, PSI Supply NV, Jubilant Life Sciences (BVI) Limited (liquidated w.e.f. 7 February 2022), Jubilant Biosys Limited, Jubilant Discovery Services LLC, Jubilant Drug Development Pte. Limited (merged with Drug Discovery and Development Solutions Limited w.e.f. 31 March 2022), Jubilant Clinsys Limited, Jubilant First Trust Healthcare Limited, Jubilant



## Notes to the financial statements for the year ended 31 March 2023

Innovation Pte. Limited (struck off w.e.f. 10 January 2022), Jubilant Draximage Limited, Jubilant Innovation (USA) Inc., Jubilant HollisterStier Inc., Draxis Pharma LLC, Drug Discovery and Development Solutions Limited, TrialStat Solutions Inc., Jubilant Generics Limited, Jubilant Pharma Australia Pty Limited, Jubilant Draximage Radiopharmacies Inc., Jubilant Pharma SA (Pty) Limited, Jubilant Therapeutics India Limited, Jubilant Therapeutics Inc., Jubilant Business Services Limited, Jubilant Episcribe LLC, Jubilant Epicore LLC, Jubilant Prodel LLC, Jubilant Epipad LLC, Jubilant Pharma UK Limited, Jubilant Pharma ME FZ-LLC (incorporated on 31 October 2021), Jubilant Biosys Innovative Research Services Pte. Limited, 1359773 B.C. Unlimited Liability Company (incorporated on 26 April 2022), Jubilant Employee Welfare Trust.

### b) Other entities where control exists:

Jubilant HollisterStier General Partnership Canada, Draximage General Partnership Canada (liquidated w.e.f. 31 May 2021) (controlled through step down subsidiaries).

### c) Key management personnel (KMP) and related entities:

Mr. Hari S. Bhartia, Mr. S. Sridhar, Ms. Sudha Pillai, Dr. Ashok Misra, Mr. Sushil Kumar Roongta, Mr. Vivek Mehra, Mr. Arun Seth, Mr. Shirish G. Belapure (w.e.f. 7 March 2023), Mr. Arvind Chokhany, Mr. R. Kumar (w.e.f. 1 July 2022), Mr. Arun Kumar Sharma, Mr. Rajiv Shah (upto 31 July 2022), Naresh Kapoor (w.e.f. 1 August 2022).

Jubilant Enpro Private Limited, JOGPL Private Limited, Jubilant FoodWorks Limited, Jubilant Agri and Consumer Products Limited, Jubilant Life Sciences (Shanghai) Limited, Jubilant Ingrevia Limited

### d) Others:

Vam Employees Provident Fund Trust (surrendered w.e.f. 31 December 2021), Jubilant Bhartia Foundation, Jubilant Pharmova Limited Officers Superannuation Fund (formerly VAM Officers Superannuation Fund).

## 2. Transactions with related parties

FY 2022-23

(₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	<b>Description of transactions</b>					
<b>1.</b>	<b>Sales of goods and services:</b>					
	Jubilant Cadista Pharmaceuticals Inc.	552.37				552.37
	Jubilant HollisterStier LLC	189.39				189.39
	Jubilant DraxImage Inc.	313.02				313.02
	Jubilant HollisterStier General Partnership	25.72				25.72
	Jubilant Generics Limited	346.23				346.23
	Jubilant Biosys Limited	58.54				58.54
	Jubilant Pharma Holdings Inc.	1,428.25				1,428.25
	Jubilant Pharma ME FZ-LLC	0.73				0.73
	Jubilant Ingrevia Limited		126.81			126.81
	Jubilant FoodWorks Limited		104.22			104.22
	Jubilant Agri and Consumer Products Limited		26.05			26.05
		<b>2,914.25</b>	<b>257.08</b>	<b>-</b>	<b>-</b>	<b>3,171.33</b>
<b>2.</b>	<b>Rental and other income:</b>					
	Jubilant Cadista Pharmaceuticals Inc.	3.59				3.59
	Jubilant HollisterStier LLC	7.41				7.41
	Jubilant DraxImage Inc.	13.36				13.36
	Jubilant HollisterStier General Partnership	3.80				3.80
	Jubilant Generics Limited	74.50				74.50
	Jubilant Biosys Limited	295.59				295.59
	Jubilant Ingrevia Limited		21.93			21.93



## Notes to the financial statements for the year ended 31 March 2023

FY 2022-23

(₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	Jubilant FoodWorks Limited		1.86			1.86
	Jubilant Enpro Private Limited		24.47			24.47
	JOGPL Private Limited		0.89			0.89
	Jubilant Agri and Consumer Products Limited		5.98			5.98
		<b>398.25</b>	<b>55.13</b>	<b>-</b>	<b>-</b>	<b>453.38</b>
<b>3.</b>	<b>Interest income:</b>					
	Jubilant First Trust Healthcare Limited	0.03				0.03
		<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.03</b>
<b>4.</b>	<b>Dividend income:</b>					
	Jubilant Pharma Limited	974.17				974.17
		<b>974.17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>974.17</b>
<b>5.</b>	<b>Purchase of goods and services:</b>					
	Jubilant Biosys Limited	0.86				0.86
	Jubilant Ingrevia Limited	1.54				1.54
		<b>2.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.40</b>
<b>6.</b>	<b>Recovery of expenses:</b>					
	Jubilant Generics Limited	100.54				100.54
	Jubilant Business Services Limited	0.06				0.06
	Jubilant Biosys Limited	1.01				1.01
	Jubilant First Trust Healthcare Limited	0.03				0.03
	Jubilant Employee Welfare Trust	30.76				30.76
	Jubilant Ingrevia Limited		9.99			9.99
	Jubilant Agri and Consumer Products Limited		5.98			5.98
		<b>132.40</b>	<b>15.97</b>	<b>-</b>	<b>-</b>	<b>148.37</b>
<b>7.</b>	<b>Reimbursement of expenses:</b>					
	Jubilant Biosys Limited	66.49				66.49
	Jubilant Generics Limited	836.06				836.06
	Jubilant Ingrevia Limited		72.79			72.79
	Jubilant Enpro Private Limited		4.43			4.43
	Jubilant Agri and Consumer Products Limited		0.01			0.01
	Jubilant Life Sciences (Shanghai) Limited		25.42			25.42
		<b>902.55</b>	<b>102.65</b>	<b>-</b>	<b>-</b>	<b>1,005.20</b>
<b>8.</b>	<b>Remuneration (including perquisites)*:</b>					
	Mr. Hari S. Bhartia (including commission)			119.90		119.90
	Mr. Arvind Chokhany			53.43		53.43
	Mr. R. Kumar			16.38		16.38
	Mr. Arun Kumar Sharma			23.91		23.91
	Mr. Rajiv Shah			13.66		13.66
	Mr. Naresh Kapoor			6.86		6.86
		<b>-</b>	<b>-</b>	<b>234.14</b>	<b>-</b>	<b>234.14</b>



## Notes to the financial statements for the year ended 31 March 2023

FY 2022-23						(₹ in million)
Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
<b>9.</b>	<b>Sitting fees and director fees:</b>					
	Dr. Ashok Misra			0.72		0.72
	Mr. S. Sridhar			0.89		0.89
	Ms. Sudha Pillai			1.01		1.01
	Mr. Sushil Kumar Roongta			0.76		0.76
	Mr. Vivek Mehra			0.85		0.85
	Mr. Arun Seth			0.38		0.38
		-	-	<b>4.61</b>	-	<b>4.61</b>
<b>10.</b>	<b>Commission:</b>					
	Dr. Ashok Misra			1.00		1.00
	Mr. S. Sridhar			1.00		1.00
	Ms. Sudha Pillai			1.00		1.00
	Mr. Sushil Kumar Roongta			1.00		1.00
	Mr. Vivek Mehra			1.00		1.00
	Mr. Arun Seth			1.00		1.00
	Mr. Shirish G. Belapure			0.07		0.07
		-	-	<b>6.07</b>	-	<b>6.07</b>
<b>11.</b>	<b>Sale of investment:</b>					
	Jubilant Business Services Limited	5.00				5.00
		<b>5.00</b>	-	-	-	<b>5.00</b>
<b>12.</b>	<b>Lease payments:</b>					
	Jubilant Generics Limited	63.60				63.60
	Jubilant Ingrevia Limited		22.57			22.57
		<b>63.60</b>	<b>22.57</b>	-	-	<b>86.17</b>
<b>13.</b>	<b>Donation:</b>					
	Jubilant Bhartia Foundation				43.70	43.70
		-	-	-	<b>43.70</b>	<b>43.70</b>
<b>14.</b>	<b>Interest expenses on borrowings:</b>					
	Jubilant Biosys Limited	59.26				59.26
	Jubilant Employee Welfare Trust	62.91				62.91
		<b>122.17</b>	-	-	-	<b>122.17</b>
<b>15.</b>	<b>Loans received back:</b>					
	Jubilant First Trust Healthcare Limited	0.50				0.50
		<b>0.50</b>	-	-	-	<b>0.50</b>
<b>16.</b>	Also refer note 31 for the Scheme of Arrangement during the current year.					
	<b>Amounts outstanding</b>					
<b>17.</b>	<b>Borrowings payable:</b>					
	Jubilant Employee Welfare Trust	950.00				950.00
	Jubilant Biosys Limited	790.00				790.00
		<b>1,740.00</b>	-	-	-	<b>1,740.00</b>



## Notes to the financial statements for the year ended 31 March 2023

FY 2022-23

(₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
<b>18. Interest payable:</b>						
	Jubilant Employee Welfare Trust	13.48				13.48
		<b>13.48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.48</b>
<b>19. Commission payable #:</b>						
	Mr. Hari S. Bhartia			9.90		9.90
	Dr. Ashok Misra			1.00		1.00
	Mr. S. Sridhar			1.00		1.00
	Ms. Sudha Pillai			1.00		1.00
	Mr. Sushil Kumar Roongta			1.00		1.00
	Mr. Vivek Mehra			1.00		1.00
	Mr. Arun Seth			1.00		1.00
	Mr. Shirish G. Belapure			0.07		0.07
		<b>-</b>	<b>-</b>	<b>15.97</b>	<b>-</b>	<b>15.97</b>
<b>20. Trade payables:</b>						
	Jubilant Cadista Pharmaceuticals Inc.	7.35				7.35
	Jubilant Generics Limited	114.48				114.48
	Jubilant DraxImage Inc.	0.02				0.02
	Jubilant Biosys Limited	39.10				39.10
	Jubilant Pharma Holdings Inc.	93.66				93.66
	Jubilant Life Sciences (Shanghai) Limited		8.01			8.01
	Jubilant Ingrevia Limited		7.47			7.47
		<b>254.61</b>	<b>15.48</b>	<b>-</b>	<b>-</b>	<b>270.09</b>
<b>21. Advance from customers:</b>						
	Jubilant Pharma Holdings Inc.	74.95				74.95
	Jubilant FoodWorks Limited		6.36			6.36
	Jubilant Ingrevia Limited		5.11			5.11
		<b>74.95</b>	<b>11.47</b>	<b>-</b>	<b>-</b>	<b>86.42</b>
<b>22. Trade receivables:</b>						
	Jubilant Cadista Pharmaceuticals Inc.	538.15				538.15
	Jubilant Pharma Holdings Inc.	13.00				13.00
	Jubilant Hollister Stier LLC	65.71				65.71
	Jubilant HollisterStier General Partnership	10.26				10.26
	Jubilant Generics Limited	94.31				94.31
	Jubilant DraxImage Inc.	67.77				67.77
	Jubilant Biosys Limited	2.52				2.52
	Jubilant Pharma ME FZ LLC	0.76				0.76
	Jubilant Employee Welfare Trust	4.21				4.21
	Jubilant Agri and Consumer Products Limited		2.87			2.87
	Jubilant Ingrevia Limited		0.63			0.63
		<b>796.69</b>	<b>3.50</b>	<b>-</b>	<b>-</b>	<b>800.19</b>





## Notes to the financial statements for the year ended 31 March 2023

FY 2022-23						(₹ in million)
Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
23.	<b>Other receivables:</b>					
	Jubilant DraxImage Inc	0.56				0.56
	Jubilant Agri and Consumer Products Limited		5.98			5.98
	Jubilant Ingrevia Limited		7.84			7.84
		<b>0.56</b>	<b>13.82</b>	-	-	<b>14.38</b>
24.	<b>Deposits recoverable:</b>					
	Jubilant Enpro Private Limited		0.42			0.42
			<b>0.42</b>	-	-	<b>0.42</b>

FY 2021-22						(₹ in million)
Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	<b>Description of transactions</b>					
1.	<b>Sales of goods and services:</b>					
	Jubilant Cadista Pharmaceuticals Inc.	569.93				569.93
	Jubilant HollisterStier LLC	173.18				173.18
	Jubilant DraxImage Inc.	209.21				209.21
	Jubilant HollisterStier General Partnership	22.99				22.99
	Jubilant Generics Limited	753.11				753.11
	Jubilant DraxImage Radiopharmacies Inc.	22.38				22.38
	Jubilant Biosys Limited	55.90				55.90
	Jubilant Pharma Holdings Inc.	1,416.26				1,416.26
	Jubilant Ingrevia Limited		128.91			128.91
	Jubilant FoodWorks Limited		89.36			89.36
	Jubilant Agri and Consumer Products Limited		20.62			20.62
		<b>3,222.96</b>	<b>238.89</b>	-	-	<b>3,461.85</b>
2.	<b>Rental and other income:</b>					
	Jubilant Generics Limited	80.22				80.22
	Jubilant Business Services Limited	23.85				23.85
	Jubilant Biosys Limited	165.98				165.98
	Jubilant Ingrevia Limited		20.01			20.01
	Jubilant Enpro Private Limited		22.40			22.40
	JOGPL Private Limited		0.89			0.89
	Jubilant Agri and Consumer Products Limited		13.48			13.48
		<b>270.05</b>	<b>56.78</b>	-	-	<b>326.83</b>
3.	<b>Interest income:</b>					
	Jubilant First Trust Healthcare Limited	0.02				0.02
		<b>0.02</b>	-	-	-	<b>0.02</b>
4.	<b>Dividend income:</b>					
	Jubilant Pharma Limited	971.11				971.11
		<b>971.11</b>	-	-	-	<b>971.11</b>



## Notes to the financial statements for the year ended 31 March 2023

FY 2021-22						(₹ in million)
Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
<b>5.</b>	<b>Purchase of goods and services:</b>					
	Jubilant Business Services Limited	36.87				36.87
	Jubilant Biosys Limited	8.06				8.06
	Jubilant Ingrevia Limited	-	2.49			2.49
		<b>44.93</b>	<b>2.49</b>	<b>-</b>	<b>-</b>	<b>47.42</b>
<b>6.</b>	<b>Recovery of expenses:</b>					
	Jubilant Employee Welfare Trust	9.22				9.22
	Jubilant Draximage Inc.	19.30				19.30
	Jubilant FoodWorks Limited		0.06			0.06
	Jubilant Agri and Consumer Products Limited		5.98			5.98
	Jubilant Ingrevia Limited		0.97			0.97
		<b>28.52</b>	<b>7.01</b>	<b>-</b>	<b>-</b>	<b>35.53</b>
<b>7.</b>	<b>Reimbursement of expenses:</b>					
	Jubilant Cadista Pharmaceuticals Inc.	6.65				6.65
	Jubilant Pharma Holdings Inc.	169.74				169.74
	Jubilant Ingrevia Limited		76.37			76.37
	Jubilant Life Sciences (Shanghai) Ltd		27.11			27.11
		<b>176.39</b>	<b>103.48</b>	<b>-</b>	<b>-</b>	<b>279.87</b>
<b>8.</b>	<b>Remuneration (including perquisites)*:</b>					
	Mr. Hari S. Bhartia (including commission)			121.67		121.67
	Mr. Arvind Chokhany			39.93		39.93
	Mr. Arun Kumar Sharma			23.91		23.91
	Mr. Rajiv Shah			12.18		12.18
		<b>-</b>	<b>-</b>	<b>197.69</b>	<b>-</b>	<b>197.69</b>
<b>9.</b>	<b>Sitting fees and director fees:</b>					
	Dr. Ashok Misra			0.84		0.84
	Mr. S. Sridhar			0.94		0.94
	Ms. Sudha Pillai			1.16		1.16
	Mr. Sushil Kumar Roongta			0.86		0.86
	Mr. Vivek Mehra			1.00		1.00
	Mr. Arun Seth			0.51		0.51
		<b>-</b>	<b>-</b>	<b>5.31</b>	<b>-</b>	<b>5.31</b>
<b>10.</b>	<b>Commission:</b>					
	Dr. Ashok Misra			1.00		1.00
	Mr. S. Sridhar			1.00		1.00
	Ms. Sudha Pillai			1.00		1.00
	Mr. Sushil Kumar Roongta			1.00		1.00
	Mr. Vivek Mehra			1.00		1.00
	Mr. Arun Seth			1.00		1.00
		<b>-</b>	<b>-</b>	<b>6.00</b>	<b>-</b>	<b>6.00</b>
<b>11.</b>	<b>Company's contribution to provident fund trust:</b>					
	Vam Employee Provident Fund Trust				30.03	30.03
		<b>-</b>	<b>-</b>	<b>-</b>	<b>30.03</b>	<b>30.03</b>



## Notes to the financial statements for the year ended 31 March 2023

FY 2021-22						(₹ in million)
Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
<b>12.</b>	<b>Lease payments:</b>					
	Jubilant Ingrevia Limited		23.34			23.34
		-	<b>23.34</b>	-	-	<b>23.34</b>
<b>13.</b>	<b>Donation:</b>					
	Jubilant Bhartia Foundation				50.40	50.40
		-	-	-	<b>50.40</b>	<b>50.40</b>
<b>14.</b>	<b>Interest expenses on borrowings:</b>					
	Jubilant Biosys Limited	47.26				47.26
	Jubilant Employee Welfare Trust	52.39				52.39
		<b>99.65</b>	-	-	-	<b>99.65</b>
<b>15.</b>	<b>Borrowings taken:</b>					
	Jubilant Biosys Limited	60.00				60.00
		<b>60.00</b>	-	-	-	<b>60.00</b>
<b>16.</b>	<b>Loans given:</b>					
	Jubilant First Trust Healthcare Limited	0.50				0.50
		<b>0.50</b>	-	-	-	<b>0.50</b>
<b>17.</b>	Borrowings from Jubilant Biosys Limited amounting to ₹ 730 million was extended for a period of 5 years during the year ended 31 March 2022.					
	<b>Amounts outstanding</b>					
<b>18.</b>	<b>Borrowings payable:</b>					
	Jubilant Employee Welfare Trust	950.00				950.00
	Jubilant Biosys Limited	790.00				790.00
		<b>1,740.00</b>	-	-	-	<b>1,740.00</b>
<b>19.</b>	<b>Interest payable:</b>					
	Jubilant Employee Welfare Trust	10.05				10.05
		<b>10.05</b>	-	-	-	<b>10.05</b>
<b>20.</b>	<b>Commission payable #:</b>					
	Mr. Hari S. Bhartia			10.20		10.20
	Dr. Ashok Misra			1.00		1.00
	Mr. S. Sridhar			1.00		1.00
	Ms. Sudha Pillai			1.00		1.00
	Mr. Sushil Kumar Roongta			1.00		1.00
	Mr. Vivek Mehra			1.00		1.00
	Mr. Arun Seth			1.00		1.00
		-	-	<b>16.20</b>	-	<b>16.20</b>
<b>21.</b>	<b>Trade payables:</b>					
	Jubilant Business Services Limited	1.19				1.19
	Jubilant Cadista Pharmaceuticals Inc.	0.28				0.28
	Jubilant Generics Limited	0.71				0.71
	Jubilant DraxImage Inc.	0.02				0.02
	Jubilant Biosys Limited	0.46				0.46
	Jubilant Pharma Holdings Inc.	76.41				76.41
	Jubilant Life Sciences (Shanghai) Ltd		27.11			27.11
	Jubilant Ingrevia Limited		24.47			24.47
		<b>85.85</b>	<b>51.58</b>	-	-	<b>137.43</b>



## Notes to the financial statements for the year ended 31 March 2023

FY 2021-22

						(₹ in million)
Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
<b>22. Loans recoverable:</b>						
	Jubilant First Trust Healthcare Limited	0.50				0.50
		<b>0.50</b>	-	-	-	<b>0.50</b>
<b>23. Interest recoverable:</b>						
	Jubilant First Trust Healthcare Limited	0.02				0.02
		<b>0.02</b>	-	-	-	<b>0.02</b>
<b>24. Trade receivables:</b>						
	Jubilant Business Services Limited	3.94				3.94
	Jubilant Pharma Holdings Inc.	303.97				303.97
	Jubilant Draximage Radiopharmacies Inc	7.49				7.49
	Jubilant Hollister Stier LLC	11.89				11.89
	Jubilant HollisterStier General Partnership	1.69				1.69
	Jubilant Generics Limited	29.92				29.92
	Jubilant DraxImage Inc.	23.96				23.96
	Jubilant Biosys Limited	32.66				32.66
	Jubilant Clinsys Limited	0.01				0.01
	Jubilant Employee Welfare Trust	0.96				0.96
	Jubilant Agri and Consumer Products Limited		18.14			18.14
	Jubilant FoodWorks Limited		9.11			9.11
	Jubilant Enpro Private Limited		12.06			12.06
	Jubilant Ingrevia Limited		39.93			39.93
		<b>416.49</b>	<b>79.24</b>	-	-	<b>495.73</b>
<b>25. Deposits recoverable:</b>						
	Jubilant Enpro Private Limited		0.42			0.42
		-	<b>0.42</b>	-	-	<b>0.42</b>

\* 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:

			(₹ in million)
		For the year ended	
		31 March 2023	31 March 2022
Short term employment benefits		227.10	191.61
Post employment benefits		7.04	6.08
		<b>234.14</b>	<b>197.69</b>

# Commission payable is subject to the approval of shareholders in the annual general meeting.



## Notes to the financial statements for the year ended 31 March 2023

### Note 38. Contingent liabilities to the extent not provided for:

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

(₹ in million)

	As at	
	31 March 2023	31 March 2022
Income Tax	685.60	686.12
Customs	3.54	4.44
Goods and Service Tax	7.56	7.47
Others	4.73	2.65

The above excludes claims in respect of business transferred to Jubilant Ingrevia Limited pursuant to the Composite Scheme during the year ended 31 March 2021.

The above includes claims in respect of business acquired from Jubilant Generics Limited pursuant to the Scheme of Arrangement (refer note 31), though the claims may be continuing in the name of Jubilant Generics Limited, however any liability arising in future relating to these disputes will be borne by the Company.

Future cash outflows in respect of the above matters are determinable only on receipt of judgments/decisions pending at various stages/forums.

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 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.

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

### Note 39. Commitments as at year end

#### Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 461.16 million (31 March 2022: ₹ 273.54 million) for property, plant and equipment.

### Note 40. Leases

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

(₹ in million)

	Depreciation charge for the year ended		Net carrying amount as at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Land	2.57	2.57	162.73	165.30
Buildings	79.49	31.02	403.72	75.13
Vehicles	4.26	1.35	13.92	2.70
<b>Total</b>	<b>86.32</b>	<b>34.94</b>	<b>580.37</b>	<b>243.13</b>

Additions to the right-of-use assets during the year ended 31 March 2023 were ₹ 434.95 million (31 March 2022: ₹ 6.97 million).

#### Amount recognised in Statement of Profit and Loss:

(₹ in million)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on lease liabilities	30.23	8.73
Rental expense relating to short-term leases	0.87	9.32
	<b>31.10</b>	<b>18.05</b>



## Notes to the financial statements for the year ended 31 March 2023

### Amount recognised in Statement of Cash Flows:

	(₹ in million)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Total cash outflow for leases	98.68	48.00
	<b>98.68</b>	<b>48.00</b>

**Note 41.** Disclosure pursuant to section 186(4) of the Companies Act, 2013 in respect of unsecured loans to subsidiary companies [refer note 37]:

		(₹ in million)	
	Purpose/Term of loan	As at	
		31 March 2023	31 March 2022
<b>Jubilant First Trust Healthcare Limited (denominated in INR)</b>			
Outstanding as at the beginning of year	General business	0.50	-
Given during the year	purpose and	-	0.50
Repaid during the year	interest rate upto	(0.50)	-
Outstanding as at the end of year	7% p.a.	-	0.50
Maximum balance outstanding		0.50	0.50

### Note 42. Corporate Social Responsibility (CSR) expense

	(₹ in million)	
	For the year ended	
	31 March 2023	31 March 2022
Amount required to be spent by the Company during the year	43.62	50.36
Amount of expenditure incurred (1)		
a) On construction / acquisition of any asset	-	-
b) On purposes other than (a) above	43.62	50.40
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	-	-

(1) Included in donation – refer note 28 and 37

The Company's CSR activities primarily focus on Health, Education, Livelihood and Rural Development to improve the quality of the life of the community.

**Note 43.** Government grant recoverable ₹ 2.90 million (31 March 2022: ₹ 3.10 million) and government grant recognized ₹ 0.47 million (31 March 2022: ₹ 0.47 million) in the Statement of Profit and Loss.

**Note 44.** 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.





## Notes to the financial statements for the year ended 31 March 2023

**Note 45. Research and development expenses (excluding finance cost, depreciation and amortisation) comprises as mentioned here under:**

	(₹ in million)	
	For the year ended	
	31 March 2023	31 March 2022
Cost of material consumed	1.81	13.27
Employee benefits expense	164.11	174.51
Utilities- power	8.57	4.50
Other expenses	97.93	68.01
	<b>272.42</b>	<b>260.29</b>

### Note 46. Employee Stock Option Scheme

The Company has a stock option plan in place namely "Jubilant Pharmova Employees Stock Option Plan 2018" ("Plan 2018").

The Nomination, Remuneration and Compensation Committee ("Committee") of the Board of Directors which comprises a majority of Independent Directors is responsible for administration and supervision of the Stock Option Plan.

Under Plan 2018, up to 3,000,000 Stock Options can be issued to eligible directors (other than promoter directors and independent directors) and other specified categories of employees of the Company / subsidiaries. Exercise price shall not be higher than the market price (i.e. latest available closing price on a recognized stock exchange having highest trading volume on which the equity shares of the Company are listed) of the equity shares at the time of grant and not less than the face value of the equity shares of the Company. As per the SEBI guidelines, the market price is taken as the closing price on the day preceding the date of grant of options, on the stock exchange where the trading volume is the highest.

Under Plan 2018, each option, upon vesting, shall entitle the holder to acquire one equity share of ₹ 1 each. Options granted will vest in the manner decided by the Committee and specified in the grant letter, and in any event not earlier than 1 year from the grant date and no later than a period of 5 years from the grant date. Vesting of Options is a function of achievement of performance criteria or any other criteria, as specified by the Committee and communicated in the grant letter.

In 2008-09, Jubilant Employees Welfare Trust ("Trust") was constituted for the purpose of acquisition of equity shares of the Company from the secondary market or subscription of shares from the Company, to hold the shares and to allocate/transfer these shares to eligible employees of the Company/subsidiaries from time to time on the terms and conditions specified under Plan 2018.

Up to 31 March 2023, Jubilant Employees Welfare Trust (the "Trust") purchased 211,325 equity shares of the Company from the open market, out of which 1,868 equity shares were transferred to the employees on exercise of Options.

#### The movement in the number of equity shares held by trust:

	As at	
	31 March 2023	31 March 2022
At the commencement of the year	107,140	107,140
Purchased during the year	104,185	-
Transferred to the employees on exercise of Options during the year	(1,868)	-
<b>At the end of the year</b>	<b>209,457</b>	<b>107,140</b>

#### The movement in the stock options under "Plan 2018" during the year is set out below:

	For the year ended			
	31 March 2023		31 March 2022	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	35,734	355.61	-	-
Granted during the year	604,540	14.19	35,734	355.61
Forfeited/lapsed during the year	(7,071)	407.85	-	-
Exercised during the year	(1,868)	1.00	-	-
Outstanding at the end of the year	631,335	29.14	35,734	355.61
Exercisable at the end of the year	7,574	574.23	-	-

The weighted average share price during the year was ₹ 363.87 per share.



## Notes to the financial statements for the year ended 31 March 2023

### Fair value of options granted:

The weighted average fair value of options granted during the year for Plan 2018 was ₹ 359.34 (31 March 2022: ₹ 518.43) per option. The fair value at grant date is determined using the Black-Scholes-Merton model which takes into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The following tables list the inputs to models used for fair valuation of the options:

Plan 2018	31 March 2023	31 March 2022
Expected volatility	37.41% - 45.88%	43.72% - 45.88%
Risk free interest rate	5.36% - 7.70%	5.36% - 6.21%
Exercise price (₹)	1.00 - 714.85	1.00 - 714.85
Expected dividend yield	0.52% - 1.25%	0.52%
Life of options (years)	1.87 - 5.50	3.50 - 5.50

Expected volatility was based on an evaluation of the historical volatility of the share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

### Share options outstanding at the end of the year:

Options	31 March 2023			31 March 2022		
	Options outstanding	Weighted average remaining contractual life (in years)	Exercise Price (₹)	Options outstanding	Weighted average remaining contractual life (in years)	Exercise Price (₹)
Plan 2018	595,492*	3.44	1.00	17,983	2.81	1.00
Plan 2018	13,721	3.44	714.85	17,751	4.46	714.85
Plan 2018	22,122	4.47	361.40	-	-	-

\* including 543,131 Options granted to an eligible employee of a subsidiary.

### Note 47. Transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956:

Name of struck off company	Nature of transactions with struck off company	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 lease payment (₹ in million)	0.43	0.60	-
Nilgiri Investment Co Pvt Ltd	Shares held by struck off company (No. of shares)	800	800	-

**Note 48.** (a) 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:

- (i) 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
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (b) 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:
- (i) 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
  - (ii) provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.



## Notes to the financial statements for the year ended 31 March 2023

### Note 49. Ratios:

Ratio	Numerator	Denominator	31 March 2023	31 March 2022	% change	Reason for variance
Current ratio	Current assets	Current liabilities	1.60	2.08	(23%)	
Debt-Equity ratio	Total debt = Non-current borrowings (gross of transaction costs) + current borrowings	Total equity	0.12	0.07	75%	Increase in current borrowings from banks during the current 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	5.32	9.49	(44%)	Increase in finance costs during the current year
Return on equity ratio	Profit for the year	Average total equity	2.06%	3.30%	(38%)	Lower profit during the current year
Inventory turnover ratio	Revenue from operations	Average inventory	2.54	2.45	4%	
Trade receivable turnover ratio	Revenue from operations	Average trade receivable	5.08	5.85	(13%)	
Trade payable turnover ratio	Net purchases = Gross purchases - purchase return + other expenses net of non cash expenses and donations	Average trade payables	3.88	3.93	(1%)	
Net capital turnover ratio	Revenue from operations	Average working capital = Average (current assets – current liabilities)	3.30	2.61	27%	Increase in revenue from operations and decrease in average working capital during the current year
Net profit ratio	Profit for the year	Revenue from operations	6.16%	11.09%	44%	Lower profit during the current 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)	3.71%	3.71%	0%	
Return on investment	Net fair value gain/(loss) on investments + net gain/(loss) on sale of investments + dividend income	Average investments	6.03%	5.89%	2%	



## Notes to the financial statements for the year ended 31 March 2023

### Note 50. Earnings per share

		For the year ended	
		31 March 2023	31 March 2022
<b>Profit for basic and diluted earnings per share of ₹ 1 each</b>	<b>₹ in million</b>	<b>498.83</b>	<b>804.92</b>
Weighted average number of equity shares used in computing earnings per share			
<b>For basic earnings per share</b>	Nos.	<b>159,281,139</b>	<b>159,281,139</b>
For diluted earnings per share:			
No. of shares for basic earnings per share	Nos.	159,281,139	159,281,139
Add: weighted average outstanding options related to employee stock options.	Nos.	-	-
<b>No. of shares for diluted earnings per share</b>	Nos.	<b>159,281,139</b>	<b>159,281,139</b>
Earnings per share (face value of ₹ 1 each)			
Basic	₹	3.13	5.05
Diluted	₹	3.13	5.05

**Note 51.** Previous year figures have been regrouped/ reclassified to conform to the current year's classification. Also refer note 31.

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

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

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

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

**Manish Gupta**

Partner

Membership No.: 095037

**Shyam S. Bhartia**

Chairman

DIN: 00010484

**Hari S. Bhartia**

Co-Chairman and Managing Director

DIN: 00010499

**Arun Kumar Sharma**

Chief Financial Officer

**Naresh Kapoor**

Company Secretary

Place: Noida

Date: 29 May 2023

Place: Noida

Date: 29 May 2023



# Independent Auditor's Report

## To the Members of Jubilant Pharmova Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Jubilant Pharmova Limited (hereinafter referred to as the "Holding Company or the Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associates, which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31 March 2023, of its consolidated loss and other

comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Opinion

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

#### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Impairment of goodwill

See Note 4a to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>As at 31 March 2023, the goodwill represents 22% of the total assets.</p> <p>The Group's process of assessment of impairment of goodwill is complex as it involves significant judgement in determining the appropriate allocation of the goodwill to different cash generating units and assumptions used to estimate the recoverable amount.</p> <p>The recoverable amount of the cash generating units has been derived from discounted forecast cash flow model which uses several key assumptions, including estimates of future sales volumes and prices, operating costs, terminal value growth rates and the discount rate.</p> <p>Given the significant level of judgement involved in making the above estimates and the quantitative significance, we have determined this to be a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>Assessed the appropriateness of accounting policy for impairment of goodwill as per the relevant accounting standard.</li> <li>Examined the appropriateness of allocation of goodwill to various cash generating units.</li> <li>Tested the design and implementation of key controls in determining the carrying amount and the recoverable amount of the cash generating unit to which the goodwill is allocated.</li> <li>Evaluated the impairment model which is based on discounted cash flows. This included evaluation of the appropriateness of the assumptions applied to key inputs such as revenue projections, discount rate and terminal growth rates based on our knowledge of the Group and the industry with the assistance of valuation specialists.</li> </ul>



## Independent Auditor's Report (Continued)

The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> <li>• Examined the causes of differences between past cash flow projections and actual cash flows.</li> <li>• Performed sensitivity analysis of the key assumptions used to determine which changes to assumptions would change the outcome of impairment assessment.</li> <li>• Compared the recoverable amount of the cash generating unit to the carrying amount to determine impairment loss, if any.</li> <li>• Assessed the adequacy of related disclosures in the consolidated financial statements.</li> </ul>

### Impairment of intangible assets under development

See Note 4 and Note 42 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Group's assessment process of impairment of intangible assets under development is complex as it involves significant judgement in estimating the expected cost to complete the development and estimating the recoverable amount which primarily involves revenue growth and discount rate.</p> <p>Given the significant level of judgement involved in making the above estimates, we have determined this to be a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of accounting policy for impairment of intangible assets under development as per relevant accounting standard.</li> <li>• Tested the design and implementation of key controls with respect to impairment assessment of intangible assets under development.</li> <li>• Tested the operating effectiveness of Key controls with respect to impairment assessment of intangible assets under development in relation to subsidiary incorporated in India.</li> <li>• Evaluated the impairment model which is based on discounted cash flows. This included evaluating the appropriateness of the assumptions used in key inputs such as those relating to forecast revenue, gross margin and discount rate based on our knowledge of the Group and the industry with the assistance of valuation specialists, wherever required. We also interviewed key research and development personnel and commercial personnel to evaluate the appropriateness of assumptions used.</li> <li>• Performed sensitivity analysis of the key assumptions used to determine which changes to assumptions would change the outcome of impairment assessment.</li> <li>• Compared the recoverable amount of the intangible assets under development with its carrying amount to determine impairment loss, if any.</li> <li>• Assessed the adequacy of related disclosures in the consolidated financial statements.</li> </ul>





## Independent Auditor's Report (Continued)

### Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report(s) thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and report under the applicable laws and regulations.

### Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for assessing the

ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of each company.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our



## Independent Auditor's Report (Continued)

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of such entities or business activity/activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/financial information of such entities included in the consolidated financial statements of which we are the independent auditors. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### Other Matter

- The consolidated financial statements include the Group's share of net profit (and other comprehensive income) of INR 122.5 million for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of two associates, whose financial statements/financial information has not been audited by us. These unaudited financial statements/ financial information has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and

our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid associates, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial statements/financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:
  - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, except that the back-up of certain books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis during 11 August 2022 till 16 February 2023.
  - The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above.



## Independent Auditor's Report (Continued)

- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group and its associates. Refer Note 37 to the consolidated financial statements.
  - The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.
  - There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2023.
  - The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, other than as disclosed in the Note 47a to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies incorporated in India to or in any other person(s) or entity(ies), 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 by or on behalf of the Holding Company or any of such subsidiary companies incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the Note 47b to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiary companies incorporated in India shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
  - The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.  
  
As stated in Note 34 to the consolidated financial statements, the respective Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the respective members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
  - As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary companies incorporated in India only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us the remuneration paid during the current year by the Holding Company and its subsidiary companies incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies incorporated in India is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Manish Gupta**

Partner

Place: Noida

Date: 29 May 2023

Membership No.: 095037

ICAI UDIN:23095037BGYZGY6951



## Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Jubilant Pharmova Limited for the year ended 31 March 2023

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

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks or qualification given by the respective auditor in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Subsidiary	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Jubilant Draximage Limited	U74900UP2009 FLC038194	Subsidiary	xvii and xix
2	Jubilant Clinsys Limited	U24232UP2004 PLC029008	Subsidiary	xvii
3	Jubilant Generics Limited	U24100UP2013 FLC060821	Subsidiary	xvii
4	Jubilant First Trust Healthcare Limited	U74110UP2006 PLC035993	Subsidiary	xvii
5	Jubilant Business Services Limited	U74999UP2019PLC115185	Subsidiary	xvii

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

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Manish Gupta**

Partner

Membership No.: 095037

ICAI UDIN:23095037BGYZGY6951

Place: Noida  
Date: 29 May 2023



## Annexure B to the Independent Auditor's Report on the consolidated financial statements of Jubilant Pharmova Limited for the year ended 31 March 2023

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

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

#### Opinion

In conjunction with our audit of the consolidated financial statements of Jubilant Pharmova Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies/the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

#### Auditor's Responsibility

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

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

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

#### Meaning of Internal Financial Controls with Reference to Financial Statements

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

#### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Manish Gupta**

Partner

Place: Noida

Date: 29 May 2023

Membership No.: 095037

ICAI UDIN:23095037BGYZGY6951



## Consolidated Balance Sheet as at 31 March 2023

	Notes	(₹ in million)	
		As at	
		31 March 2023	31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	22,975.30	22,012.56
Capital work-in-progress	3	7,732.46	2,918.26
Goodwill	4	24,285.86	22,427.54
Other intangible assets	4	1,628.01	1,285.84
Intangible assets under development	4	7,882.37	7,977.39
Rights-of-use assets	39	2,943.42	2,980.17
Investment in associates	5(a)	2,236.30	1,951.07
Financial assets			
i. Investments	5(b)	327.93	434.93
ii. Loans	6	4.34	5.50
iii. Other financial assets	7	184.03	180.42
Deferred tax assets (net)	8	2,274.41	1,612.71
Income tax assets (net)		477.95	114.27
Other non-current assets	9	990.08	916.09
<b>Total non-current assets</b>		<b>73,942.46</b>	<b>64,816.75</b>
<b>Current assets</b>			
Inventories	10	13,805.33	12,548.69
Financial assets			
i. Trade receivables	11	9,612.36	9,279.94
ii. Cash and cash equivalents	12(a)	10,139.19	9,838.19
iii. Other bank balances	12(b)	3.84	4.18
iv. Loans	6	11.35	14.00
v. Other financial assets	7	1,290.41	877.38
Income tax assets (net)		115.43	1.84
Other current assets	13	2,646.10	2,527.70
<b>Total current assets</b>		<b>37,624.01</b>	<b>35,091.92</b>
<b>Total assets</b>		<b>111,566.47</b>	<b>99,908.67</b>





## Consolidated Balance Sheet as at 31 March 2023 (Continued)

	Notes	(₹ in million)	
		As at	
		31 March 2023	31 March 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	159.09	159.19
Other equity		53,833.67	53,026.44
<b>Equity attributable to owners of the Company</b>		<b>53,992.76</b>	<b>53,185.63</b>
Non-controlling interest		(74.89)	(21.63)
<b>Total equity</b>		<b>53,917.87</b>	<b>53,164.00</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	16(A)	31,103.62	24,642.42
ii. Lease liabilities		2,132.83	2,121.93
iii. Other financial liabilities	19	18.49	5.04
Provisions	17	922.48	956.66
Deferred tax liabilities (net)	8	3,062.08	3,029.65
Other non-current liabilities	20	2,685.08	72.96
<b>Total non-current liabilities</b>		<b>39,924.58</b>	<b>30,828.66</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	16(B)	2,997.16	4,633.74
ii. Lease liabilities		534.02	521.93
iii. Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		175.60	62.86
Total outstanding dues of creditors other than micro enterprises and small enterprises		8,037.57	5,614.54
iv. Other financial liabilities	19	3,354.54	2,350.85
Other current liabilities	20	1,217.82	1,518.64
Provisions	17	783.53	868.39
Current tax liabilities (net)		623.78	345.06
<b>Total current liabilities</b>		<b>17,724.02</b>	<b>15,916.01</b>
<b>Total liabilities</b>		<b>57,648.60</b>	<b>46,744.67</b>
<b>Total equity and liabilities</b>		<b>111,566.47</b>	<b>99,908.67</b>

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

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

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

**Manish Gupta**

Partner

Membership No.: 095037

**Shyam S. Bhartia**

Chairman

DIN: 00010484

**Arun Kumar Sharma**

Chief Financial Officer

**Hari S. Bhartia**

Co-Chairman and Managing Director

DIN: 00010499

**Naresh Kapoor**

Company Secretary

Place: Noida

Date: 29 May 2023

Place: Noida

Date: 29 May 2023



## Consolidated Statement of Profit and Loss for the year ended 31 March 2023

		(₹ in million)	
	Notes	For the year ended	
		31 March 2023	31 March 2022
Revenue from operations	21	62,817.28	61,301.64
Other income	22	383.27	112.88
<b>Total income</b>		<b>63,200.55</b>	<b>61,414.52</b>
<b>Expenses</b>			
Cost of materials consumed	23	16,664.13	13,487.04
Purchases of stock-in-trade		2,522.24	2,016.22
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(406.97)	(623.24)
Employee benefits expense	25	21,660.20	20,433.94
Finance costs	26	1,881.96	1,454.86
Depreciation, amortisation and impairment expense	27	5,540.27	3,817.04
Other expenses	28	14,615.27	14,424.36
<b>Total expenses</b>		<b>62,477.10</b>	<b>55,010.22</b>
<b>Profit before share of profit/(loss) of associates and exceptional items</b>		<b>723.45</b>	<b>6,404.30</b>
Share of profit/(loss) of associates	5(a)	122.52	(99.83)
<b>Profit before exceptional items and tax</b>		<b>845.97</b>	<b>6,304.47</b>
Exceptional items	44	568.16	-
<b>Profit before tax</b>		<b>277.81</b>	<b>6,304.47</b>
Tax expense	29		
- Current tax		1,810.85	1,725.52
- Deferred tax (credit)/charge		(884.23)	448.79
<b>Total tax expense</b>		<b>926.62</b>	<b>2,174.31</b>
<b>(Loss)/profit for the year</b>		<b>(648.81)</b>	<b>4,130.16</b>
<b>Other comprehensive income/(loss)</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Changes in fair value of equity investments which are classified at fair value through other comprehensive income (OCI)		(117.97)	409.12
Remeasurement of defined benefit obligations		(27.47)	14.75
Income tax relating to items that will not be reclassified to profit or loss	29	8.84	(105.52)
		<b>(136.60)</b>	<b>318.35</b>
<i>Items that will be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		2,340.89	2,121.25
Income tax relating to items that will be reclassified to profit or loss	29	-	-
		<b>2,340.89</b>	<b>2,121.25</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>2,204.29</b>	<b>2,439.60</b>
<b>Total comprehensive income for the year</b>		<b>1,555.48</b>	<b>6,569.76</b>



## Consolidated Statement of Profit and Loss for the year ended 31 March 2023 (Continued)

	Notes	(₹ in million)	
		For the year ended	
		31 March 2023	31 March 2022
<b>Profit attributable to:</b>			
Owners of the Company		(609.80)	4,139.36
Non-controlling interests		(39.01)	(9.20)
		<b>(648.81)</b>	<b>4,130.16</b>
<b>Other comprehensive income/(loss) attributable to:</b>			
Owners of the Company		2,207.45	2,439.81
Non-controlling interests		(3.16)	(0.21)
		<b>2,204.29</b>	<b>2,439.60</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		1,597.65	6,579.17
Non-controlling interests		(42.17)	(9.41)
		<b>1,555.48</b>	<b>6,569.76</b>
<b>Earnings per equity share of ₹1 each</b>	49		
Basic (₹)		(3.83)	26.00
Diluted (₹)		(3.83)	26.00

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

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

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

**Manish Gupta**

Partner

Membership No.: 095037

**Shyam S. Bhartia**

Chairman

DIN: 00010484

**Arun Kumar Sharma**

Chief Financial Officer

**Hari S. Bhartia**

Co-Chairman and Managing Director

DIN: 00010499

**Naresh Kapoor**

Company Secretary

Place: Noida

Date: 29 May 2023

Place: Noida

Date: 29 May 2023

## Consolidated Statement of Changes in Equity for the year ended 31 March 2023

### A. Equity share capital

<b>Balance as at 31 March 2021</b>											(₹ in million)
Changes in equity share capital during the year											159.19
<b>Balance as at 31 March 2022</b>											159.19
Treasury shares purchased by ESOP Trust during the year (refer note 46)											(0.10)
Shares transferred by ESOP Trust to employees on exercise of stock options (refer note 46)											-
<b>Balance as at 31 March 2023</b>											159.09

### B. Other equity

B. Other equity												(₹ in million)	
Attributable to owners of the Company												Attributable to Non-controlling interest	Total
Reserves and surplus (1)					Items of Other Comprehensive Income (1)			Total attributable to owners of the Company					
Capital reserve	Capital redemption reserve	Amalgamation reserve	Legal reserve	Share based payment reserve (refer note 46)	Retained earnings	Equity instruments through OCI	Foreign currency translation reserve						
61.30	398.36	13.21	9.88	8.16	43,177.11	262.22	3,325.43	47,255.67	0.31	47,255.98			
-	-	-	-	-	4,139.36	-	-	4,139.36	(9.20)	4,130.16			
-	-	-	-	-	9.34	309.01	2,121.46	2,439.81	(0.21)	2,439.60			
-	-	-	-	-	4,148.70	309.01	2,121.46	6,579.17	(9.41)	6,569.76			
-	-	-	-	36.26	-	-	-	36.26	-	36.26			
-	-	-	-	(7.79)	21.02	-	(0.70)	12.53	(12.53)	-			
-	-	-	-	-	(796.41)	-	-	(796.41)	-	(796.41)			
-	-	-	-	-	0.54	-	-	0.54	-	0.54			
-	-	-	-	-	299.21	(299.21)	-	-	-	-			
-	-	(61.32)	-	-	-	-	-	(61.32)	-	(61.32)			
-	-	-	-	-	-	-	-	-	-	-			
61.30	398.36	(48.11)	9.88	36.63	46,850.17	272.02	5,446.19	53,026.44	(21.63)	53,004.81			
-	-	-	-	-	(609.80)	-	-	(609.80)	(39.01)	(648.81)			
-	-	-	-	-	(18.63)	(117.97)	2,344.05	2,207.45	(3.16)	2,204.29			
-	-	-	-	-	(628.43)	(117.97)	2,344.05	1,597.65	(42.17)	1,555.48			
-	-	-	-	35.13	-	-	-	35.13	-	35.13			
-	-	-	-	(6.66)	14.77	-	2.98	11.09	(11.09)	-			
-	-	-	-	(1.93)	0.75	-	-	(1.18)	-	(1.18)			
-	-	-	-	(1.31)	1.31	-	-	-	-	-			
-	-	-	-	-	(796.41)	-	-	(796.41)	-	(796.41)			
(39.59)	-	-	-	-	0.54	-	-	(39.05)	-	(39.05)			
-	-	-	-	-	(75.39)	75.39	-	-	-	-			
21.71	398.36	(48.11)	9.88	61.86	45,367.31	229.44	7,793.22	53,833.67	(74.89)	53,758.78			



## Consolidated Statement of Changes in Equity for the year ended 31 March 2023

### Notes:

- (1) Refer note 15 for nature and purpose of other equity.

The accompanying notes form an integral part of the consolidated 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

**Shyam S. Bhartia**

*Chairman*

DIN: 00010484

**Hari S. Bhartia**

*Co-Chairman and Managing Director*

DIN: 00010499

**Arun Kumar Sharma**

*Chief Financial Officer*

Place: Noida

Date: 29 May 2023

**Naresh Kapoor**

*Company Secretary*

Place: Noida

Date: 29 May 2023

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



## Consolidated Statement of Cash Flows for the year ended 31 March 2023

	(₹ in million)	
	For the year ended	
	31 March 2023	31 March 2022
<b>A. Cash flow from operating activities</b>		
Profit before tax	277.81	6,304.47
Adjustments:		
Depreciation, amortisation and impairment expense	5,540.27	3,817.04
Loss on disposal of property, plant and equipment and intangible assets (net)	26.58	33.70
Finance costs	1,881.96	1,454.86
Exceptional items	568.16	-
Share-based payment expense	36.52	11.24
Unrealised foreign exchange (gain)/loss	(53.45)	404.05
Interest income	(98.28)	(24.51)
Loss/(gain) on investments at fair value through profit or loss	49.52	(1.47)
Share of (profit)/loss of associates	(122.52)	99.83
	<b>7,828.76</b>	<b>5,794.74</b>
<b>Operating cash flow before working capital changes</b>	<b>8,106.57</b>	<b>12,099.21</b>
Decrease/(increase) in trade receivables	385.53	(721.37)
Decrease in loans, other financial assets and other assets	1,440.74	322.11
Increase in inventories	(646.82)	(956.47)
Increase in trade payables	2,105.32	1.58
Decrease in other financial liabilities, other liabilities and provisions	(2,741.64)	(428.72)
<b>Cash generated from operations</b>	<b>8,649.70</b>	<b>10,316.34</b>
Income tax paid (net of refund)	(2,043.04)	(1,940.91)
<b>Net cash generated from operating activities</b>	<b>6,606.66</b>	<b>8,375.43</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment and other intangible assets (including capital work-in-progress and intangible assets under development)	(8,144.48)	(5,999.91)
Proceeds from sale of property, plant and equipment	186.38	35.18
Purchase of investments	(126.50)	(23.19)
Proceeds from sale of investments	8.92	441.11
Receipt of asset-related government grant	2,444.99	-
Movement in other bank balances	(1.42)	1,702.90
Interest received	99.81	40.21
Distribution received from associate (refer note 5(a))	88.18	-
<b>Net cash used in investing activities</b>	<b>(5,444.12)</b>	<b>(3,803.70)</b>
<b>C. Cash flow from financing activities #</b>		
Acquisition of shares by Jubilant Employees Welfare Trust	(39.69)	-
Proceeds from long term borrowings	28,104.06	2,031.77
Repayments of long term borrowings	(27,729.85)	(49.96)
Payment of lease liabilities	(701.06)	(597.89)
Proceeds from short term borrowings (net)	1,942.61	439.99
Dividend paid	(800.61)	(800.53)
Finance costs paid	(2,342.29)	(1,349.37)
<b>Net cash used in from financing activities</b>	<b>(1,566.83)</b>	<b>(325.99)</b>





## Consolidated Statement of Cash Flows for the year ended 31 March 2023

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
<b>D. Effect of exchange rate changes</b>	<b>705.29</b>	<b>572.88</b>
<b>Net increase in cash and cash equivalents (A+B+C+D)</b>	<b>301.00</b>	<b>4,818.62</b>
Add: cash and cash equivalents at the beginning of year	9,838.19	5,019.57
<b>Cash and cash equivalents at the end of the year (Refer note 12(a))</b>	<b>10,139.19</b>	<b>9,838.19</b>

# Refer note 16.4 for movement of liabilities arising from financing activities.

### Note:

1. Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

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

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

**Manish Gupta**

Partner

Membership No.: 095037

**Shyam S. Bhartia**

Chairman

DIN: 00010484

**Arun Kumar Sharma**

Chief Financial Officer

**Hari S. Bhartia**

Co-Chairman and Managing Director

DIN: 00010499

**Naresh Kapoor**

Company Secretary

Place: Noida

Date: 29 May 2023

Place: Noida

Date: 29 May 2023



## Notes to the consolidated financial statements for the year ended 31 March 2023

### Note 1. Corporate information

Jubilant Pharmova Limited ("the Company" or the "Parent Company") is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is situated at Bhartiagram, Gajraula, District Amroha, Uttar Pradesh – 244223.

The consolidated financial statements of the Company comprise the financial statements of Company and its subsidiaries (including partnerships) (together referred to as "the Group"). The Company along with its subsidiaries is an integrated global pharmaceutical company engaged in radiopharma, allergy immunotherapy, contract development and manufacturing of sterile injectable, generics, contract research development and manufacturing and proprietary novel drugs businesses. With a network of 46 radiopharmacies in the USA, the radiopharma business is engaged in manufacturing and supply of radiopharmaceutical products and services. Allergy immunotherapy, contract development and manufacturing of sterile injectables and non-sterile products and generics businesses cater to major regulated markets (USA, EU and other geographies) through 5 manufacturing facilities. Contract research development and manufacturing business provides collaborative research and partnership for drug discovery through 2 research centers in India. The Company is also engaged in the manufacturing of active pharmaceutical products through a USFDA approved facility in Nanjangud, Karnataka. Proprietary novel drugs is an innovative biopharmaceutical business developing breakthrough therapies in the area of oncology and auto-immune disorders. The Company is well recognized as a 'Partner of Choice' by leading pharmaceuticals companies globally.

### Note 2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. The accounting policies adopted are consistent with those of the previous financial year.

#### (a) Basis of preparation

##### (i) Statement of compliance

The Consolidated 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") relevant provisions of the Act and other accounting principles generally accepted in India.

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or '₹') and are rounded to the nearest million, except per share data and unless stated otherwise.

The financial statements have been authorised for issue by the Company's Board of Directors on 29 May 2023.

##### (ii) Historical cost convention

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

#### (b) Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company, and the entities controlled by the Company including its subsidiaries.

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement with the other vote holders of the investee.
- (ii) Rights arising from other contractual arrangements
- (iii) The Group's voting rights and potential voting rights
- (iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of an entity begins when the Group obtains control over that entity and ceases when the Group loses control over the entity. Assets, liabilities, income and expenses of an entity acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the entity.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company. When the end of the reporting period



## Notes to the consolidated financial statements for the year ended 31 March 2023

of the parent is different from that of a member of the Group, the member prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

The details of the consolidated entities are as follows:

Sr. No.	Name	Country of Incorporation	Name of Immediate Parent	Percentage of ownership interest held by the Group
1	Jubilant Pharma Limited	Singapore	Jubilant Pharmova Limited	100%
2	Draximage Limited, Ireland (Liquidated w.e.f. 30 June 2021) (1)	Ireland	Jubilant Pharma Limited	100%
3	Jubilant Draximage (USA) Inc. (1)	USA	Jubilant Pharma Holdings Inc.	100%
4	Jubilant DraxImage Inc. (1)	Canada	Jubilant Pharma Limited	100%
5	6981364 Canada Inc. (Merged with Jubilant DraxImage Inc. w.e.f. 31 May 2021) (1)	Canada	Jubilant DraxImage Inc.	100%
6	Draximage (UK) Limited (1)	UK	Jubilant DraxImage Inc.	100%
7	Jubilant Pharma Holdings Inc. (5)	USA	Jubilant Pharma Limited	84.71%
			Jubilant Generics Limited	15.29%
8	Jubilant Clinsys Inc. (4)	USA	Jubilant Pharma Holdings Inc.	100%
9	Jubilant Cadista Pharmaceuticals Inc. (4)	USA	Jubilant Pharma Holdings Inc.	100%
10	Jubilant HollisterStier LLC (2) (3)	USA	Jubilant Pharma Holdings Inc.	100%
11	Jubilant Pharma NV (4)	Belgium	Jubilant Generics Limited	77.65%
			Jubilant Pharma Limited	22.35%
12	Jubilant Pharmaceuticals NV (4)	Belgium	Jubilant Pharma NV	99.81%
			Jubilant Pharma Limited	0.19%
13	PSI Supply NV (4)	Belgium	Jubilant Pharma NV	99.50%
			Jubilant Pharma Limited	0.50%
14	Jubilant Life Sciences (BVI) Limited (Liquidated w.e.f. 7 February 2022)	BVI	Drug Discovery and Development Solutions Limited	100%
15	Jubilant Biosys Limited (5)	India	Jubilant Pharmova Limited	99.90%
			Jubilant Business Services Limited	0.10%
16	Jubilant Discovery Services LLC (5)	USA	Jubilant Innovation (USA) Inc.	100%
17	Jubilant Drug Development Pte. Limited (Merged with Drug Discovery and Development Solutions Limited w.e.f. 31 March 2022)	Singapore	Drug Discovery and Development Solutions Limited (w.e.f. 29 October 2021) Jubilant Life Sciences (BVI) Limited (up to 28 October 2021)	100%
18	Jubilant Clinsys Limited (5)	India	Jubilant Biosys Limited	100%
19	Jubilant First Trust Healthcare Limited	India	Jubilant Pharmova Limited	100%
20	Jubilant Innovation Pte. Limited (Struck off w.e.f. 10 January 2022) (5)	Singapore	Drug Discovery and Development Solutions Limited	100%
21	Jubilant Draximage Limited (1)	India	Jubilant Pharma Limited	100%
22	Jubilant Innovation (USA) Inc. (5)	USA	Drug Discovery and Development Solutions Limited	100%
23	Jubilant HollisterStier Inc.	USA	Jubilant Pharma Holdings Inc.	100%
24	Draxis Pharma LLC (1)	USA	Jubilant HollisterStier Inc.	100%
25	Drug Discovery and Development Solutions Limited	Singapore	Jubilant Pharmova Limited	100%
26	TrialStat Solutions Inc. (5)	Canada	Jubilant Biosys Innovative Research Services Pte. Limited	100%



## Notes to the consolidated financial statements for the year ended 31 March 2023

Sr. No.	Name	Country of Incorporation	Name of Immediate Parent	Percentage of ownership interest held by the Group
27	Jubilant HollisterStier General Partnership # (3)	Canada	Jubilant HollisterStier Inc. Draxis Pharma LLC 1359773 B.C. Unlimited Liability Company	99.996% 0.002% 0.002%
28	Draximage General Partnership (Liquidated w.e.f. 31 May 2021) # (1)	Canada	Jubilant DraxImage Inc. 6981364 Canada Inc.	90% 10%
29	Jubilant Generics Limited (4)	India	Jubilant Pharma Limited	100%
30	Jubilant Pharma Australia Pty Limited (4)	Australia	Jubilant Pharma Limited	100%
31	Jubilant Draximage Radiopharmacies Inc.	USA	Jubilant Pharma Holdings Inc.	100%
32	Jubilant Pharma SA (Pty) Limited (4)	South Africa	Jubilant Pharma Limited	100%
33	Jubilant Therapeutics India Limited (6)	India	Jubilant Pharmova Limited	100%
34	Jubilant Therapeutics Inc. (6)	USA	Jubilant Therapeutics India Limited	96.70%
35	Jubilant Business Services Limited	India	Jubilant Pharmova Limited	100%
36	Jubilant Episcrite LLC (6)	USA	Jubilant Therapeutics Inc.	96.70%
37	Jubilant Epicore LLC (6)	USA	Jubilant Therapeutics Inc.	96.70%
38	Jubilant Prodel LLC (6)	USA	Jubilant Therapeutics Inc.	96.70%
39	Jubilant Epipad LLC (6)	USA	Jubilant Therapeutics Inc.	96.70%
40	Jubilant Pharma UK Limited (4)	UK	Jubilant Pharma Limited	100%
41	Jubilant Pharma ME FZ-LLC (Incorporated on 31 October 2021) (4)	UAE	Jubilant Pharma Limited	100%
42	Jubilant Biosys Innovative Research Services Pte. Limited (5)	Singapore	Jubilant Biosys Limited	100%
43	1359773 B.C. Unlimited Liability Company (Incorporated on 26 April 2022)	Canada	Jubilant HollisterStier Inc.	100%
44	Jubilant Employees Welfare Trust	India	-	-

# Partnership firms, in which two subsidiaries of the Parent Company are partners.

- (1) Represents entities engaged in Radiopharma business.
- (2) Represents entities engaged in Allergy Immunotherapy business.
- (3) Represents entities engaged in Contract Development and Manufacturing of sterile injectables and non-sterile products.
- (4) Represents entities engaged in Generics business.
- (5) Represents entities engaged in Contract Research, Development and Manufacturing.
- (6) Represents entities engaged in Proprietary Novel Drugs business.

The associates and subsidiaries of an associate are as follows:

Sr. No.	Name	Country of Incorporation	Name of Immediate Parent/Investor	Percentage of ownership interest held by the Group	Date of acquisition by the Group
<b>Associates</b>					
1	Sofie Biosciences, Inc.	USA	Jubilant Pharma Limited	25%	4 November 2020
2	SPV Laboratories Pvt. Ltd.	India	Jubilant Pharmova Limited	25.21%	1 April 2022
<b>Subsidiaries of Sofie Biosciences, Inc.</b>					
2	Sofie Network, Inc.	USA	Sofie Biosciences, Inc.	25%	4 November 2020
3	N-Molecular, Inc.	USA	Sofie Network, Inc.	25%	4 November 2020
4	GRD US PET Operations, Inc.	USA	Sofie Network, Inc.	25%	4 November 2020
5	SOFIE Co.	USA	GRD US PET Operations, Inc.	25%	4 November 2020
6	iTheranostics Inc.	USA	Sofie Biosciences, Inc.	17.50%	4 November 2020



## Notes to the consolidated financial statements for the year ended 31 March 2023

### (c) Consolidation procedure

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill (refer note 2(f)).
- c) Eliminate in full, intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interest in the results and the equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

### (d) Investments accounted for using the equity method

The Group's interest in investments accounted for using the equity method comprises interest in associates. Associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policy decisions of the investee.

Interest in an associate is accounted for using the equity method. Under the equity method of accounting, the investment in an associate is initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investee until the date on which significant influence ceases. Goodwill (i.e. excess of the cost of investment over the Group's share of the net fair value of the identifiable

assets and liabilities of the investee) relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately. Dividends received or receivable from associate are recognised as a reduction in the carrying amount of the investment.

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associates are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value.

### (e) Current versus non-current classification

The Group presents assets and liabilities in the Consolidated 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 Group classifies all other assets as non-current.

A liability is current when:

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

The Group 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. Each entity of the Group has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

## Notes to the consolidated financial statements for the year ended 31 March 2023

### (f) 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 Consolidated Statement of Profit and 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 as a gain on bargain purchase, unless there is no clear evidence for the underlying reason for classification of the business combination as a bargain purchase, in which case, it shall be recognised directly in equity as capital reserve.

Business combinations between entities under common control are accounted at historical cost. The difference between the consideration paid/received and the carrying amount of assets and liabilities transferred is recorded in the capital reserve, a component of other equity.

Business combinations arising from transfers of interests in entities that are under the common control 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.

### (g) 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 capitalised 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 Group 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 Consolidated 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 arising on business combinations is disclosed separately in the balance sheet and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.
- 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 Consolidated 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 is 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 Group 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 tangible fixed assets). Other development expenditure is recognised in the Consolidated Statement of Profit and Loss as incurred.
- Intangible assets (including intangible assets under development) that are acquired and 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.





## Notes to the consolidated financial statements for the year ended 31 March 2023

### (iii) Depreciation and amortisation methods, estimated useful lives and residual value

For Indian entities, depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of fixed assets 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 fixed assets 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
Vehicles – 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 (included in plant and equipment)	1-2 years	15 years
Employee perquisite related assets (except end user computers) (included in furniture and fixtures)	5 years, being the period of perquisite scheme	10 years

For overseas entities, depreciation is charged using the straight line method, over the estimated useful life considered as follows:

- Building: 30-60 years
- Plant and machinery: 3 to 20 years
- Dies and punches: 1 to 2 years
- Furniture and office equipment: 3 to 15 years
- Computer and information technology related assets: 3 to 5 years
- Vehicles: 3 to 5 years

Leasehold improvements (included in furniture and fixtures) are depreciated over their estimated useful life, or the remaining period of lease from the date of capitalisation, whichever is shorter.

The estimated useful lives of Intangibles are follows:

Internally generated product registration / market authorisation	5 to 10 years
Acquired patents, trademarks / trade names and customer contracts	5 to 10 years
Rights	5 years
Software	5 years

Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the date/month of addition/disposal. Depreciation and amortisation

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 Consolidated Statement of Profit and Loss.

### (h) 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 the Consolidated Statement of Profit and 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 Group'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 Consolidated Statement of Profit and Loss.

### (i) 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 Group'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

## Notes to the consolidated financial statements for the year ended 31 March 2023

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 Group 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.

### (j) 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.

#### (i) 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 Group 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 Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss.

##### *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 Consolidated Statement of Profit and Loss. Interest earned whilst holding FVOCI 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, the Group, at initial recognition, 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 Consolidated 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 Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group 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 Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group



## Notes to the consolidated financial statements for the year ended 31 March 2023

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 Consolidated Statement of Profit and Loss.

### *Impairment of financial assets*

The Group recognises 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 Consolidated 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 derecognised (i.e., removed from the Group's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group has retained.

### *(ii) Financial liabilities*

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as 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 Consolidated 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 Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Consolidated 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 Consolidated Statement of Profit and Loss.

### *(iii) Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the Consolidated Balance Sheet when, and only when, the Group 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.

### *(iv) Share capital*

Equity shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

## **(k) Inventories**

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

The methods of determining cost of various categories of inventories are as follows:

Raw materials	Weighted average method
Stores and spares	Weighted average method
Work-in-progress and finished goods (manufactured)	Direct materials, direct labour and an appropriate proportion of variable and fixed production overheads, the latter being allocated on the basis of normal operating capacity
Fuel, consumables, packing material etc.	Weighted average method
Finished goods (traded)	Weighted average method
Goods in transit	Cost of purchase

Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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



## Notes to the consolidated financial statements for the year ended 31 March 2023

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.

### (l) 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.

### (m) Provisions and contingencies

A provision is recognised if, as a result of a past event, the Group 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 recognised as a finance cost.

The amount recognised 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 recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### *Contingent liabilities*

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.

#### *Decommissioning provisions*

In accordance with the applicable regulatory and contractual requirements, a decommissioning provision in respect of estimated costs of dismantling and repairing leased premises to be performed at the time it is vacated and removing certain machinery and equipment to be performed at the time it is disposed off, is recognised. The provision is measured at the present value of the best estimate of the decommissioning costs.

### (n) Revenue recognition

Revenue from sale of products is recognised when the Group satisfies a performance obligation 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 when

the Group satisfies a performance obligation as and when the underlying services are performed.

The Group exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc. Invoices are issued as per the general business terms and are payable in accordance with the contractually agreed credit period.

Any fees including upfront fees received in relation to contract manufacturing arrangements is recognised over the period over which the Group satisfies the underlying performance obligations. In respect of outsourcing contracts for drug development with third party Clinical Research Organisation (CRO), revenue is recognised 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 allocated to the performance obligation, which is the consideration, net of taxes or duties collected on behalf of the government and applicable discounts and allowances including charge-backs, expected sales return and bill backs. The computation of these estimates using expected value method involves significant judgment based on various factors including contractual terms, historical experience, estimated inventory levels and expected sell-through levels in supply chain. The transaction price is allocated to each performance obligation in the contract on the basis of the relative standalone selling prices of the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes significant financing component.

Contract assets are recognised when there is excess of revenue earned over billings on contracts, excluding amounts 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.

### (o) Employee benefits

- (i) *Short-term employee benefits:* All employee benefits falling due within twelve months from 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,



## Notes to the consolidated financial statements for the year ended 31 March 2023

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

b) *Superannuation*

Certain employees of the Parent Company are also participants in the superannuation plan, a defined contribution plan. Contribution made by the Parent Company to the superannuation plan during the year is charged to Consolidated Statement of Profit and Loss.

c) *Provident fund*

The Group's contribution to the provident fund is deposited with Regional Provident Fund Commissioner for its employees in India. The Group's contribution to the provident fund is charged to Statement of Profit and Loss. This is treated as defined contribution plan. Also refer note 32(A).

d) Foreign subsidiaries make contribution to various social security plans and insurance schemes as per local requirements and generally accepted practices in their respective country of incorporation. Such contributions are charged to Consolidated Statement of Profit and Loss on accrual basis in the year in which liability to pay arise.

(iii) *Other long-term employee benefits:*

*Compensated absences*

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

(iv) *Termination benefits:*

Termination benefits are recognised as an expense when, as a result of a past event, the Group 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.

(v) *Actuarial valuation*

The liability in respect of all defined benefit plans and other long term benefits is accrued in the consolidated books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. 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.

Remeasurement gains and losses on other long term benefits are recognised in the Consolidated Statement of Profit and Loss in the year in which they arise. Remeasurement 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 Consolidated Statement of Changes in Equity and in the Consolidated Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or 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 Consolidated Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Consolidated 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).

(p) *Share based payments*

The Company has granted stock options to the employees of the Group. The grant date fair value of options granted (net of estimated forfeiture) to employees of the Group is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "share based payment reserve". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value



## Notes to the consolidated financial statements for the year ended 31 March 2023

is determined under the option-pricing model (Black-Scholes-Merton). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

The difference between cost of shares purchased from secondary market and the proceeds on sale/allotment of shares by trust is recognised in capital reserve.

A subsidiary company has also granted restricted stocks and non-qualified stock options over its shares to its employees and consultants. For restricted stock awards, the grant date fair value of awards is recognised as “unearned compensation” under other asset, with a corresponding increase in “share based payment reserve” under equity, at the time of grant. The amount of unearned compensation recognised as an expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met. The amount recognised as an expense is adjusted to reflect the actual number of awards that vest. For non-qualified stock options, the grant date fair value of options granted (net of estimated forfeiture) is recognised as an expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under “share based payment reserve”. The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest.

### (q) Finance costs and finance income

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 capitalised 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 capitalisation. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated 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.

Finance income consists of interest income. Interest income or expense is recognised using the effective interest 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. In calculating interest income or expense,

the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### (r) Exceptional items

Exceptional items refer to items of income or expense within the Consolidated Statement of Profit and Loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

### (s) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Consolidated Statement of Profit and 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 in the countries where the Group operates and generates taxable income.

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 investment in subsidiaries and associates, to the extent that the Group 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





## Notes to the consolidated financial statements for the year ended 31 March 2023

- 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. MAT is a tax liability of an Indian company computed at specified rate on adjusted book profits as per applicable provisions of the Indian Income Tax Act. An Indian company is liable to pay MAT, if the income tax payable under normal provisions of the Indian Income Tax Act is less than tax payable under MAT.

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 Group 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.

Deferred income tax is not provided on the undistributed earnings of the subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

### (t) Leases – Group as a lessee

The Group 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 Group assesses whether: (1) the contract involves the use of an identified asset; (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease; and (3) the Group has the right to direct the use of the asset.

The Group's lease asset classes primarily consist of leases for land, buildings, plant and equipment, office equipment and vehicles which typically run for a period of 2 to 10 years, with an option to renew the lease after that date. At the date of commencement of the lease, the Group 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 Group 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 Consolidated Statement of Profit and Loss.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates based on information available as at the date of commencement of the lease. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset if the Group 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 Consolidated 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 Group 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 Group 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 Group'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.

### (u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman and Co-Chairman & Managing Director (CCMD) of the Group are responsible for allocating resources and assessing performance of the operating segments, and accordingly, identified as the chief operating decision maker. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments



## Notes to the consolidated financial statements for the year ended 31 March 2023

on a reasonable basis, have been treated as “unallocated revenues/ expenses/ assets/ liabilities”, as the case may be. Also refer note 35.

### (v) Foreign currency translation

#### (i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (₹), which is also the Parent Company's functional currency.

#### (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 Consolidated Statement of Profit and Loss.

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

#### (iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Equity share capital and opening other equity are carried at historical cost.
- All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening other equity) are translated using closing rates at balance sheet date.
- Profit and Loss items are translated at the respective quarterly average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction.
- All resulting exchange differences are recognised in Other Comprehensive Income.

When a foreign operation is sold or any inter-company balances forming part of the net investment are settled, the associated cumulative exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

The items of Consolidated Cash Flow Statement are translated

at the respective average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction. The impact of changes in exchange rate on cash and cash equivalent held in foreign currency is included in effect of exchange rate changes.

### (w) 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 Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Consolidated 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 revenue.

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

### (x) Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- 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.

### (y) 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



## Notes to the consolidated financial statements for the year ended 31 March 2023

observable market data (unobservable inputs).

The Group 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 Group 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 Group 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.

### (z) Critical estimates and judgments

The preparation of consolidated 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 recognised 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 recognised in the consolidated financial statements is included in the following notes.

- Assessment of useful life of property, plant and equipment and intangible asset – Note 2(g)
- Valuation of inventories – Note 2(k)
- Recognition of revenue and related accruals – Note 2(n)
- Fair value measurements – Note 2(y) and 32
- Impairment of financial assets and non-financial assets – Note 2(i), 2(j), 4(a) and 42

- Estimation of assets and obligations relating to employee benefits – Note 31
- Recognition and estimation of tax expense including deferred tax – Note 8 and 29
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 37
- Lease term: whether the Group is reasonably certain to exercise extension options – Note 2(t) and 39

### (aa) 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 Group 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 Group 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 Group is in the process of evaluating the impact of the amendment.

## Notes to the consolidated financial statements for the year ended 31 March 2023

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

	Land-freehold	Building-factory	Building-others	Plant and equipment	Furniture and fixtures	Vehicles-Owned	Office Equipment	Total	(₹ in million) Capital work-in-progress
<b>Gross carrying amount as at 1 April 2021</b>	<b>436.86</b>	<b>6,399.84</b>	<b>1,344.43</b>	<b>19,326.25</b>	<b>1,290.01</b>	<b>27.32</b>	<b>1,182.83</b>	<b>30,007.54</b>	<b>2,777.80</b>
Additions	-	18.27	14.25	2,611.35	950.91	11.29	154.24	3,760.31	3,757.41
Deductions	-	-	-	(80.10)	(1.75)	-	(17.77)	(99.62)	(3,696.78)
Foreign currency translation adjustment	11.00	180.23	-	474.94	43.51	-	35.62	745.30	79.83
<b>Gross carrying amount as at 31 March 2022</b>	<b>447.86</b>	<b>6,598.34</b>	<b>1,358.68</b>	<b>22,332.44</b>	<b>2,282.68</b>	<b>38.61</b>	<b>1,354.92</b>	<b>34,413.53</b>	<b>2,918.26</b>
<b>Accumulated depreciation as at 1 April 2021</b>	<b>-</b>	<b>1,465.22</b>	<b>145.67</b>	<b>7,109.30</b>	<b>550.21</b>	<b>19.59</b>	<b>638.31</b>	<b>9,928.30</b>	<b>-</b>
Depreciation charge for the year	-	268.24	32.94	1,571.98	218.36	3.01	163.46	2,257.99	-
Deductions	-	-	-	(54.00)	(1.56)	-	(14.38)	(69.94)	-
Foreign currency translation adjustment	-	49.30	-	194.61	17.52	-	23.19	284.62	-
<b>Accumulated depreciation as at 31 March 2022</b>	<b>-</b>	<b>1,782.76</b>	<b>178.61</b>	<b>8,821.89</b>	<b>784.53</b>	<b>22.60</b>	<b>810.58</b>	<b>12,400.97</b>	<b>-</b>
<b>Net carrying amount as at 31 March 2022</b>	<b>447.86</b>	<b>4,815.58</b>	<b>1,180.07</b>	<b>13,510.55</b>	<b>1,498.15</b>	<b>16.01</b>	<b>544.34</b>	<b>22,012.56</b>	<b>2,918.26</b>

	Land-freehold	Building-factory	Building-others	Plant and equipment	Furniture and fixtures	Vehicles-Owned	Office Equipment	Total	(₹ in million) Capital work-in-progress
<b>Gross carrying amount as at 1 April 2022</b>	<b>447.86</b>	<b>6,598.34</b>	<b>1,358.68</b>	<b>22,332.44</b>	<b>2,282.68</b>	<b>38.61</b>	<b>1,354.92</b>	<b>34,413.53</b>	<b>2,918.26</b>
Additions	-	183.17	11.78	2,142.76	374.87	5.07	174.83	2,892.48	7,375.00
Deductions	(20.04)	-	-	(333.67)	(82.50)	(12.44)	(57.78)	(506.43)	(2,772.12)
Foreign currency translation adjustment	11.88	346.11	-	811.39	118.16	-	64.02	1,351.56	211.32
<b>Gross carrying amount as at 31 March 2023</b>	<b>439.70</b>	<b>7,127.62</b>	<b>1,370.46</b>	<b>24,952.92</b>	<b>2,693.21</b>	<b>31.24</b>	<b>1,535.99</b>	<b>38,151.14</b>	<b>7,732.46</b>
<b>Accumulated depreciation as at 1 April 2022</b>	<b>-</b>	<b>1,782.76</b>	<b>178.61</b>	<b>8,821.89</b>	<b>784.53</b>	<b>22.60</b>	<b>810.58</b>	<b>12,400.97</b>	<b>-</b>
Depreciation charge for the year	-	285.60	27.81	1,729.96	303.11	3.46	177.27	2,527.21	-
Deductions	-	-	-	(195.27)	(41.33)	(8.54)	(48.39)	(293.53)	-
Foreign currency translation adjustment	-	99.82	-	349.29	49.72	-	42.36	541.19	-
<b>Accumulated depreciation as at 31 March 2023</b>	<b>-</b>	<b>2,168.18</b>	<b>206.42</b>	<b>10,705.87</b>	<b>1,096.03</b>	<b>17.52</b>	<b>981.82</b>	<b>15,175.84</b>	<b>-</b>
<b>Net carrying amount as at 31 March 2023</b>	<b>439.70</b>	<b>4,959.44</b>	<b>1,164.04</b>	<b>14,247.05</b>	<b>1,597.18</b>	<b>13.72</b>	<b>554.17</b>	<b>22,975.30</b>	<b>7,732.46</b>

#### Notes:

- (1) Refer note 16.3 for information on property, plant and equipment provided as security by the Group.
- (2) Refer note 38(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- (3) Refer note 41 (b) for finance costs capitalised.



## Notes to the consolidated financial statements for the year ended 31 March 2023

### Capital work-in-progress ageing schedule:

Ageing for capital work-in-progress as at 31 March 2023 is as follows:

	Amount in capital work-in-progress for a period of				(₹ in million)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	5,593.49	1,319.27	398.62	421.08	7,732.46
<b>Total capital work-in-progress</b>	<b>5,593.49</b>	<b>1,319.27</b>	<b>398.62</b>	<b>421.08</b>	<b>7,732.46</b>

Ageing for capital work-in-progress as at 31 March 2022 is as follows:

	Amount in capital work-in-progress for a period of				(₹ in million)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,936.54	518.88	300.14	162.70	2,918.26
<b>Total capital work-in-progress</b>	<b>1,936.54</b>	<b>518.88</b>	<b>300.14</b>	<b>162.70</b>	<b>2,918.26</b>

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 to the consolidated financial statements for the year ended 31 March 2023

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

	Goodwill	Other intangible assets				Total	Intangible assets under development (₹ in million)
		Internally generated product registration/ market authorisation	Acquired patents, trademarks/ trade names and customer contracts	Rights	Software		
<b>Gross carrying amount as at 1 April 2021</b>	<b>21,299.62</b>	<b>5,324.56</b>	<b>359.46</b>	<b>18.81</b>	<b>990.84</b>	<b>6,693.67</b>	<b>6,192.14</b>
Additions	-	67.75	-	-	58.15	125.90	1,853.77
Deductions	-	-	-	-	-	-	(279.73) <sup>(2)</sup>
Foreign currency translation adjustment	1,127.92	219.79	30.50	-	28.64	278.93	211.21
<b>Gross carrying amount as at 31 March 2022</b>	<b>22,427.54</b>	<b>5,612.10</b>	<b>389.96</b>	<b>18.81</b>	<b>1,077.63</b>	<b>7,098.50</b>	<b>7,977.39</b>
<b>Accumulated amortisation as at 1 April 2021</b>	<b>-</b>	<b>3,803.60</b>	<b>310.46</b>	<b>18.81</b>	<b>747.08</b>	<b>4,879.95</b>	<b>-</b>
Amortisation for the year	-	605.34	6.44	-	129.86	741.64	-
Deductions	-	-	-	-	-	-	-
Foreign currency translation adjustment	-	138.76	28.82	-	23.49	191.07	-
<b>Accumulated amortisation as at 31 March 2022</b>	<b>-</b>	<b>4,547.70</b>	<b>345.72</b>	<b>18.81</b>	<b>900.43</b>	<b>5,812.66</b>	<b>-</b>
<b>Net carrying amount as at 31 March 2022</b>	<b>22,427.54</b>	<b>1,064.40</b>	<b>44.24</b>	<b>-</b>	<b>177.20</b>	<b>1,285.84</b>	<b>7,977.39</b>

	Goodwill	Other intangible assets				Total	Intangible assets under development (₹ in million)
		Internally generated product registration/ market authorisation	Acquired patents, trademarks/ trade names and customer contracts	Rights	Software		
<b>Gross carrying amount as at 1 April 2022</b>	<b>22,427.54</b>	<b>5,612.10</b>	<b>389.96</b>	<b>18.81</b>	<b>1,077.63</b>	<b>7,098.50</b>	<b>7,977.39</b>
Additions	-	871.97	-	-	144.19	1,016.16	2,242.14
Deductions	-	(172.89)	-	-	(2.32)	(175.21)	(2,646.04) <sup>(2)</sup>
Foreign currency translation adjustment	1,858.32	268.57	32.35	-	58.79	359.71	308.88
<b>Gross carrying amount as at 31 March 2023</b>	<b>24,285.86</b>	<b>6,579.75</b>	<b>422.31</b>	<b>18.81</b>	<b>1,278.29</b>	<b>8,299.16</b>	<b>7,882.37</b>
<b>Accumulated amortisation as at 1 April 2022</b>	<b>-</b>	<b>4,547.70</b>	<b>345.72</b>	<b>18.81</b>	<b>900.43</b>	<b>5,812.66</b>	<b>-</b>
Amortisation for the year	-	646.02 <sup>(3)</sup>	6.94	-	95.84	748.80	-
Deductions	-	(162.76)	-	-	(2.13)	(164.89)	-
Foreign currency translation adjustment	-	194.88	28.80	-	50.90	274.58	-
<b>Accumulated amortisation as at 31 March 2023</b>	<b>-</b>	<b>5,225.84</b>	<b>381.46</b>	<b>18.81</b>	<b>1,045.04</b>	<b>6,671.15</b>	<b>-</b>
<b>Net carrying amount as at 31 March 2023</b>	<b>24,285.86</b>	<b>1,353.91</b>	<b>40.85</b>	<b>-</b>	<b>233.25</b>	<b>1,628.01</b>	<b>7,882.37</b>

#### Notes:

- (1) Refer note 41(b) for finance costs capitalised.
- (2) Includes impairment ₹ 1,629.88 million (31 March 2022: ₹ 153.83 million), refer note 42.
- (3) Includes impairment ₹ 84.38 million, refer note 42.
- (4) Refer note 38(a) for disclosure of contractual commitments for the acquisition of intangible assets.





## Notes to the consolidated financial statements for the year ended 31 March 2023

### Intangible assets under development ageing schedule:

Ageing for intangible assets under development as at 31 March 2023 is as follows:

	Amount in intangible assets under development for a period of				(₹ in million)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,010.29	1,287.83	907.53	3,676.72	7,882.37
<b>Total intangible assets under development</b>	<b>2,010.29</b>	<b>1,287.83</b>	<b>907.53</b>	<b>3,676.72</b>	<b>7,882.37</b>

Ageing for intangible assets under development as at 31 March 2022 is as follows:

	Amount in intangible assets under development for a period of				(₹ in million)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,915.77	1,117.54	783.42	4,160.66	7,977.39
<b>Total intangible assets under development</b>	<b>1,915.77</b>	<b>1,117.54</b>	<b>783.42</b>	<b>4,160.66</b>	<b>7,977.39</b>

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.

### Note 4 (a): Impairment testing of goodwill

For the purposes of impairment testing, goodwill is allocated to the Cash Generating Units (CGU) which represents the lowest level at which the goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments.

The aggregate carrying amounts of goodwill allocated to CGU are as follows:

	As at		(₹ in million)
	31 March 2023	31 March 2022	
Allergy Immunotherapy	1,670.53	1,540.87	
Radiopharma	11,337.97	10,457.99	
Generics	2,635.26	2,453.32	
Contract Development and Manufacturing Organisation - Sterile Injectables	8,642.10	7,975.36	
<b>Total</b>	<b>24,285.86</b>	<b>22,427.54</b>	

The recoverable amount of the cash generating units was based on its value in use. The value in use of these units was determined to be higher than the carrying amount. The Group performed an analysis of the sensitivity towards change in key assumptions. Based on such analysis, the Group believes that any reasonably possible change in key assumptions on which recoverable amount of the above mentioned CGUs is based would not cause the carrying amount to exceed the recoverable amount of related CGUs.

Value in use 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:

- 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.
- The terminal growth rate represents management view on the future long-term growth rate.

	31 March 2023	31 March 2022
Allergy Immunotherapy	2%	2%
Radiopharma	2%	2%
Generics	2%-5%	0%-2%
Contract Development and Manufacturing Organisation - Sterile Injectables	2%	2%



## Notes to the consolidated financial statements for the year ended 31 March 2023

- iii. The pre-tax discount rate was estimated based on past experience and taking into consideration the industry's weighted average cost of capital.

	31 March 2023	31 March 2022
Allergy Immunotherapy	13%	11%
Radiopharma	9%	8%-10%
Generics	9%-13%	8%-12%
Contract Development and Manufacturing Organisation - Sterile Injectables	10%	8-9%

- iv. 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.

### Note 5. (a) Investment in associates

(₹ in million)

	As at	
	31 March 2023	31 March 2022
<b>Investment in unquoted instruments</b>		
Sofie Biosciences, Inc.	2,159.53	1,951.07
SPV Laboratories Private Limited	76.77	-
<b>Total investment in associates</b>	<b>2,236.30</b>	<b>1,951.07</b>

#### Details of Group's investment in Sofie Biosciences, Inc.:

The Group holds 2,796,747 Series C Preferred Stock of Sofie Biosciences, Inc. ("Sofie"), USA representing 25% share in its fully-diluted equity. Each share of Series C Preferred Stock is convertible into one share of Common Stock. Sofie is engaged in manufacturing and distribution of radiopharmaceuticals and has a contract manufacturing facility in the USA.

The following table summarises the financial information of Sofie as included in its consolidated financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies, if any. The table also reconciles the summarised consolidated financial information to the carrying amount of the Group's interest in Sofie.

(₹ in million)

	As at	
	31 March 2023	31 March 2022
Non-current assets	8,712.00	6,971.32
Current assets	9,752.12	6,109.44
Non-current liabilities	(3,216.07)	(1,410.12)
Current liabilities	(8,057.80)	(5,139.26)
<b>Total equity</b>	<b>7,190.25</b>	<b>6,531.38</b>
Non-controlling interests	123.63	51.44
<b>Equity attributable to owners of Sofie</b>	<b>7,313.88</b>	<b>6,582.82</b>
Group's share of net assets (25%)	1,828.47	1,645.70
Goodwill	331.06	305.37
<b>Carrying amount of investment</b>	<b>2,159.53</b>	<b>1,951.07</b>

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
Revenue	10,046.81	5,857.16
Profit/(loss) from continuing operations	111.22	(384.35)
Post-tax profit from discontinued operations	-	-
Other comprehensive income	-	-
<b>Total comprehensive income/(loss) (1)</b>	<b>111.22</b>	<b>(384.35)</b>

- (1) Share of profit/(loss) of equity accounted investee is computed after adjusting total comprehensive loss amounting to ₹ 69.06 million for the year ended 31 March 2023 and total comprehensive income amounting to ₹ 14.97 million for the year ended 31 March 2022, attributable to non-controlling interest. Further, during the year ended 31 March 2023, the Company has received EBITDA share from Sofie amounting to ₹ 88.18 million as per the terms of Series C Preferred Stock Purchase Agreement and recorded under share of profit/(loss) of associates.



## Notes to the consolidated financial statements for the year ended 31 March 2023

### Details of Group's investment in SPV Laboratories Private Limited:

On 1 April 2022, the Group acquired 1,007,937 0.01% Compulsorily Convertible Preference Shares (CCPS) and 29,645 equity shares of SPV Laboratories Private Limited ("SPV") representing 25.21% of the share capital of SPV on a fully diluted basis, for a total consideration of ₹ 87.50 million. Each CCPS share is convertible into one equity share subject to anti-dilution as per the terms of the share subscription and shareholders' agreement. SPV is in the business of Herbal and Ayurveda formulations. There is a strong synergy between the Group and SPV with respect to Over-the-Counter (OTC) portfolio which can be explored for Research & Development, online acceleration and offline distribution.

The following table summarises the financial information of SPV as included in its consolidated financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies, if any. The table also reconciles the summarised consolidated financial information to the carrying amount of the Group's interest in SPV.

	(₹ in million)
	As at
	31 March 2023
Non-current assets	46.04
Current assets	63.69
Non-current liabilities	(0.18)
Current liabilities	(0.96)
<b>Total equity</b>	<b>108.59</b>
Non-controlling interests	-
<b>Equity attributable to owners of SPV</b>	<b>108.59</b>
Group's share of net assets (25.21%)	27.37
Goodwill	49.40
<b>Carrying amount of investment</b>	<b>76.77</b>

	(₹ in million)
	For the year ended
	31 March 2023
Revenue	39.43
Loss from continuing operations	(42.56)
Post-tax profit from discontinued operations	-
Other comprehensive income	-
<b>Total comprehensive loss</b>	<b>(42.56)</b>

### Note 5.(b) Non-current investments

	(₹ in million)	
	As at	
	31 March 2023	31 March 2022
<b>I. Investment in equity instruments (at fair value through other comprehensive income)*</b>		
<b>Unquoted</b>		
6,569,310 (31 March 2022: 6,569,310) equity shares of ₹ 10 each		
Forum I Aviation Limited	89.34	68.46
136,291 (31 March 2022: 136,291) shares of USD 1 each		
Vaxxas Pty Ltd	66.09	125.97
Nil (31 March 2022: 209,205) common stock of USD 0.001 each		
Navidea Biopharmaceuticals, Inc.	-	12.53
500,000 (31 March 2022: 500,000) common stock of USD 0.00001 each		
Sudo Biosciences Inc	9.86	13.86
420,696 (31 March 2022: 420,696) Series A preferred stock of USD 0.00001 each		
Sudo Biosciences Inc	21.77	32.85



## Notes to the consolidated financial statements for the year ended 31 March 2023

(₹ in million)

	As at	
	31 March 2023	31 March 2022
534,194 (31 March 2022: 534,194) common stock of USD 0.001 each IniPharm Inc.	12.09	13.33
2,213,933 (31 March 2022: 1,642,505) Series A preferred stock of USD 0.00001 each IniPharm Inc.	103.94	102.27
19,493 (31 March 2022: Nil) common stock of GBP 0.0001 each Deep Mirror Ltd.	3.80	-
400,000 (31 March 2022: Nil) common stock of USD 0.00001 each V6 Therapeutics Inc.	0.76	-
<b>II. Investment in equity instruments (at fair value through profit or loss)</b>		
<b>Unquoted</b>		
Investment in 10% of total capital of the fund Healthcare Ventures IX L.P.	19.67	54.71
<b>III. Investment in debt instruments (at fair value through profit or loss)</b>		
<b>Unquoted</b>		
164,565 (31 March 2022: 164,565) warrants Leap Therapeutics Inc.	0.61	10.95
<b>Total non-current investments</b>	<b>327.93</b>	<b>434.93</b>
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	327.93	434.93
Aggregate amount of impairment in the value of investments	-	-

\* The Group designated this investment as equity instruments measured at FVOCI because these shares represent investment that the Group intends to hold for long-term for strategic purposes.

### Note 6. Loans

(₹ in million)

	As at			
	31 March 2023		31 March 2022	
	Current	Non-current	Current	Non-current
<b>Unsecured, considered good</b>				
Loan to employees	11.35	4.34	14.00	5.50
<b>Total loans</b>	<b>11.35</b>	<b>4.34</b>	<b>14.00</b>	<b>5.50</b>

### Note 7. Other financial assets

(₹ in million)

	As at			
	31 March 2023		31 March 2022	
	Current	Non-current	Current	Non-current
Bank deposits with more than twelve months maturity (1)	-	32.12	-	30.37
Security deposits	0.11	151.91	0.11	150.05
Receivable from related parties (refer note 36)	83.85	-	46.50	-
Insurance claims receivable	118.81	-	131.74	-
Unbilled receivables	895.80	-	634.49	-
Interest receivable	6.68	-	11.01	-
Others	185.16	-	53.53	-
<b>Total other financial assets</b>	<b>1,290.41</b>	<b>184.03</b>	<b>877.38</b>	<b>180.42</b>

#### Notes:

(1) ₹ 32.12 million (31 March 2022: ₹ 30.37 million) has restricted use.



## Notes to the consolidated financial statements for the year ended 31 March 2023

### Note 8. Deferred tax

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

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	Accrued expenses and other temporary differences	Total
<b>As at 1 April 2021</b>	<b>244.36</b>	<b>787.98</b>	<b>856.40</b>	<b>1,588.82</b>	<b>407.21</b>	<b>619.88</b>	<b>504.95</b>	<b>5,009.60</b>
<b>(Charged)/credited</b>								
- to consolidated statement of profit and loss	(133.23)	(118.16)	(23.57)	169.99	(167.40)	(457.45)	(74.05)	<b>(803.87)</b>
- to other comprehensive income	(5.42)	-	-	-	-	-	-	<b>(5.42)</b>
Foreign currency translation adjustment	2.06	28.24	2.41	-	1.11	12.49	1.24	<b>47.55</b>
<b>As at 31 March 2022</b>	<b>107.77</b>	<b>698.06</b>	<b>835.24</b>	<b>1,758.81</b>	<b>240.92</b>	<b>174.92</b>	<b>432.14</b>	<b>4,247.86</b>
<b>(Charged)/credited</b>								
- to consolidated statement of profit and loss	14.40	296.77	400.58	72.15	(66.59)	50.50	223.32	<b>991.13</b>
- to other comprehensive income	8.84	-	-	-	-	-	-	<b>8.84</b>
Foreign currency translation adjustment	-	103.90	8.93	-	0.35	9.52	5.19	<b>127.89</b>
<b>As at 31 March 2023</b>	<b>131.01</b>	<b>1,098.73</b>	<b>1,244.75</b>	<b>1,830.96</b>	<b>174.68</b>	<b>234.94</b>	<b>660.65</b>	<b>5,375.72</b>



## Notes to the consolidated financial statements for the year ended 31 March 2023

### Deferred tax liabilities:

	(₹ in million)		
	PPE, intangibles and right-of-use assets	Others	Total
<b>As at 1 April 2021</b>	<b>5,925.78</b>	<b>9.72</b>	<b>5,935.50</b>
<b>Charged/(credited)</b>			
- to consolidated statement of profit and loss	(347.52)	(7.56)	<b>(355.08)</b>
Adjustment on account of reorganisation of subsidiary companies	(115.36)	-	<b>(115.36)</b>
Foreign currency translation adjustment	199.40	0.34	<b>199.74</b>
<b>As at 31 March 2022</b>	<b>5,662.30</b>	<b>2.50</b>	<b>5,664.80</b>
<b>Charged/(credited)</b>			
- to consolidated statement of profit and loss	42.86	64.04	<b>106.90</b>
Foreign currency translation adjustment	391.16	0.53	<b>391.69</b>
<b>As at 31 March 2023</b>	<b>6,096.32</b>	<b>67.07</b>	<b>6,163.39</b>

Reflected in the Consolidated Balance Sheet as follows:

	(₹ in million)	
	As at	
	31 March 2023	31 March 2022
Deferred tax assets	2,274.41	1,612.71
Deferred tax liabilities	3,062.08	3,029.65
<b>Deferred tax liabilities (net)</b>	<b>787.67</b>	<b>1,416.94</b>

### Reconciliation of deferred tax liabilities (net):

	(₹ in million)	
	For the year ended	
	31 March 2023	31 March 2022
Balance as at the commencement of the year	1,416.94	925.90
(Credit)/charge during the year recognised in profit or loss	(884.23)	448.79
(Credit)/charge during the year recognised in OCI	(8.84)	5.42
Foreign currency translation adjustment	263.80	152.19
Credit during the year recognised in amalgamation reserve	-	(115.36)
Balance as at the end of the year	<b>787.67</b>	<b>1,416.94</b>

Deferred tax assets not recognised in respect of certain subsidiaries is as below:

	(₹ in million)			
	As at			
	31 March 2023		31 March 2022	
	Temporary differences	Deferred tax on temporary differences	Temporary differences	Deferred tax on temporary differences
Deductible temporary differences	3,843.29	818.97	2,383.39	511.28
Less: taxable temporary differences	2,205.65	463.19	1,385.21	290.96
Net unrecognised temporary differences	<b>1,637.64</b>	<b>355.78</b>	<b>998.18</b>	<b>220.32</b>





## Notes to the consolidated financial statements for the year ended 31 March 2023

The Group has determined that below undistributed profits of certain subsidiaries will not be distributed in the foreseeable future:

	(₹ in million)	
	As at	
	31 March 2023	31 March 2022
Undistributed earnings of subsidiaries	57,034.78	58,809.26

DTA has not been recognised on temporary differences in relation to indexation benefit of investment in subsidiaries and freehold land amounting to ₹ 5,879.20 million (31 March 2022: ₹ 5,325.63 million) and ₹ 58.83 million (31 March 2022: ₹ 57.09 million) respectively, as the Group 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.

### Expiry period of unused tax losses:

Below is the summary of unused tax losses and unabsorbed depreciation available to reduce future income taxes and the period of expiry if the same is not used:

	(₹ in million)			
	As at			
	31 March 2023		31 March 2022	
	Unused tax losses	Period of expiry	Unused tax losses	Period of expiry
India - tax losses	10.88	2027 to 2031	5.19	2023 to 2030
India - unabsorbed depreciation	3.54	Indefinite period	1.98	Indefinite period
United States	2,386.09	Indefinite period	2,022.29	Indefinite period
Belgium	266.91	Indefinite period	239.79	Indefinite period
Australia	1.97	Indefinite period	2.37	Indefinite period

**Tax related contingencies:** Refer note 37.

### Note 9. Other non-current assets

	(₹ in million)	
	As at	
	31 March 2023	31 March 2022
Capital advances	981.28	906.63
Others	8.80	9.46
<b>Total other non-current assets</b>	<b>990.08</b>	<b>916.09</b>

### Note 10. Inventories

	(₹ in million)	
	As at	
	31 March 2023	31 March 2022
Raw materials *	4,542.83	4,027.05
Work-in-progress	4,534.52	3,792.58
Finished goods *	2,502.70	2,765.86
Stock-in-trade *	441.70	380.20
Stores and spares *	1,770.99	1,569.62
Others- process chemicals and fuels	12.59	13.38
<b>Total inventories</b>	<b>13,805.33</b>	<b>12,548.69</b>
* Goods in transit included in the above		
Raw materials	216.64	386.02
Finished goods	84.90	240.87
Stock-in-trade	14.04	167.72
Stores and spares	-	7.13
<b>Total goods in transit</b>	<b>315.58</b>	<b>801.74</b>
Total write down of inventories recognised during the year	1,384.66	1,729.46



## Notes to the consolidated financial statements for the year ended 31 March 2023

### Note 11. Trade receivables

(₹ in million)

	As at	
	31 March 2023	31 March 2022
<b>Unsecured and current</b>		
Trade receivables - considered good	9,606.49	9,276.87
Receivables from related parties - considered good (refer note 36)	5.87	97.25
Trade receivables - credit impaired	505.24	164.61
Less: Expected credit loss allowance (refer note 33)	(505.24)	(258.79)
<b>Total trade receivables</b>	<b>9,612.36</b>	<b>9,279.94</b>

#### Trade receivables ageing schedule as at 31 March 2023:

(₹ in million)

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	6,534.15	2,457.86	562.58	56.32	0.04	1.41	9,612.36
Undisputed trade receivables – credit impaired	1.99	2.77	160.87	179.90	18.50	126.71	490.74
Disputed trade receivables – credit impaired	-	-	3.68	-	0.82	10.00	14.50
	<b>6,536.14</b>	<b>2,460.63</b>	<b>727.13</b>	<b>236.22</b>	<b>19.36</b>	<b>138.12</b>	<b>10,117.60</b>
Less: Expected credit loss allowance							(505.24)
<b>Total trade receivables</b>							<b>9,612.36</b>

#### Trade receivables ageing schedule as at 31 March 2022:

(₹ in million)

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	6,634.22	2,439.24	253.29	24.30	8.11	14.96	9,374.12
Undisputed trade receivables – credit impaired	0.04	7.19	16.45	11.15	11.55	112.23	158.61
Disputed trade receivables – credit impaired	-	-	-	0.82	0.59	4.59	6.00
	<b>6,634.26</b>	<b>2,446.43</b>	<b>269.74</b>	<b>36.27</b>	<b>20.25</b>	<b>131.78</b>	<b>9,538.73</b>
Less: Expected credit loss allowance							(258.79)
<b>Total trade receivables</b>							<b>9,279.94</b>

### Note 12. (a) Cash and cash equivalents

(₹ in million)

	As at	
	31 March 2023	31 March 2022
<b>Balances with banks</b>		
- current accounts	9,927.24	9,485.07
- dividend accounts	31.36	35.56
- deposit accounts with original maturity up to three months	148.01	266.41
<b>Cash on hand</b>	<b>0.33</b>	<b>0.39</b>
<b>Cheques/drafts on hand</b>	<b>-</b>	<b>26.41</b>
<b>Others</b>		
- Funds in transit	32.13	24.22
- Imprest	0.12	0.13
<b>Total cash and cash equivalents (1)</b>	<b>10,139.19</b>	<b>9,838.19</b>

#### Note:

(1) ₹ 503.36 million (31 March 2022: ₹ 35.56 million) has restricted use.



## Notes to the consolidated financial statements for the year ended 31 March 2023

### Note 12. (b) Other bank balances

(₹ in million)

	As at	
	31 March 2023	31 March 2022
Deposits accounts with maturity up to twelve months from the reporting date	3.84	4.18
<b>Total other bank balances (1)</b>	<b>3.84</b>	<b>4.18</b>

#### Note:

(1) ₹ 3.84 million (31 March 2022: ₹ 4.18 million) has restricted use.

### Note 13. Other current assets

(₹ in million)

	As at	
	31 March 2023	31 March 2022
Prepaid expenses	899.80	833.54
Recoverable from/balance with government authorities	1,211.17	1,306.36
Advance to employees	69.34	42.76
Advance for supply of goods and services	409.63	312.10
Others	56.16	32.94
<b>Total other current assets</b>	<b>2,646.10</b>	<b>2,527.70</b>

### Note 14. Equity share capital

(₹ in million)

	As at	
	31 March 2023	31 March 2022
<b>Authorised</b>		
1,430,200,000 (31 March 2022 : 1,430,200,000) equity shares of ₹ 1 each	1,430.20	1,430.20
	<b>1,430.20</b>	<b>1,430.20</b>
<b>Issued and subscribed</b>		
159,313,139 (31 March 2022 : 159,313,139) equity shares of ₹ 1 each	159.31	159.31
	<b>159.31</b>	<b>159.31</b>
<b>Paid up capital</b>		
159,281,139 (31 March 2022 : 159,281,139) equity shares of ₹ 1 each	159.28	159.28
Add: Equity shares forfeited (paid up)	0.02	0.02
	<b>159.30</b>	<b>159.30</b>
Less: 209,457 (31 March 2022: 107,140) treasury shares held in trust for employees under ESOP scheme	(0.21)	(0.11)
	<b>159.09</b>	<b>159.19</b>

#### Movement in equity share capital:

	31 March 2023		31 March 2022	
	Number	₹ in million	Number	₹ in million
<b>At the commencement and at the end of the year</b>	159,281,139	159.28	159,281,139	159.28

#### Terms and rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having par value of ₹ 1 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.



## Notes to the consolidated financial statements for the year ended 31 March 2023

### Details of shareholders holding more than 5% shares in the Company:

Equity shares of ₹ 1 each fully paid-up held by	31 March 2023		31 March 2022	
	Number	% of total shares	Number	% of total shares
SPB Trustee Company Private Limited & SS Trustee Company Private Limited (Jointly on behalf of Shyam Sunder Bhartia Family Trust)	32,686,161	20.52%	32,686,161	20.52%
HSB Trustee Company Private Limited & HS Trustee Company Private Limited (Jointly on behalf of Hari Shanker Bhartia Family Trust)	30,257,475	19.00%	30,257,475	19.00%

### Disclosure of shareholding of promoters:

Shareholding of promoters as at 31 March 2023 is as follows:

Promoter name	31 March 2023		31 March 2022		% change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
- Mr. Hari Shanker Bhartia	360,885	0.23%	360,885	0.23%	-
- Ms. Kavita Bhartia	10,285	0.01%	10,285	0.01%	-
- Mr. Priyavrat Bhartia	1,398,010	0.88%	3,085	0.00%	0.88%
- Mr. Shamit Bhartia	129,245	0.08%	129,245	0.08%	-
- Jaytee Private Limited	7,600	0.00%	7,600	0.00%	-
- Nikita Resources Private Limited	3,504,540	2.20%	3,504,540	2.20%	-
- HSB Trustee Company Private Limited & HS Trustee Company Private Limited (Jointly on behalf of Hari Shanker Bhartia Family Trust)	30,257,475	19.00%	30,257,475	19.00%	-
- SPB Trustee Company Private Limited & SS Trustee Company Private Limited (Jointly on behalf of Shyam Sunder Bhartia Family Trust)	32,686,161	20.52%	32,686,161	20.52%	-
- MAV Management Advisors LLP	5,011,400	3.15%	5,011,400	3.15%	-
- Jubilant Enpro Private Limited	2,116,000	1.33%	2,116,000	1.33%	-
- Mr. Shyam Sunder Bhartia	5,000	0.00%	1,399,925	0.88%	(0.88%)
- Miller Holdings Pte. Limited	5,230,455	3.28%	5,230,455	3.28%	-
<b>Total</b>	<b>80,717,056</b>	<b>50.68%</b>	<b>80,717,056</b>	<b>50.68%</b>	<b>-</b>

Shareholding of promoters as at 31 March 2022 is as follows:

Promoter name	31 March 2022		31 March 2021		% change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
- Mr. Hari Shanker Bhartia	360,885	0.23%	360,885	0.23%	-
- Ms. Kavita Bhartia	10,285	0.01%	10,285	0.01%	-
- Mr. Priyavrat Bhartia	3,085	0.00%	3,085	0.00%	-
- Mr. Shamit Bhartia	129,245	0.08%	129,245	0.08%	-
- Jaytee Private Limited	7,600	0.00%	7,600	0.00%	-
- Nikita Resources Private Limited	3,504,540	2.20%	3,504,540	2.20%	-
- HSB Trustee Company Private Limited & HS Trustee Company Private Limited (Jointly on behalf of Hari Shanker Bhartia Family Trust)	30,257,475	19.00%	30,257,475	19.00%	-
- SPB Trustee Company Private Limited & SS Trustee Company Private Limited (Jointly on behalf of Shyam Sunder Bhartia Family Trust)	32,686,161	20.52%	32,686,161	20.52%	-
- MAV Management Advisors LLP	5,011,400	3.15%	5,011,400	3.15%	-
- Jubilant Enpro Private Limited	2,116,000	1.33%	2,116,000	1.33%	-
- Mr. Shyam Sunder Bhartia	1,399,925	0.88%	1,399,925	0.88%	-
- Miller Holdings Pte. Limited	5,230,455	3.28%	5,230,455	3.28%	-
<b>Total</b>	<b>80,717,056</b>	<b>50.68%</b>	<b>80,717,056</b>	<b>50.68%</b>	<b>-</b>



## Notes to the consolidated financial statements for the year ended 31 March 2023

### Note 15. Nature and purpose of other equity

- *Capital reserve*

Accumulated capital surplus not available for distribution of dividend and expected to remain invested permanently. This includes the excess of cost of treasury shares purchased from secondary market over the face value of such shares. This also includes reserves arising on transaction with non-controlling interest.

- *Capital redemption reserve*

Capital redemption reserve represents the unutilized accumulated amount set aside at the time of redemption of shares. This reserve is utilised in accordance with the provisions of the Act.

- *Amalgamation reserve*

Amalgamation reserve represents the unutilized accumulated surplus/(deficit) created at the time of amalgamation of another company with the Company. This reserve is not available for distribution of dividend and is expected to remain invested permanently.

- *Legal reserve*

This represents the statutory reserves created based on the requirements of local regulations. This reserve is not available for distribution.

- *Share based payment reserve*

The fair value of the equity settled share based payment transactions with employees is recognised in Consolidated Statement of Profit and Loss with corresponding credit to share based payment reserve.

- *Retained earnings*

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

- *Equity instrument through OCI*

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the equity instrument through OCI within equity. The Group transfers amount therefrom to retained earnings when the relevant equity securities are derecognised.

- *Foreign currency translation reserve*

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the Group disposes or partially disposes off its interest in a foreign operation through sale, liquidation, repayment of share capital or abandonment of all, or part of, that entity.

### Note 16. (A) Non-current borrowings

(₹ in million)

	As at	
	31 March 2023	31 March 2022
<b>Bonds</b>		
6% senior notes (unsecured)	-	15,068.43
<b>Term loans</b>		
<b>From banks</b>		
Indian rupee loans (secured)	1,512.19	750.00
Foreign currency loans (unsecured)	28,453.17	7,564.61
<b>From other parties</b>		
Foreign currency loans (secured)	1,138.26	1,259.38
<b>Total non-current borrowings</b>	<b>31,103.62</b>	<b>24,642.42</b>
Add: Current maturities of non-current borrowings (refer note 16(B))	414.61	3,993.74
<b>Total non-current borrowings (including current maturities)</b>	<b>31,518.23</b>	<b>28,636.16</b>



## Notes to the consolidated financial statements for the year ended 31 March 2023

### Note 16 (B): Current borrowings

	(₹ in million)	
	As at	
	31 March 2023	31 March 2022
Current maturities of non-current borrowings (refer note 16(A))	414.61	3,993.74
<b>Working capital loans</b>		
<b>From banks</b>		
Secured	2,582.55	640.00
<b>Total current borrowings</b>	<b>2,997.16</b>	<b>4,633.74</b>

#### 16.1 Nature of security and other terms of repayment of borrowings as at 31 March 2023

- 16.1.1 Unsecured term loans amounting to USD 350.00 million (₹ 28,759.50 million), carrying interest rate of SOFR+1.98%, is repayable in 3 half yearly installments from July 2026. The interest rate varies basis compliance with contractually agreed sustainability linked conditions.
- 16.1.2 Secured term loan amounting to USD 16.62 million (₹ 1,365.37 million) is secured by way of security interest in and to the equipment financed through such term loan. The term loan carries interest rate of 1.8576% per annum and is repayable in monthly installments ending in December 2028.
- 16.1.3 Indian rupee term loans amounting to ₹ 1,699.69 million from The Hongkong and Shanghai Banking Corporation Limited are secured by a first pari-passu charge on all movable assets, both present and future, of Jubilant Biosys Limited. Term loan of ₹ 1,000.00 million is repayable in 16 equal quarterly installments from March 2025 and balance is repayable in 16 equal quarterly installments from March 2023. The loan carry floating interest rate of T-Bill+2.73%. During the year ended 31 March 2023, the loans carry interest rate ranging from 7.10% to 9.54% per annum.
- 16.1.4 Indian rupee working capital facilities (including cash credit) sanctioned by banks are secured by a first charge by way of hypothecation, ranking pari-passu inter-se banks, of certain book debts and receivables and inventories, both present and future, of the Group wherever the same may be or be held. Working capital facilities carry interest rate ranging from 4.04% to 9.25% per annum and are repayable as per terms of the agreement within one year.

#### 16.2 Nature of security and other terms of repayment of borrowings as at 31 March 2022

- 16.2.1 Unsecured 6.00% senior notes amounting to USD 200.00 million (₹ 15,158.50 million) issued by Jubilant Pharma limited are repayable in single installment in March 2024. During the year ended 31 March 2023, the Group has early redeemed USD 200.00 million in aggregate principal amount of the Senior Notes together with accrued interest and redemption premium. Redemption of the Senior Notes was through refinancing and the Senior Notes were cancelled upon redemption.
- 16.2.2 Unsecured term loans amounting to USD 150.00 million (₹ 11,368.88 million), carrying interest rate of LIBOR+2.60%, is repayable in 6 equal quarterly installments from October 2022. During the year ended 31 March 2023, the Group has repaid the term loan together with accrued interest. Repayment of term loan was through refinancing.
- 16.2.3 Secured term loan amounting to USD 19.33 million (₹ 1,465.00 million) is secured by way of security interest in and to the equipment financed through such term loan. The term loan carries interest rate of 1.8576% per annum and is repayable in monthly installments ending in December 2028.
- 16.2.4 Indian rupee term loans amounting to ₹ 750.00 million from The Hongkong and Shanghai Banking Corporation Limited are secured by a first pari-passu charge on all movable assets, both present and future, of Jubilant Biosys Limited. The Indian rupee term loan is repayable in 16 equal quarterly installments from March 2023. The loan carry floating interest rate calculated in accordance with the terms of the arrangement which is a specified benchmark rate (reset at periodic intervals), adjusted for agreed spread. During the year ended 31 March 2022, the loans carry interest rate ranging from 6.23% to 7.10% per annum.
- 16.2.5 Indian rupee working capital facilities (including cash credit) sanctioned by consortium of banks and notified financial institutions are secured by a first charge by way of hypothecation, ranking pari-passu inter-se banks, of the entire book debts and receivables and inventories, both present and future, of Jubilant Generics Limited wherever the same may be or be held. Working capital facilities carry interest rate ranging from 3.62% to 7.75% per annum and are repayable as per terms of the agreement within one year.





## Notes to the consolidated financial statements for the year ended 31 March 2023

### 16.3 Assets pledged as security

Assets with following carrying amounts are pledged as collateral/security against loans and borrowings at year end:

(₹ in million)

	As at	
	31 March 2023	31 March 2022
Property, plant and equipment	3,441.07	2,673.08
Inventories	4,784.48	8,678.14
Financial assets	4,022.01	9,164.12
Other assets	-	192.33
	<b>12,247.56</b>	<b>20,707.67</b>

### 16.4 Reconciliation of movements of liabilities (borrowings, lease liabilities and interest accrued) to cash flows arising from financing activities:

(₹ in million)

	31 March 2023	31 March 2022
<b>As at the beginning of the year</b>	32,050.96	28,409.22
Movement due to cash transactions as per the consolidated statement of cash flows	(726.53)	474.54
Movement due to:		
- Finance cost expensed (including exceptional items)	2,450.12	1,454.86
- Finance cost capitalised	92.90	31.09
- Lease liabilities	426.47	648.71
- Foreign exchange movement	2,541.18	1,044.38
- Unwinding of discount on decommissioning provisions	(10.88)	(11.84)
<b>As at the end of the year</b>	<b>36,824.22</b>	<b>32,050.96</b>

### Note 17. Provisions

(₹ in million)

	As at			
	31 March 2023		31 March 2022	
	Current	Non-current	Current	Non-current
<b>Unsecured, considered good</b>				
Provision for employee benefits (refer note 31)	573.43	463.50	572.49	511.21
Decommissioning provisions	-	458.98	-	445.45
Provision for sales return	210.10	-	295.90	-
<b>Total provisions</b>	<b>783.53</b>	<b>922.48</b>	<b>868.39</b>	<b>956.66</b>

The following table presents the movement in the decommissioning provisions during the year:

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
<b>Balance at the beginning of the year</b>	<b>445.45</b>	<b>407.78</b>
Provision made during the year (net of reversal)	(20.46)	17.59
Unwinding of discount	10.88	11.84
Utilised during the year	(13.81)	(7.12)
Foreign currency translation adjustment	36.92	15.36
<b>Balance at the end of the year</b>	<b>458.98</b>	<b>445.45</b>

Decommissioning provision arises from regulatory and contractual requirements to perform certain asset disposal activities at the time that certain leased premises are vacated and certain machinery and equipment is disposed off.



## Notes to the consolidated financial statements for the year ended 31 March 2023

The following table presents the movement in the provisions for sales return during the year:

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
<b>Balance at the beginning of the year</b>	<b>295.90</b>	<b>304.47</b>
Provisions made during the year (net of reversal)	93.24	323.72
Credits issued during the year	(200.47)	(342.75)
Foreign currency translation adjustments	21.43	10.46
<b>Balance at the end of the year</b>	<b>210.10</b>	<b>295.90</b>

### Note 18. Trade payables

(₹ in million)

	As at	
	31 March 2023	31 March 2022
<b>Current</b>		
Total outstanding dues of micro enterprises and small enterprises (refer note 30)	175.60	62.86
Total outstanding dues of creditors other than micro enterprises and small enterprises	8,037.57	5,614.54
<b>Total trade payables</b>	<b>8,213.17</b>	<b>5,677.40</b>
Amount payable to related parties included in the above (refer note 36)	108.96	82.31

#### Trade payables ageing schedule as at 31 March 2023:

(₹ in million)

	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises	11.62	103.41	60.57	-	-	-	175.60
Other than micro enterprises and small enterprises	2,605.99	1,559.19	3,794.70	61.80	4.76	11.13	8,037.57
Disputed dues - micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues - other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total trade payables</b>	<b>2,617.61</b>	<b>1,662.60</b>	<b>3,855.27</b>	<b>61.80</b>	<b>4.76</b>	<b>11.13</b>	<b>8,213.17</b>

#### Trade payables ageing schedule as at 31 March 2022:

(₹ in million)

	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises	1.54	54.90	6.42	-	-	-	62.86
Other than micro enterprises and small enterprises	2,765.53	1,822.51	927.26	59.24	22.56	17.44	5,614.54
Disputed dues - micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues - other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total trade payables</b>	<b>2,767.07</b>	<b>1,877.41</b>	<b>933.68</b>	<b>59.24</b>	<b>22.56</b>	<b>17.44</b>	<b>5,677.40</b>



## Notes to the consolidated financial statements for the year ended 31 March 2023

### Note 19. Other financial liabilities

(₹ in million)

	As at	
	31 March 2023	31 March 2022
<b>Non-current</b>		
Employee benefits payable	18.49	5.04
<b>Total other non-current financial liabilities</b>	<b>18.49</b>	<b>5.04</b>
<b>Current</b>		
Interest accrued	56.59	130.94
Unpaid dividend	31.36	35.56
Security deposit	1.70	2.70
Capital creditors *	1,591.72	387.05
Employee benefits payable	1,657.20	1,778.40
Other payables	15.97	16.20
<b>Total other current financial liabilities</b>	<b>3,354.54</b>	<b>2,350.85</b>

\* Includes outstanding dues of micro enterprises and small enterprises of ₹ 11.88 million (31 March 2022: ₹ 0.69 million)

### Note 20. Other liabilities

(₹ in million)

	As at	
	31 March 2023	31 March 2022
<b>Non-current</b>		
Contract liabilities	26.12	30.48
Deferred income - government grant	2,658.96	42.48
<b>Total other non-current liabilities</b>	<b>2,685.08</b>	<b>72.96</b>
<b>Current</b>		
Contract liabilities	710.73	902.04
Deferred income - government grant	7.89	7.77
Statutory dues payables	499.20	608.83
<b>Total other current liabilities</b>	<b>1,217.82</b>	<b>1,518.64</b>

### Note 21. Revenue from operations

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
Sale of products	45,194.01	42,919.88
Sale of services	16,999.01	17,671.77
Other operating revenue (refer note 41(a))	624.26	709.99
<b>Total revenue from operations</b>	<b>62,817.28</b>	<b>61,301.64</b>

## Notes to the consolidated financial statements for the year ended 31 March 2023

### Disaggregation of revenue

In the following table, revenue from sale of product and services is disaggregated by primary geographical market and major products/service lines.

	For the year ended 31 March 2023							(₹ in million)
	Radiopharma	Allergy Immunotherapy	Contract Development and Manufacturing Organisation - Sterile Injectables	Generics	Contract Research, Development and Manufacturing Organisation	Proprietary Novel Drugs	Management Services	Total
<b>Primary geographical markets</b>								
- India	-	-	-	357.73	910.59	-	217.86	1,486.18
- Americas and Europe	25,093.39	5,945.44	11,365.75	5,480.16	7,808.88	38.18	-	55,731.80
- Rest of the world	247.01	82.18	181.15	1,713.65	2,751.05	-	-	4,975.04
<b>Total</b>	<b>25,340.40</b>	<b>6,027.62</b>	<b>11,546.90</b>	<b>7,551.54</b>	<b>11,470.52</b>	<b>38.18</b>	<b>217.86</b>	<b>62,193.02</b>
<b>Major products/service lines</b>								
- Radiopharmaceuticals (including radiopharmacies)	25,340.40	-	-	-	-	-	-	25,340.40
- Contract manufacturing operations	-	-	11,546.90	-	-	-	-	11,546.90
- Allergy therapy products	-	6,027.62	-	-	-	-	-	6,027.62
- Solid dosage formulations	-	-	-	7,199.42	-	-	-	7,199.42
- Active pharmaceutical ingredients	-	-	-	-	6,267.59	-	-	6,267.59
- Contract Research and Development Services	-	-	-	-	5,202.93	-	-	5,202.93
- India branded pharmaceuticals	-	-	-	352.12	-	-	-	352.12
- Proprietary Novel Drugs	-	-	-	-	-	38.18	-	38.18
- Management Services	-	-	-	-	-	-	217.86	217.86
<b>Total</b>	<b>25,340.40</b>	<b>6,027.62</b>	<b>11,546.90</b>	<b>7,551.54</b>	<b>11,470.52</b>	<b>38.18</b>	<b>217.86</b>	<b>62,193.02</b>



## Notes to the consolidated financial statements for the year ended 31 March 2023

(₹ in million)

	For the year ended 31 March 2022							
	Radiopharma	Allergy Immunotherapy	Contract Development and Manufacturing Organisation - Sterile Injectables	Generics	Contract Research, Development and Manufacturing Organisation	Proprietary Novel Drugs	Management Services	Total
<b>Primary geographical markets</b>								
- India	-	-	-	2,194.88	679.80	-	202.49	3,077.17
- Americas and Europe	20,779.94	4,842.34	12,976.96	7,178.47	7,005.33	18.41	-	52,801.45
- Rest of the world	192.29	46.13	256.17	2,125.34	2,093.10	-	-	4,713.03
<b>Total</b>	<b>20,972.23</b>	<b>4,888.47</b>	<b>13,233.13</b>	<b>11,498.69</b>	<b>9,778.23</b>	<b>18.41</b>	<b>202.49</b>	<b>60,591.65</b>
<b>Major products/service lines</b>								
- Radiopharmaceuticals (including radiopharmacies)	20,972.23	-	-	-	-	-	-	20,972.23
- Contract manufacturing operations	-	-	13,233.13	-	-	-	-	13,233.13
- Allergy therapy products	-	4,888.47	-	-	-	-	-	4,888.47
- Solid dosage formulations	-	-	-	9,310.13	-	-	-	9,310.13
- Active pharmaceutical ingredients	-	-	-	-	5,237.58	-	-	5,237.58
- Contract Research and Development Services	-	-	-	-	4,540.65	-	-	4,540.65
- India branded pharmaceuticals	-	-	-	2,188.56	-	-	-	2,188.56
- Proprietary Novel Drugs	-	-	-	-	-	18.41	-	18.41
- Management Services	-	-	-	-	-	-	202.49	202.49
<b>Total</b>	<b>20,972.23</b>	<b>4,888.47</b>	<b>13,233.13</b>	<b>11,498.69</b>	<b>9,778.23</b>	<b>18.41</b>	<b>202.49</b>	<b>60,591.65</b>

## Notes to the consolidated financial statements for the year ended 31 March 2023

Reconciliation of the disaggregated revenue with the Group's reportable segments (refer note 35)

	For the year ended 31 March 2023							(₹ in million)
	Radiopharma	Allergy Immunotherapy	Contract Development and Manufacturing Organisation - Sterile Injectables	Generics	Contract Research, Development and Manufacturing Organisation	Proprietary Novel Drugs	Management Services	Total
Revenue from sale of products and services	25,340.40	6,027.62	11,546.90	7,551.54	11,470.52	38.18	217.86	62,193.02
Other operating revenue	183.44	-	-	63.93	376.68	-	0.21	624.26
<b>Total</b>	<b>25,523.84</b>	<b>6,027.62</b>	<b>11,546.90</b>	<b>7,615.47</b>	<b>11,847.20</b>	<b>38.18</b>	<b>218.07</b>	<b>62,817.28</b>
								(₹ in million)

	For the year ended 31 March 2022							
	Radiopharma	Allergy Immunotherapy	Contract Development and Manufacturing Organisation - Sterile Injectables	Generics	Contract Research, Development and Manufacturing Organisation	Proprietary Novel Drugs	Management Services	Total
Revenue from sale of products and services	20,972.23	4,888.47	13,233.13	11,498.69	9,778.23	18.41	202.49	60,591.65
Other operating revenue	255.33	5.67	106.46	70.43	272.10	-	-	709.99
<b>Total</b>	<b>21,227.56</b>	<b>4,894.14</b>	<b>13,339.59</b>	<b>11,569.12</b>	<b>10,050.33</b>	<b>18.41</b>	<b>202.49</b>	<b>61,301.64</b>





## Notes to the consolidated financial statements for the year ended 31 March 2023

### Contract balances

(₹ in million)

	As at		
	31 March 2023	31 March 2022	1 April 2021
Trade receivables	9,612.36	9,279.94	8,199.04
Unbilled receivables	895.80	634.49	493.49
Contract liabilities	736.85	932.52	564.72

The amount of ₹ 555.54 million and ₹ 342.14 million recognised in contract liabilities at the beginning of the year has been recognised as revenue for the years ended 31 March 2023 and 31 March 2022, respectively.

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

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
Contracted price	69,313.45	68,475.83
Reductions towards variable consideration components	(7,120.43)	(7,884.18)
<b>Revenue recognised</b>	<b>62,193.02</b>	<b>60,591.65</b>

The reduction towards variable consideration primarily comprises of volume discounts, price discounts.

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 ₹ 702.04 million (31 March 2022: ₹ 1,106.54) majority of which is expected to be recognised as revenue in the next two years.

### Note 22. Other income

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
Interest income	98.28	24.51
Gain on investments at fair value through profit or loss	-	1.47
Net foreign exchange gain	172.18	-
Other non-operating income	112.81	86.90
<b>Total other income</b>	<b>383.27</b>	<b>112.88</b>

### Note 23. Cost of materials consumed

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
Raw materials consumed	16,664.13	13,487.04
<b>Total cost of materials consumed</b>	<b>16,664.13</b>	<b>13,487.04</b>

### Note 24. Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
<b>Opening balance</b>		
Work-in progress	3,792.58	3,472.20
Finished goods	2,765.86	2,465.34
Stock-in-trade	380.20	290.05
<b>Total opening balance</b>	<b>6,938.64</b>	<b>6,227.59</b>



## Notes to the consolidated financial statements for the year ended 31 March 2023

	(₹ in million)	
	For the year ended	
	31 March 2023	31 March 2022
<b>Closing balance</b>		
Work-in progress	4,534.52	3,792.58
Finished goods	2,502.70	2,765.86
Stock-in-trade	441.70	380.20
<b>Total closing balance</b>	<b>7,478.92</b>	<b>6,938.64</b>
Foreign currency translation adjustment	133.31	87.81
<b>Total changes in inventories of finished goods, stock-in-trade and work-in-progress</b>	<b>(406.97)</b>	<b>(623.24)</b>

### Note 25. Employee benefits expense

	(₹ in million)	
	For the year ended	
	31 March 2023	31 March 2022
Salaries, wages, bonus, gratuity and allowances	18,070.19	17,050.72
Contribution to provident fund, superannuation and other funds	1,787.31	1,639.46
Employee share-based payment expense	36.52	11.24
Staff welfare expenses	1,766.18	1,732.52
<b>Total employee benefits expense</b>	<b>21,660.20</b>	<b>20,433.94</b>

### Note 26. Finance costs

	(₹ in million)	
	For the year ended	
	31 March 2023	31 March 2022
Interest expense	1,685.91	1,382.41
Other finance costs	196.05	72.45
<b>Total finance costs</b>	<b>1,881.96</b>	<b>1,454.86</b>

#### Note:

(1) Refer note 41(b) for finance costs capitalised.

### Note 27. Depreciation, amortisation and impairment expense

	(₹ in million)	
	For the year ended	
	31 March 2023	31 March 2022
Depreciation of property, plant and equipment	2,527.21	2,257.99
Depreciation of right-of-use assets	634.39	663.58
Amortisation and impairment of intangible assets (refer note 42)	2,378.67	895.47
<b>Total depreciation, amortisation and impairment expense</b>	<b>5,540.27</b>	<b>3,817.04</b>



## Notes to the consolidated financial statements for the year ended 31 March 2023

### Note 28. Other expenses

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
Power and fuel	1,667.12	1,342.98
Consumption of stores and spares and packing materials	3,448.51	2,989.86
Processing charges	203.26	949.97
Rental charges	77.73	44.95
Rates and taxes	868.23	755.77
Insurance	431.37	442.71
Advertisement, publicity and sales promotion	413.00	259.84
Travel and conveyance	604.11	371.84
Repairs and maintenance:		
i. Plant and machinery	787.47	658.62
ii. Buildings	611.93	464.65
iii. Others	638.10	463.54
Office expenses	381.28	346.97
Vehicle running and maintenance	122.05	96.53
Printing and stationery	113.94	106.75
Telephone and communication charges	206.86	178.66
Staff recruitment and training	364.50	239.13
Donation [including corporate social responsibility expenditure (refer note 40)]	83.54	95.77
Payments to statutory auditors	11.01	14.89
Legal and professional fees	1,581.54	1,821.70
Freight and forwarding (including ocean freight)	719.62	953.03
Subscription	160.33	144.41
Claims and other selling expenses	89.46	537.89
Commission on sales	393.89	346.37
Loss on disposal of property, plant and equipment and intangible assets (net)	26.58	33.70
Loss on investments at fair value through profit or loss	49.52	-
Net foreign exchange loss	-	464.53
Miscellaneous expenses	560.32	299.30
<b>Total other expenses</b>	<b>14,615.27</b>	<b>14,424.36</b>

### Note 29. Income tax

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

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
<b>Profit or loss section</b>		
<b>Current tax:</b>		
Current tax charge for the year	1,888.03	1,805.54
Adjustments in respect of current income tax of previous years	(77.18)	(80.02)
	<b>1,810.85</b>	<b>1,725.52</b>
<b>Deferred tax:</b>		
Deferred tax (credit)/charge for the year	(997.62)	305.37
Adjustments in respect of deferred tax of previous years	113.39	143.42
	<b>(884.23)</b>	<b>448.79</b>
<b>Income tax expense</b>	<b>926.62</b>	<b>2,174.31</b>



## Notes to the consolidated financial statements for the year ended 31 March 2023

	(₹ in million)	
	For the year ended	
	31 March 2023	31 March 2022
<b>OCI section:</b>		
<b>Current tax:</b>		
Current tax charge for the year	-	100.10
	-	<b>100.10</b>
<b>Deferred tax:</b>		
Tax (credit)/charge related to items that will not be reclassified to profit or loss	(8.84)	5.42
Tax related to items that will be reclassified to profit or loss	-	-
	(8.84)	5.42
<b>Income tax (expense)/benefit</b>	<b>(8.84)</b>	<b>105.52</b>
<b>Equity section:</b>		
<b>Current tax:</b>		
Tax expense related to items recognised in merger reserve	-	176.68
	-	<b>176.68</b>
<b>Deferred tax:</b>		
Tax benefit related to items recognised in merger reserve	-	(115.36)
	-	<b>(115.36)</b>
<b>Income tax expense</b>	<b>-</b>	<b>61.32</b>

During the year ended 31 March 2022, pursuant to an Asset Purchase Agreement between Jubilant DraxImage Inc., Canada ("JDI"), a subsidiary company and Jubilant DraxImage Radiopharmacies Inc, USA ("JDRI"), another subsidiary company, JDI acquired the radiopharmacies business of JDRI for a consideration of ₹ 1,870.62 million. This transfer being a transaction between common control entities, the difference in applicable tax on this transaction in the two subsidiaries amounting to ₹ 61.32 million was recorded in amalgamation reserve in the consolidated financial statements.

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

	(₹ in million)	
	For the year ended	
	31 March 2023	31 March 2022
Profit before tax	277.81	6,304.47
At statutory income tax rate 34.944% (31 March 2022: 34.944%)	97.08	2,203.04
- Effect of non-deductible expenses and exempt income	624.90	225.63
- Incremental allowance for research and development and other capital expenditure	(11.33)	(9.85)
- Effect of prior year taxes	36.21	63.40
- Unrecognised deferred tax (including MAT credit)	116.20	91.84
- Differences in other countries tax rates	168.10	(424.37)
- Effect of change in tax rate of current year	(96.84)	(0.88)
- Others	(7.70)	25.50
<b>Income tax expense reported in the consolidated statement of profit and loss</b>	<b>926.62</b>	<b>2,174.31</b>

### Note 30. Micro, small and medium enterprises

There are no micro, small and medium enterprises, to whom the Indian entities owes dues, which are outstanding for more than 45 days as at the end of year. The information as required to be disclosed in relation to micro, small and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Indian entities.



## Notes to the consolidated financial statements for the year ended 31 March 2023

(₹ in million)

	As at	
	31 March 2023	31 March 2022
The principal amount remaining unpaid to any supplier as at the end of the year	187.48	63.55
The interest due on principal amount remaining unpaid to any supplier as at the end of the year	-	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 year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	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	-	-

### Note 31. Employee benefits in respect of the Group have been calculated as under:

#### (A) Defined Contribution Plans

The Group entities located in India and Singapore have certain defined contribution plan such as provident fund, employee state insurance, employee pension scheme, employee superannuation fund wherein specified percentage is contributed to these plans. During the year, the Group has contributed following amounts to:

	For the year ended	
	31 March 2023	31 March 2022
Employer's contribution to provident fund (1)	141.46	66.40
Employer's contribution to employee's pension scheme	54.21	51.55
Employer's contribution to superannuation fund	0.79	1.53
Employer's contribution to employee state insurance	3.45	3.03

(1) Includes contribution for certain employees in India where provident fund is deposited with government authority e.g. Regional Provident Fund Commissioner. With effect from 1 December 2021, the Group transferred the balance in the "VAM Employees Provident Fund Trust" to Regional Provident Fund Commissioner and started depositing contribution with Regional Provident Fund Commissioner for all the employees.

#### Foreign Subsidiaries

- The Group entities located in United States of America have a 401(k) plan, where eligible employees are permitted to participate in the defined contribution plan. Participants may voluntarily contribute eligible pre-tax and post-tax compensation of up to 100% of their annual compensation in accordance with the annual limits as determined by the Internal Revenue Service (IRS). Employees at or above the age of 50 may choose to contribute additional compensation as "catch-up" contributions in accordance with the IRS annual limits. Employees receive a 100% match of their contributions up to 3% of their eligible compensation and 50% match of their contributions over 3% upto 5% of their eligible compensation. The company's matching contributions vest 100% immediately for all employees in the United States. The Group has contributed ₹ 321.13 million and ₹ 314.19 million for the years ended 31 March 2023 and 31 March 2022, respectively.
- The entities of the Group located in Canada contribute to a Registered Retirement Savings Plan (RRSP), a trust registered with Canada Revenue Agency (CRA) and to Quebec pension plan (QPP). Under RRSP, the Group contributes equivalent to the contribution made by the employee, up to a maximum of 5% of the employees' base salary. Under QPP, the Group contributes equivalent to the contribution made by the employees at the rate of 6.15% and 6.15% of the employees' base salary for the years ended 31 March 2023 and 31 March 2022, respectively.



## Notes to the consolidated financial statements for the year ended 31 March 2023

During the year, the Group has contributed following amounts to:

Plan under which contributions made	(₹ in million)	
	For the year ended	
	31 March 2023	31 March 2022
Registered retirement savings plan (RRSP)	64.37	63.09
Quebec pension plan (QPP)	121.20	107.54

- c. Further, the entities of the Group located in Belgium contribute to social security fund named as RijksSocialeZekerheid (RSZ). Under these plan employees have to contribute 13% of their compensation and the Group makes a contribution of 33.33% of the employee's annual compensation. The Group has contributed ₹ 1.18 million and ₹ 1.13 million for the years ended 31 March 2023 and 31 March 2022, respectively.

### (B) Defined Benefit Plans

#### Parent Company including Indian Subsidiaries

##### i. Gratuity

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 7.35% p.a. (31 March 2022: 7.20% 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 (31 March 2022: 58 years) and mortality table is as per IALM (2012-14) (31 March 2022: 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 (31 March 2022: 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.

The plan assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme for certain employees of two units of the Group. The details of investments maintained by Life Insurance Corporation are not available with the Group, hence not disclosed. The expected rate of return on plan assets is 7.35% p.a. (31 March 2022: 7.20 % p.a.).

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

	(₹ in million)	
	31 March 2023	31 March 2022
Present value of obligation at the beginning of the year	478.18	449.40
Current service cost	55.43	58.65
Interest cost	35.16	30.55
Actuarial loss/(gain)	26.15	(14.81)
Benefits paid	(125.98)	(43.78)
Employees transferred out	(0.82)	(1.83)
<b>Present value of obligation at the end of the year</b>	<b>468.12</b>	<b>478.18</b>

#### Fair value of plan assets\*\*:

	(₹ in million)	
	31 March 2023	31 March 2022
Plan assets at the beginning of the year	29.67	32.07
Expected return on plan assets	2.14	2.18
Contribution by employer	5.90	2.12
Actual benefits paid	(16.35)	(6.64)
Actuarial loss	(1.32)	(0.06)
<b>Plan assets at the end of the year</b>	<b>20.04</b>	<b>29.67</b>

\*\* In respect of one location, the plan assets were invested in insurer managed funds.





## Notes to the consolidated financial statements for the year ended 31 March 2023

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

(₹ in million)

	As at	
	31 March 2023	31 March 2022
Present value of obligation at the end of the year	468.12	478.18
Fair value of plan assets at the end of the year	(20.04)	(29.67)
<b>Net liabilities recognised in the Balance Sheet</b>	<b>448.08</b>	<b>448.51</b>

Group's best estimate of contribution during next year is ₹ 91.70 million (31 March 2022: ₹ 98.92 million).

### Expense recognised in the Consolidated Statement of Profit and Loss under employee benefits expense:

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
Current service cost	55.43	58.65
Interest cost	33.02	28.37
<b>Expense recognised in the Consolidated Statement of Profit and Loss</b>	<b>88.45</b>	<b>87.02</b>

### Amount recognised in the other comprehensive income:

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
Actuarial loss/(gain) due to demographic assumption change	0.29	(1.29)
Actuarial gain due to financial assumption change	(2.86)	(8.19)
Actuarial loss/(gain) due to experience adjustment	28.72	(5.33)
Actuarial loss on plan assets	1.32	0.06
<b>Amount recognised in the other comprehensive income</b>	<b>27.47</b>	<b>(14.75)</b>

### Sensitivity analysis:

#### Discount rate

(₹ in million)

	31 March 2023		31 March 2022	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Sensitivity level				
Impact on defined benefit	(9.23)	9.70	(12.87)	13.64

#### Future salary increase

(₹ in million)

	31 March 2023		31 March 2022	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Sensitivity level				
Impact on defined benefit	9.73	(9.34)	13.68	(13.01)

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.

The table below summarises the maturity profile of the defined benefit obligations:

(₹ in million)

	As at	
	31 March 2023	31 March 2022
Within one year	146.29	113.92
Between one to three years	102.11	79.98
Between three to five years	59.96	60.47
Later than five years	159.76	223.82
	<b>468.12</b>	<b>478.18</b>



## Notes to the consolidated financial statements for the year ended 31 March 2023

### (ii) Provident Fund:

During the previous year, the Group made contributions to a recognised provident fund "VAM Employees Provident Fund Trust" (a multiemployer trust) for qualifying employees. The trust was surrendered with effect from 31 December 2021. The Group had contributed to this provident fund ₹ 58.96 million for the year ended 31 March 2022.

### (C) Other long term benefits (compensated absences):

(₹ in million)

	As at	
	31 March 2023	31 March 2022
Present value of obligation at the end of the year	588.85	635.19

### Note 32. Fair value measurements

(₹ in million)

	Note	Level of hierarchy	Carrying Value as at		Fair Value as at	
			31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Financial assets</b>						
<b>FVOCI</b>						
Investments in other equity instruments	(e)	3	307.65	369.27	307.65	369.27
<b>FVPL</b>						
Investments in equity instruments	(e)	3	19.67	54.71	19.67	54.71
Investments in debt instruments	(e)	3	0.61	10.95	0.61	10.95
<b>Amortised Cost</b>						
Trade receivables	(a)		9,612.36	9,279.94	9,612.36	9,279.94
Loans	(a, b)		15.69	19.50	15.69	19.50
Cash and cash equivalents	(a)		10,139.19	9,838.19	10,139.19	9,838.19
Other bank balances	(a)		3.84	4.18	3.84	4.18
Other financial assets	(a, b)		1,474.44	1,057.80	1,474.44	1,057.80
<b>Total financial assets</b>			<b>21,573.45</b>	<b>20,634.54</b>	<b>21,573.45</b>	<b>20,634.54</b>
<b>Financial liabilities</b>						
<b>Amortised Cost</b>						
6% senior notes	(c)	1	-	15,068.43	-	15,168.35
Other borrowings	(a, d)	3	34,100.78	14,207.73	33,979.81	14,036.21
Lease liabilities	(a)		2,666.85	2,643.86	-	-
Trade payables	(a)		8,213.17	5,677.40	8,213.17	5,677.40
Other financial liabilities	(a, b)		3,373.03	2,355.89	3,373.03	2,355.89
<b>Total financial liabilities</b>			<b>48,353.83</b>	<b>39,953.31</b>	<b>45,566.01</b>	<b>37,237.85</b>

The following methods / assumptions were used to estimate the fair values:

- Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments. Further, the fair value disclosure of lease liabilities is not required.
- Fair valuation of non-current financial assets and non-current financial liabilities has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.
- Fair value of quoted financial instruments (including listed debentures and bonds) is based on quoted market price at the reporting date.
- The fair value of long-term borrowings is estimated by discounting future cash flows using adjusted discount rate of 6.68%-8.74% (31 March 2022: 2.93%-7.10%) (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts
- The fair value is determined by using the valuation model/technique with observable/non-observable inputs and assumptions.

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



## Notes to the consolidated financial statements for the year ended 31 March 2023

### Reconciliation of Level 3 fair value measurement:

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
<b>Opening balance</b>	<b>434.93</b>	<b>428.21</b>
Additional investment	39.00	23.19
Proceeds from sale of investments	(8.92)	(441.11)
(Loss)/gain recognised in statement of profit and loss	(49.52)	1.47
(Loss)/gain recognised in other comprehensive income	(117.97)	409.12
Foreign currency translation adjustment	30.41	14.05
<b>Closing balance</b>	<b>327.93</b>	<b>434.93</b>

### Note 33. Financial risk management

#### Risk management framework

The Parent Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group, 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 Group 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 Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, loans and investments. The carrying amount of financial assets represents the maximum credit exposure.

#### Trade receivables and other financial assets

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group'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 grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are institutional, dealers or end-user customer, their geographic location, industry, trade history with the Group and existence of previous financial difficulties.

As at 31 March 2023 and 31 March 2022, there is no major customer in terms of credit risk for the Group.

*Expected credit loss with respect to trade receivables:*

With respect to 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 Group estimates its allowance for trade receivable using lifetime expected credit loss. Also refer note 11.

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

(₹ in million)

	As at	
	31 March 2023	31 March 2022
Balance at the beginning of the year	258.79	219.81
Provided during the year (net of reversal)	240.27	36.65
Amount written off */ translation adjustment	6.18	2.33
<b>Balance at the end of the year</b>	<b>505.24</b>	<b>258.79</b>

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



## Notes to the consolidated financial statements for the year ended 31 March 2023

### Expected credit loss with respect to other financial asset:

With regards to all financial assets with contractual cash flows, other than trade receivables, 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 in Consolidated Balance Sheet.

### ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation.

The Group's treasury department is responsible for managing the short-term and long-term liquidity requirements. Short-term liquidity situation is reviewed weekly by the treasury department. Long-term liquidity position is reviewed on a regular basis by the Parent Company's 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.

(₹ in million)

As at 31 March 2023	Carrying Amount	Contractual Cash flows (2)		
		Total	Within 1 year	More than 1 year
<b>Non-derivative financial liabilities</b>				
Borrowings (1)	34,100.78	34,407.11	2,997.16	31,409.95
Lease liabilities	2,666.85	2,666.85	534.02	2,132.83
Trade payables	8,213.17	8,213.17	8,213.17	-
Other financial liabilities	3,373.03	3,373.03	3,354.54	18.49

(₹ in million)

As at 31 March 2022	Carrying Amount	Contractual Cash flows (2)		
		Total	Within 1 year	More than 1 year
<b>Non-derivative financial liabilities</b>				
Borrowings (1)	29,276.16	29,382.38	4,633.74	24,748.64
Lease liabilities	2,643.86	2,643.86	521.93	2,121.93
Trade payables	5,677.40	5,677.40	5,677.40	-
Other financial liabilities	2,355.89	2,355.89	2,350.85	5.04

(1) Carrying amount presented as net of unamortised transaction cost.

(2) Contractual cash flows exclude interest payable.

### iii. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group'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 Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Group companies. The functional currencies of the Group companies are primarily the INR, USD, CAD and EUR. The currencies in which these transactions are primarily denominated are EUR, USD, CAD and INR.

The Group 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, including but not limited to, entering into forward contracts and interest rate swaps.



## Notes to the consolidated financial statements for the year ended 31 March 2023

### Exposure to currency risk

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

	As at 31 March 2023				As at 31 March 2022			
	USD	EUR	CAD	Others	USD	EUR	CAD	Others
Cash and cash equivalents	561.79	5.05	179.18	35.90	948.54	4.81	100.19	26.01
Trade receivables	2,934.21	181.58	98.99	335.70	2,389.33	220.01	117.98	306.21
Other financial assets	1,197.03	34.44	3.51	6.92	632.06	-	14.32	6.29
Trade payables	(1,922.26)	(114.74)	(270.30)	(82.21)	(1,778.02)	(102.18)	(520.06)	(201.34)
Borrowings	(59.20)	-	-	-	(26.33)	-	-	-
Other financial liabilities	(4.17)	(0.01)	-	(68.73)	(6.52)	(0.63)	-	(62.36)
<b>Net statement of financial position exposure</b>	<b>2,707.40</b>	<b>106.32</b>	<b>11.38</b>	<b>227.58</b>	<b>2,159.05</b>	<b>122.01</b>	<b>(287.57)</b>	<b>74.81</b>

### Sensitivity analysis

A reasonably possible strengthening/weakening of the EUR, USD, CAD, INR or other currencies against all other currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected 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.

	Profit or loss (before tax)		OCI (before tax)	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2023</b>				
USD (1% movement)	27.07	(27.07)	-	-
EUR (1% movement)	1.06	(1.06)	-	-
CAD (1% movement)	0.11	(0.11)	-	-
Other (1% movement)	2.28	(2.28)	-	-
<b>31 March 2022</b>				
USD (1% movement)	21.59	(21.59)	-	-
EUR (1% movement)	1.22	(1.22)	-	-
CAD (1% movement)	(2.88)	2.88	-	-
Other (1% movement)	0.75	(0.75)	-	-

### 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 Group 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 Group are principally denominated in INR and USD with a mix of fixed and floating rates of interest. The Group has exposure to interest rate risk, arising principally on changes in base lending rate, LIBOR and SOFR rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

### Exposure to interest rate risk

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

	As at	
	31 March 2023	31 March 2022
Fixed-rate borrowings	1,365.37	16,623.51
Floating rate borrowings*	33,041.74	12,758.87
	<b>34,407.11</b>	<b>29,382.38</b>

\* floating interest rates are based on bank's Marginal Cost of funds based Lending Rate (MCLR) or external benchmarks (e.g. T-Bill, etc.) or LIBOR or SOFR plus spread, reset at specified intervals.



## Notes to the consolidated financial statements for the year ended 31 March 2023

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 Group's profit before tax for the year ended 31 March 2023 would decrease / increase by ₹ 60.04 million (31 March 2022: ₹ 27.93 million). This is mainly attributable to the Group's exposure to interest rates on its floating rate borrowings.

### Note 34. Capital management

#### (a) Risk management

The Group's objectives when managing capital are to:

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

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

The Group 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 Consolidated Balance Sheet, including non-controlling interest).

The gearing ratios were as follows:

	(₹ in million)	
	As at	
	31 March 2023	31 March 2022
Net debt	23,957.75	19,433.79
Total equity	53,917.87	53,164.00
<b>Net debt to equity ratio</b>	<b>0.44</b>	<b>0.37</b>

#### b) Dividends

	(₹ in million)	
	31 March 2023	31 March 2022
<b>Equity shares</b>		
Final dividend for the year ended 31 March 2022 of ₹ 5 per fully paid equity share (31 March 2021 : ₹ 5 per fully paid equity share)	796.41	796.41

In addition to the above dividends, since year end the Board of Directors has recommended a dividend of ₹ 5 per equity share of ₹ 1 each, fully paid up amounting to ₹ 796.41 million for the year ended 31 March 2023, subject to approval in the ensuing Annual General Meeting.

### Note 35. Segment information

#### Business Segments

The Chairman and Co-Chairman & Managing Director of the Parent Company have 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 each segment and to make decision about allocation of resources.

Pursuant to the changes during the current year in the structure of the Group's internal organisation and the internal reporting to the CODM, in a manner that causes the composition of reportable segments to change, the Group has reassessed its reportable segments in accordance with Ind AS 108. The changes in reportable segments are as below:

- Active Pharmaceutical Ingredients, earlier disclosed under "Pharmaceuticals", is now disclosed along with Contract Research and Development Services as "Contract Research, Development and Manufacturing Organisation";
- Contract Manufacturing Operations, earlier disclosed under "Pharmaceuticals", is now disclosed separately and renamed as "Contract Development and Manufacturing Organisation - Sterile Injectables";
- Allergy, earlier disclosed under "Pharmaceuticals", is now disclosed separately and renamed as "Allergy Immunotherapy"; and
- Radiopharma and Generics, earlier disclosed under "Pharmaceuticals", are now disclosed separately.





## Notes to the consolidated financial statements for the year ended 31 March 2023

Further, following a change in the composition of reportable segments, the Group has restated the corresponding items of segment information for the previous year to reflect the change.

The Group has determined reportable segments by the nature of its products and services, which are as follows:

- a. **Radiopharma:** Radiopharmaceuticals (including radiopharmacies);
- b. **Allergy Immunotherapy:** Allergy Therapy products;
- c. **Contract Development and Manufacturing Organisation - Sterile Injectables:** Contract manufacturing of Sterile Injectables and Non-Sterile products;
- d. **Generics:** Solid Dosage Formulations;
- e. **Contract Research, Development and Manufacturing Organisation:** (i) Drug discovery services and (ii) Active Pharmaceutical Ingredients; and
- f. **Proprietary Novel Drugs:** Patient-focused biopharmaceutical business working to address unmet medical needs in oncology and autoimmune diseases.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.

No operating segments have been aggregated to form the above reportable operating segments.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

Finance costs and fair value gains and losses on certain financial assets are not allocated to individual segments as the underlying instruments are managed on a Group basis.

Borrowings, current taxes, deferred taxes and certain financial assets and liabilities are not allocated to the segments and have been included under 'unallocated assets / liabilities'.

Information related to each reportable segment is set out below. Segment results (profit/(loss) before interest and tax) is used to measure performance because management believes that this information is most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

	For the year ended 31 March 2023			For the year ended 31 March 2022		
	Total segment revenue	Inter-segment revenue	Revenue from external customer	Total segment revenue	Inter-segment revenue	Revenue from external customer
<b>Revenue</b>						
Radiopharma	25,523.84	-	25,523.84	21,227.56	-	21,227.56
Allergy Immunotherapy	6,027.62	-	6,027.62	4,894.14	-	4,894.14
Contract Development and Manufacturing Organisation - Sterile Injectables	12,709.88	1,162.98	11,546.90	14,350.62	1,011.03	13,339.59
Generics	7,652.17	36.70	7,615.47	11,616.04	46.92	11,569.12
Contract Research, Development and Manufacturing Organisation	12,927.63	1,080.43	11,847.20	11,483.46	1,433.13	10,050.33
Proprietary Novel Drugs	38.18	-	38.18	18.41	-	18.41
<b>Total segment revenue</b>	<b>64,879.32</b>	<b>2,280.11</b>	<b>62,599.21</b>	<b>63,590.23</b>	<b>2,491.08</b>	<b>61,099.15</b>
Unallocated corporate revenue			218.07			202.49
<b>Total</b>			<b>62,817.28</b>			<b>61,301.64</b>



## Notes to the consolidated financial statements for the year ended 31 March 2023

(₹ in million)

	For the year ended	
	31 March 2023	31 March 2022
<b>Result</b>		
Radiopharma	2,427.80	1,737.08
Allergy Immunotherapy	1,951.20	1,566.83
Contract Development and Manufacturing Organisation - Sterile Injectables	2,672.88	5,392.91
Generics	(4,756.91)	(1,714.32)
Contract Research, Development and Manufacturing Organisation	1,335.82	1,728.80
Proprietary Novel Drugs	(353.88)	(349.82)
<b>Total segment result</b>	<b>3,276.91</b>	<b>8,361.48</b>
Exceptional items and un-allocated corporate expenses (net of un-allocated income)	1,215.42	626.66
Interest income	98.28	24.51
Finance costs	1,881.96	1,454.86
<b>Profit before tax</b>	<b>277.81</b>	<b>6,304.47</b>
Tax expense	926.62	2,174.31
<b>(Loss)/profit for the year</b>	<b>(648.81)</b>	<b>4,130.16</b>

### Other information:

(₹ in million)

	Segment Assets		Segment Liabilities	
	As at		As at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Radiopharma	27,182.28	24,522.31	6,860.71	5,065.68
Allergy Immunotherapy	5,068.72	3,318.87	615.19	520.44
Contract Development and Manufacturing Organisation - Sterile Injectables	28,443.71	23,115.88	6,277.15	2,087.07
Generics	19,048.67	19,049.05	2,815.10	2,406.99
Contract Research, Development and Manufacturing Organisation	15,252.20	15,557.30	2,677.67	3,292.22
Proprietary Novel Drugs	1,985.09	1,278.89	90.64	122.00
<b>Segment total</b>	<b>96,980.67</b>	<b>86,842.30</b>	<b>19,336.46</b>	<b>13,494.40</b>
Un-allocated corporate assets/ liabilities	14,585.80	13,066.37	38,312.14	33,250.27
<b>Total assets/ liabilities</b>	<b>111,566.47</b>	<b>99,908.67</b>	<b>57,648.60</b>	<b>46,744.67</b>

(₹ in million)

	Capital expenditure		Depreciation/Amortisation/ Impairment	
	For the year ended		For the year ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Radiopharma	2,054.44	1,823.55	1,479.08	1,214.22
Allergy Immunotherapy	254.76	75.49	104.12	74.62
Contract Development and Manufacturing Organisation - Sterile Injectables	4,122.57	858.60	778.08	737.88
Generics	892.10	1,438.93	2,453.11	1,148.57
Contract Research, Development and Manufacturing Organisation	2,438.64	1,543.73	656.89	574.73
Proprietary Novel Drugs	342.09	618.21	5.03	4.53
<b>Segment total</b>	<b>10,104.60</b>	<b>6,358.51</b>	<b>5,476.31</b>	<b>3,754.55</b>
Un-allocated	71.60	24.67	63.96	62.49
<b>Total</b>	<b>10,176.20</b>	<b>6,383.18</b>	<b>5,540.27</b>	<b>3,817.04</b>



## Notes to the consolidated financial statements for the year ended 31 March 2023

### Information about Geographical segments:

	(₹ in million)	
	For the year ended	
	31 March 2023	31 March 2022
<b>Revenue by geographical markets</b>		
India	1,906.71	3,394.48
Americas and Europe	55,934.85	53,193.65
Rest of the world	4,975.72	4,713.51
<b>Total</b>	<b>62,817.28</b>	<b>61,301.64</b>

	(₹ in million)	
	For the year ended	
	31 March 2023	31 March 2022
<b>Non-current assets (by geographical location of assets)*</b>		
Within India	16,678.17	15,507.37
Outside India	54,661.95	47,261.74
<b>Total</b>	<b>71,340.12</b>	<b>62,769.11</b>

\*Non-current assets are excluding financial investments (other than investment in associates) and deferred tax assets.

For the year ended 31 March 2023 and 31 March 2022, there is no major customer with respect to consolidated revenue of the Group.

### Note 36. Related Party Disclosures

#### 1. Related parties with whom transactions have taken place:

##### a) Key management personnel (KMP) and related entities:

Mr. Shyam S. Bhartia, Mr. Hari S. Bhartia, Mr. S Sridhar, Ms. Sudha Pillai, Dr. Ashok Misra, Mr. Sushil Kumar Roongta, Mr. Vivek Mehra, Mr. Arun Seth, Mr. Shirish G. Belapure (w.e.f. 7 March 2023), Mr. Arvind Chokhany, Mr. R. Kumar (w.e.f. 1 July 2022), Mr. Arun Kumar Sharma, Mr. Rajiv Shah (upto 31 July 2022), Naresh Kapoor (w.e.f. 1 August 2022).

Jubilant Enpro Private Limited, JOGPL Private Limited, Jubilant FoodWorks Limited, Jubilant Agri and Consumer Products Limited, Jubilant Industries Inc., USA., Jubilant Life Sciences (Shanghai) Limited, Jubilant Life Sciences (USA) Inc., Jubilant Life Sciences NV, Jubilant Ingrevia Limited, Jubilant Sports Cars Private Limited

##### b) Associates:

SOFIE Co., Sofie Network, Inc.

##### c) Others:

Vam Employees Provident Fund Trust (surrendered w.e.f. 31 December 2021), Jubilant Bhartia Foundation, Jubilant Pharmova Limited Officers Superannuation Fund (formerly VAM Officers Superannuation Fund).

#### 2. Transactions with related parties:

FY 2022-23		(₹ in million)				
Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Associates	Others	Total
	<b>Description of transactions</b>					
1	<b>Sales of goods and services:</b>					
	Jubilant Ingrevia Limited	127.01				127.01
	Jubilant FoodWorks Limited	104.22				104.22
	Jubilant Agri and Consumer Products Limited	26.05				26.05
	SOFIE Co.			22.29		22.29
		<b>257.28</b>	<b>-</b>	<b>22.29</b>	<b>-</b>	<b>279.57</b>



## Notes to the consolidated financial statements for the year ended 31 March 2023

FY 2022-23		(₹ in million)				
Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Associates	Others	Total
<b>2</b>	<b>Rental and other income:</b>					
	Jubilant Ingrevia Limited	21.93				21.93
	Jubilant Enpro Private Limited	24.47				24.47
	JOGPL Private Limited	0.89				0.89
	Jubilant FoodWorks Limited	1.86				1.86
	Jubilant Agri and Consumer Products Limited	5.98				5.98
		<b>55.13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55.13</b>
<b>3</b>	<b>Purchase of goods and services:</b>					
	Jubilant Ingrevia Limited	1.59				1.59
	SOFIE Co.			42.21		42.21
		<b>1.59</b>	<b>-</b>	<b>42.21</b>	<b>-</b>	<b>43.80</b>
<b>4</b>	<b>Recovery of expenses:</b>					
	Jubilant Life Sciences NV	2.15				2.15
	Jubilant Life Sciences (USA) Inc.	24.28				24.28
	Jubilant Industries Inc., USA	1.25				1.25
	Jubilant Ingrevia Limited	10.15				10.15
	Jubilant Agri and Consumer Products Limited	5.98				5.98
		<b>43.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43.81</b>
<b>5</b>	<b>Reimbursement of expenses:</b>					
	Jubilant Life Sciences (USA) Inc.	0.15				0.15
	Jubilant FoodWorks Limited	0.01				0.01
	Jubilant Life Sciences (Shanghai) Ltd	25.42				25.42
	Jubilant Ingrevia Limited	208.34				208.34
	Jubilant Agri and Consumer Products Limited	0.01				0.01
	Jubilant Enpro Private Limited	4.43				4.43
		<b>238.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>238.36</b>
<b>6</b>	<b>Remuneration (including perquisites)*:</b>					
	Mr. Shyam S. Bhartia		205.64			205.64
	Mr. Hari S. Bhartia (including commission)		119.90			119.90
	Mr. Arvind Chokhany		53.43			53.43
	Mr. R. Kumar		16.38			16.38
	Mr. Arun Kumar Sharma		23.91			23.91
	Mr. Rajiv Shah		13.66			13.66
	Mr. Naresh Kapoor		6.86			6.86
		<b>-</b>	<b>439.78</b>	<b>-</b>	<b>-</b>	<b>439.78</b>
<b>7</b>	<b>Sitting fees and director fees:</b>					
	Dr. Ashok Misra		3.58			3.58
	Mr. S Sridhar		0.89			0.89
	Ms. Sudha Pillai		1.01			1.01
	Mr. Sushil Kumar Roongta		0.76			0.76
	Mr. Vivek Mehra		0.85			0.85
	Mr. Arun Seth		0.38			0.38
		<b>-</b>	<b>7.47</b>	<b>-</b>	<b>-</b>	<b>7.47</b>



## Notes to the consolidated financial statements for the year ended 31 March 2023

FY 2022-23		(₹ in million)				
Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Associates	Others	Total
<b>8</b>	<b>Commission:</b>					
	Dr. Ashok Misra		1.00			1.00
	Mr. S Sridhar		1.00			1.00
	Ms. Sudha Pillai		1.00			1.00
	Mr. Sushil Kumar Roongta		1.00			1.00
	Mr. Vivek Mehra		1.00			1.00
	Mr. Arun Seth		1.00			1.00
	Mr. Shirish G. Belapure		0.07			0.07
		-	<b>6.07</b>	-	-	<b>6.07</b>
<b>9</b>	<b>Lease payments:</b>					
	Jubilant Ingrevia Limited	26.70				26.70
		<b>26.70</b>	-	-	-	<b>26.70</b>
<b>10</b>	<b>Donation:</b>					
	Jubilant Bhartia Foundation				82.48	82.48
		-	-	-	<b>82.48</b>	<b>82.48</b>
<b>11</b>	<b>Distribution received from associate:</b>					
	Sofie Network, Inc.			88.18		88.18
		-	-	<b>88.18</b>	-	<b>88.18</b>
<b>12</b>	<b>Sale of duty credit scrips:</b>					
	Jubilant Ingrevia Limited	83.75			-	83.75
		<b>83.75</b>	-	-	-	<b>83.75</b>
	<b>Amounts outstanding</b>					
<b>13</b>	<b>Bonus payable:</b>					
	Mr. Shyam S. Bhartia		67.97			67.97
		-	<b>67.97</b>	-	-	<b>67.97</b>
<b>14</b>	<b>Commission payable #:</b>					
	Mr. Hari S. Bhartia		9.90			9.90
	Dr. Ashok Misra		1.00			1.00
	Mr. S Sridhar		1.00			1.00
	Ms. Sudha Pillai		1.00			1.00
	Mr. Sushil Kumar Roongta		1.00			1.00
	Mr. Vivek Mehra		1.00			1.00
	Mr. Arun Seth		1.00			1.00
	Mr. Shirish G. Belapure		0.07			0.07
		-	<b>15.97</b>	-	-	<b>15.97</b>
<b>15</b>	<b>Trade payables:</b>					
	Jubilant Life Sciences (USA) Inc.	0.49				0.49
	Jubilant Life Sciences (Shanghai) Ltd	8.01				8.01
	Jubilant Ingrevia Limited	94.19				94.19
	SOFIE Co.			6.27		6.27
		<b>102.69</b>	-	<b>6.27</b>	-	<b>108.96</b>



## Notes to the consolidated financial statements for the year ended 31 March 2023

FY 2022-23					(₹ in million)	
Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Associates	Others	Total
16	<b>Advance from customers:</b>					
	Jubilant Ingrevia Limited	5.11				5.11
	Jubilant FoodWorks Limited	6.36				6.36
		11.47	-	-	-	11.47
17	<b>Trade receivables:</b>					
	Jubilant Agri and Consumer Products Limited	2.87				2.87
	Jubilant Ingrevia Limited	2.19				2.19
	SOFIE Co.			0.81		0.81
		5.06	-	0.81	-	5.87
18	<b>Deposits recoverable:</b>					
	Jubilant Enpro Private Limited	0.42				0.42
		0.42	-	-	-	0.42
19	<b>Other receivables:</b>					
	Jubilant Ingrevia Limited	30.64				30.64
	Jubilant Life Sciences (USA) Inc.	36.84				36.84
	Jubilant Life Sciences NV	0.49				0.49
	Jubilant Industries Inc., USA	9.90				9.90
	Jubilant Agri and Consumer Products Limited	5.98				5.98
		83.85	-	-	-	83.85

FY 2021-22					(₹ in million)
Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	<b>Description of transactions</b>				
<b>1</b>	<b>Sales of goods and services:</b>				
	Jubilant Ingrevia Limited	129.12			129.12
	Jubilant FoodWorks Limited	89.36			89.36
	Jubilant Agri and Consumer Products Limited	20.62			20.62
		<b>239.10</b>	<b>-</b>	<b>-</b>	<b>239.10</b>
<b>2</b>	<b>Rental and other income:</b>				
	Jubilant Ingrevia Limited	20.01			20.01
	Jubilant Enpro Private Limited	22.40			22.40
	JOGPL Private Limited	0.89			0.89
	Jubilant Agri and Consumer Products Limited	13.48			13.48
		<b>56.78</b>	<b>-</b>	<b>-</b>	<b>56.78</b>
<b>3</b>	<b>Purchase of goods and services:</b>				
	Jubilant Ingrevia Limited	7.47			7.47
		<b>7.47</b>	<b>-</b>	<b>-</b>	<b>7.47</b>





## Notes to the consolidated financial statements for the year ended 31 March 2023

FY 2021-22					(₹ in million)
Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
<b>4</b>	<b>Purchase of property, plant and equipment:</b>				
	Jubilant Ingrevia Limited	0.85			0.85
	Jubilant Sports Cars Private Limited	11.40			11.40
		<b>12.25</b>	<b>-</b>	<b>-</b>	<b>12.25</b>
<b>5</b>	<b>Recovery of expenses:</b>				
	Jubilant Life Sciences NV	1.74			1.74
	Jubilant Life Sciences (USA) Inc.	22.01			22.01
	Jubilant Industries Inc., USA	2.13			2.13
	Jubilant FoodWorks Limited	0.06			0.06
	Jubilant Ingrevia Limited	11.60			11.60
	Jubilant Agri and Consumer Products Limited	5.98			5.98
		<b>43.52</b>	<b>-</b>	<b>-</b>	<b>43.52</b>
<b>6</b>	<b>Reimbursement of expenses:</b>				
	Jubilant Life Sciences NV	1.61			1.61
	Jubilant Life Sciences (USA) Inc.	0.46			0.46
	Jubilant FoodWorks Limited	2.86			2.86
	Jubilant Life Sciences (Shanghai) Ltd	27.11			27.11
	Jubilant Ingrevia Limited	310.24			310.24
		<b>342.28</b>	<b>-</b>	<b>-</b>	<b>342.28</b>
<b>7</b>	<b>Remuneration (including perquisites)*:</b>				
	Mr. Shyam S. Bhartia		192.86		192.86
	Mr. Hari S. Bhartia (including commission)		121.67		121.67
	Mr. Arvind Chokhany		39.93		39.93
	Mr. Arun Kumar Sharma		23.91		23.91
	Mr. Rajiv Shah		12.18		12.18
		<b>-</b>	<b>390.55</b>	<b>-</b>	<b>390.55</b>
<b>8</b>	<b>Sitting fees and director fees:</b>				
	Dr. Ashok Misra		5.45		5.45
	Mr. S Sridhar		0.94		0.94
	Ms. Sudha Pillai		1.16		1.16
	Mr. Sushil Kumar Roongta		0.86		0.86
	Mr. Vivek Mehra		1.00		1.00
	Mr. Arun Seth		0.51		0.51
		<b>-</b>	<b>9.92</b>	<b>-</b>	<b>9.92</b>
<b>9</b>	<b>Commission:</b>				
	Dr. Ashok Misra		1.00		1.00
	Mr. S Sridhar		1.00		1.00
	Ms. Sudha Pillai		1.00		1.00
	Mr. Sushil Kumar Roongta		1.00		1.00
	Mr. Vivek Mehra		1.00		1.00
	Mr. Arun Seth		1.00		1.00
		<b>-</b>	<b>6.00</b>	<b>-</b>	<b>6.00</b>



## Notes to the consolidated financial statements for the year ended 31 March 2023

FY 2021-22

					(₹ in million)
Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
<b>10</b>	<b>Company's contribution to provident fund trust:</b>				
	Vam Employee Provident Fund Trust			58.96	58.96
		-	-	<b>58.96</b>	<b>58.96</b>
<b>11</b>	<b>Lease payments:</b>				
	Jubilant Ingrevia Limited	28.22			28.22
		<b>28.22</b>	-	-	<b>28.22</b>
<b>12</b>	<b>Donation:</b>				
	Jubilant Bhartia Foundation			93.20	93.20
		-	-	<b>93.20</b>	<b>93.20</b>
	<b>Amounts outstanding</b>				
<b>13</b>	<b>Directorship fess payable:</b>				
	Dr. Ashok Misra		3.79		3.79
		-	<b>3.79</b>	-	<b>3.79</b>
<b>14</b>	<b>Bonus payable:</b>				
	Mr. Shyam S. Bhartia		61.57		61.57
		-	<b>61.57</b>	-	<b>61.57</b>
<b>15</b>	<b>Commission payable #:</b>				
	Mr. Hari S. Bhartia		10.20		10.20
	Dr. Ashok Misra		1.00		1.00
	Mr. S Sridhar		1.00		1.00
	Ms. Sudha Pillai		1.00		1.00
	Mr. Sushil Kumar Roongta		1.00		1.00
	Mr. Vivek Mehra		1.00		1.00
	Mr. Arun Seth		1.00		1.00
		-	<b>16.20</b>	-	<b>16.20</b>
<b>16</b>	<b>Trade payables:</b>				
	Jubilant Life Sciences NV	0.24			0.24
	Jubilant Life Sciences (USA) Inc.	0.63			0.63
	Jubilant Life Sciences (Shanghai) Ltd	27.12			27.12
	Jubilant Ingrevia Limited	54.32			54.32
		<b>82.31</b>	-	-	<b>82.31</b>
<b>17</b>	<b>Trade receivables:</b>				
	Jubilant Life Sciences NV	0.64			0.64
	Jubilant Agri and Consumer Products Limited	18.14			18.14
	Jubilant FoodWorks Limited	9.11			9.11
	Jubilant Enpro Private Limited	12.06			12.06
	Jubilant Ingrevia Limited	57.30			57.30
		<b>97.25</b>	-	-	<b>97.25</b>
<b>18</b>	<b>Deposits recoverable:</b>				
	Jubilant Enpro Private Limited	0.42			0.42
		<b>0.42</b>	-	-	<b>0.42</b>



## Notes to the consolidated financial statements for the year ended 31 March 2023

FY 2021-22

					(₹ in million)
Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
19	<b>Other receivables:</b>				
	Jubilant Ingrevia Limited	6.09			6.09
	Jubilant Life Sciences (USA) Inc.	27.00			27.00
	Jubilant Industries Inc., USA	7.95			7.95
	Jubilant Agri and Consumer Products Limited	5.47			5.47
		<b>46.50</b>	<b>-</b>	<b>-</b>	<b>46.50</b>

\* 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:**

			(₹ in million)
			For the year ended
	31 March 2023	31 March 2022	
Short term employment benefits	432.27	384.04	
Post employment benefits	7.51	6.51	
	<b>439.78</b>	<b>390.55</b>	

# Commission payable is subject to the approval of shareholders in the annual general meeting.

The Group is in the process of updating the documentation for the specified transactions entered into with the specified persons and associated enterprises during the financial year. The management is of the opinion that its specified transactions are at arm's length and will not have any impact on the consolidated financial statements, particularly on the amount of tax expense and that of provision for taxation.

### Note 37. Contingent liabilities to the extent not provided for:

#### A. Claims against Group, disputed by the Group, not acknowledged as debt:

			(₹ in million)
			As at
	31 March 2023	31 March 2022	
Central Excise	7.83	7.83	
Customs	4.00	4.90	
Sales Tax	2.56	3.15	
Income Tax	3,795.16	3,774.30	
Service Tax and GST	65.57	65.99	
Others	147.43	171.50	

The above excludes claims in respect of business transferred to Jubilant Ingrevia Limited pursuant to the Composite Scheme during the year ended 31 March 2021.

Future cash outflows in respect of the above matters as well as for matters listed under 37(B) below are determinable only on receipt of judgments/decisions pending at various stages/forums.

#### B. Other contingent liabilities

- A customer had filed an arbitration claim in 2013 before the International Court of Arbitration, International Chamber of Commerce, Paris ("ICC") against Jubilant Pharmaceuticals NV ("JPNV"), a subsidiary of the Group in Belgium alleging contravention of certain provisions of Licensing and Supply agreement between the parties and claiming damages (excluding interest) amounting to Euro 2.08 million equivalent to ₹ 186.35 million (31 March 2022: ₹ 175.47 million). Partial Award No. 2 dated 5 September 2017 was passed by the Arbitrator wherein claims of the customer were allowed for Euro 0.67 million equivalents to ₹ 59.81 million (31 March 2022: ₹ 56.32 million) but the customer was restrained from using, either directly or indirectly, the Dossiers and also directed to return the Dossiers to JPNV. Partial Award No. 3 dated 14 February 2018 was passed by the Arbitrator holding the



## Notes to the consolidated financial statements for the year ended 31 March 2023

customer liable to pay daily penalties of Euro 5,000 equivalents to ₹ 0.45 million (31 March 2022: 0.42 million) for any use, either directly or indirectly, of the Dossiers and Euro 1,000 equivalents to ₹ 0.09 million (31 March 2022: ₹ 0.08 million) for non-return of Dossiers to JPNV before 16 March 2018. Final Award was passed on 20 September 2019 by the Arbitrator where under JPNV was directed to pay Euro 0.67 million equivalents to ₹ 59.81 million (31 March 2022: ₹ 56.32 million) along with interest. In 2018, the customer challenged the Partial Awards No. 2 & 3 before Court of Brussels and JPNV challenged the Final Award in the same Court. Court of Brussels has vide interim order dated 24 August 2018 rejected the Customer's request and has vide final order dated 10 October 2022 upheld Partial Award No. 2 & 3 and the Final Award. Customer has filed an appeal against the decision of the Court of Brussels on 10 October 2022 which is pending. As JPNV is required to file execution proceedings every six months in respect of the daily penalties "astreintes" these executions have been challenged multiple times by the customer in Ghent court of Attachment and the Antwerp court of Attachment. The jurisdiction of the Ghent court of Attachment or Antwerp court of Attachment is under dispute and the courts are yet to decide on it. Similarly, Customer filed for the enforcement of the award before the Brussels Court of First Instance which has been challenged by JPNV. These proceedings are pending.

- (ii) 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. During the year ended 31 March 2023, the USFDA limited the exemption to one product 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 Group 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.
- (iii) Additionally, the Group 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 Group believes that none of these matters, either individually or in aggregate, are expected to have any material adverse effect on its consolidated financial statements.

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

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

### Note 38. Commitments as at year end

#### a) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) is ₹ 6,877.21 million and ₹ 1,051.38 million (31 March 2022: ₹ 3,405.96 million and ₹ 992.84 million) for property, plant and equipment and intangible assets, respectively.

#### b) Other Commitments:

Export obligation undertaken by the Group under EPCG scheme to be completed over a period of five/eight years on account of import of Capital Goods at concessional import duty and remaining outstanding is ₹ 127.39 million (31 March 2022 ₹ 385.54 million). Similarly, export obligation under Advance License Scheme on duty free import of specific raw materials, remaining outstanding is ₹ 3.04 million (31 March 2022: ₹ 120.02 million).

### Note 39. Leases

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

			(₹ in million)	
	Depreciation charge for the year ended		Net carrying amount as at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Land	4.83	5.29	422.44	427.27
Buildings	497.83	507.33	2,308.75	2,261.08
Plant and equipment	-	2.80	-	-
Office equipment	16.75	15.36	33.00	46.54
Vehicles	118.74	138.36	179.23	245.28
<b>Total</b>	<b>638.15</b>	<b>669.14</b>	<b>2,943.42</b>	<b>2,980.17</b>

Additions to the right-of-use assets during the year ended 31 March 2023 were ₹ 438.70 million (31 March 2022 were ₹ 683.20 million).



## Notes to the consolidated financial statements for the year ended 31 March 2023

### Amount recognised in Statement of Profit and Loss:

	(₹ in million)	
	For the year ended	
	31 March 2023	31 March 2022
Interest on lease liabilities	104.12	105.93
Rental expense relating to short-term leases	77.73	44.95
	<b>181.85</b>	<b>150.88</b>

### Amount recognised in Statement of Cash Flows:

	(₹ in million)	
	For the year ended	
	31 March 2023	31 March 2022
Total cash outflow for leases	882.91	748.77
	<b>882.91</b>	<b>748.77</b>

**Note 40.** Expenditure incurred under section 135 of the Companies Act, 2013 on Corporate Social responsibility (CSR) activities is included under donation.

**Note 41.(a)** Government grant recoverable ₹ 140.95 million (31 March 2022: ₹ 22.38 million) and Government grant recognised ₹ 38.37 million (31 March 2022: ₹ 220.70 million) in Consolidated Statement of Profit and Loss.

**Note 41. (b)** During the year, finance costs amounting to ₹ 34.76 million and ₹ 58.14 million (31 March 2022: ₹ 16.66 million and ₹ 14.43 million) has been capitalized in property, plant and equipment and intangible assets, respectively, calculated using capitalisation rate of 1.86% to 9.54% (31 March 2022: 1.86% to 6.73%).

**Note 42.** The carrying value of internally generated product registration/market authorisation and other intangibles (including intangible assets under development) has been reviewed and based on prevailing market conditions, technical and financial assessment, ₹ 263.73 million (31 March 2022: ₹ Nil) and ₹ 1,450.53 million (31 March 2022: ₹ 153.83 million) impairment has been charged in Radiopharma segment and Generics segment, respectively and included under depreciation, amortisation and impairment expense in the Consolidated Statement of Profit and Loss.

The estimate of value in use was determined using a discount rate of 9% to 13% (31 March 2022: 8% to 12%). Management's process involved making significant estimates and judgments around projected cash flows dependent on timing of launch of products, expected level of competition and margins.

**Note 43.** During the year ended 31 March 2022, Jubilant DraxImage Inc., Canada ("JDI"), a subsidiary company, changed its functional currency from CAD to USD w.e.f. 1 June 2021. The change was made to reflect that USD had become the predominant currency in JDI, counting for a significant part of JDI's cash flow, cash flow management and investing, along with purchase of radiopharmacies business from Jubilant DraxImage Radiopharmacies Inc, USA ("JDRI"), a fellow subsidiary company of JDI. The change was implemented prospectively from the date of change.

**Note 44.** Exceptional items for the year ended 31 March 2023 include the following:

- Redemption premium of ₹ 478.58 million on early redemption of USD 200.00 million Senior Notes.
- Debt initiation costs of ₹ 89.58 million on early redemption of USD 200.00 million Senior Notes and repayment of USD 150.00 million term loan.

### Note 65. Transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956:

Name of struck off company	Nature of transactions with struck off company	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 lease payment (₹ in million)	0.43	0.60	-
Nilgiri Investment Co Pvt Ltd	Shares held by struck off company (No. of shares)	800	800	-



## Notes to the consolidated financial statements for the year ended 31 March 2023

### Note 46. Share based payments

#### (a) Employee Stock Option Scheme

The Company has a stock option plan in place namely "Jubilant Pharmova Employees Stock Option Plan 2018" ("Plan 2018").

The Nomination, Remuneration and Compensation Committee ('Committee') of the Board of Directors which comprises a majority of Independent Directors is responsible for administration and supervision of the Stock Option Plan.

Under Plan 2018, up to 3,000,000 Stock Options can be issued to eligible directors (other than promoter directors and independent directors) and other specified categories of employees of the Company / subsidiaries. Exercise price shall not be higher than the market price (i.e. latest available closing price on a recognized stock exchange having highest trading volume on which the equity shares of the Company are listed) of the equity shares at the time of grant and not less than the face value of the equity shares of the Company. As per the Securities and Exchange Board of India (SEBI) guidelines, the market price is taken as the closing price on the day preceding the date of grant of options, on the stock exchange where the trading volume is the highest.

Under Plan 2018, each option, upon vesting, shall entitle the holder to acquire one equity share of ₹ 1 each. Options granted will vest in the manner decided by the Committee and specified in the grant letter, and in any event not earlier than 1 year from the grant date and no later than a period of 5 years from the grant date. Vesting of Options is a function of achievement of performance criteria or any other criteria, as specified by the Committee and communicated in the grant letter

In 2008-09, Jubilant Employees Welfare Trust ('Trust') was constituted for the purpose of acquisition of equity shares of the Company from the secondary market or subscription of shares from the Company, to hold the shares and to allocate/transfer these shares to eligible employees of the Company/subsidiaries from time to time on the terms and conditions specified under Plan 2018.

Up to 31 March 2023, Jubilant Employees Welfare Trust (the "Trust") purchased 211,325 equity shares of the Company from the open market, out of which 1,868 equity shares were transferred to the employees on exercise of Options.

#### The movement in the number of equity shares held by trust:

	(₹ in million)	
	As at	
	31 March 2023	31 March 2022
At the commencement of the year	107,140	107,140
Purchased during the year	104,185	-
Transferred to the employees on exercise of Options during the year	(1,868)	-
<b>At the end of the year</b>	<b>209,457</b>	<b>107,140</b>

#### The movement in the stock options under "Plan 2018" during the year is set out below:

	For the year ended			
	31 March 2023		31 March 2022	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	35,734	355.61	-	-
Granted during the year	604,540	14.19	35,734	355.61
Forfeited/lapsed during the year	(7,071)	407.85	-	-
Exercised during the year	(1,868)	1.00	-	-
Outstanding at the end of the year	631,335	29.14	35,734	355.61
Exercisable at the end of the year	7,574	574.23	-	-

The weighted average share price during the year was ₹ 363.87 per share.





## Notes to the consolidated financial statements for the year ended 31 March 2023

### Fair value of options granted:

The weighted average fair value of options granted during the year for Plan 2018 was ₹ 359.34 (31 March 2022: ₹ 518.43) per option. The fair value at grant date is determined using the Black-Scholes-Merton model which takes into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The following tables list the inputs to models used for fair valuation of the options:

Plan 2018	31 March 2023	31 March 2022
Expected volatility	37.41% - 45.88%	43.72% - 45.88%
Risk free interest rate	5.36% - 7.70%	5.36% - 6.21%
Exercise price (₹)	1.00 - 714.85	1.00 - 714.85
Expected dividend yield	0.52% - 1.25%	0.52%
Life of options (years)	1.87 - 5.50	3.50 - 5.50

Expected volatility was based on an evaluation of the historical volatility of the share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

### Share options outstanding at the end of the year:

Options	31 March 2023			31 March 2022		
	Options outstanding	Weighted average remaining contractual life (in years)	Exercise Price (₹)	Options outstanding	Weighted average remaining contractual life (in years)	Exercise Price (₹)
Plan 2018	595,492	3.44	1.00	17,983	2.81	1.00
Plan 2018	13,721	3.44	714.85	17,751	4.46	714.85
Plan 2018	22,122	4.47	361.40	-	-	-

### (b) Equity incentive plan

#### Jubilant Therapeutics Inc., a subsidiary company, has equity incentive plan namely:

- Jubilant Therapeutics Inc. 2020 Equity Incentive Plan ("Plan 2020")

The Stock Incentive Committee ('Committee') of the Board of Directors is responsible for administration and supervision of the grant of awards under Plan 2020.

Awards granted under the plan include: (a) restricted stocks and (b) non-qualified stock options

Under Plan 2020, up to 10,000 shares of Common stock of Jubilant Therapeutics Inc., can be granted as awards to employees, consultants and directors of Jubilant Therapeutics Inc., including its Group companies. Awards are to be granted at fair value on the date of the issuance of the grant.

Under Plan 2020, each award, shall entitle the holder to acquire common stock of USD 0.005. Awards granted will vest over a period of 3-4 years from the grant date. Vesting of awards is a function of achievement of performance criteria or any other criteria, as specified by the Committee and communicated in the grant letter.

#### The movement in restricted stock awards under Plan 2020 during the year, is set out below:

	For the year ended		For the year ended	
	31 March 2023		31 March 2022	
	No of awards	Exercise price	No of awards	Exercise price
Unvested at the beginning of the year	5,085	-	5,816	-
Granted during the year	-	-	917	-
Issued during the year	-	-	917	-
Cancelled during the year	350	-	-	-
Vested during the year	1,247	-	1,648	-
Unvested at the end of the year	3,488	-	5,085	-



## Notes to the consolidated financial statements for the year ended 31 March 2023

The movement in non-qualified stock options under Plan 2020 during the year, is set out below:

	For the year ended		For the year ended	
	31 March 2023		31 March 2022	
	No of awards	Exercise price	No of awards	Exercise price
Outstanding at the beginning of the year	1,140	-	1,578	-
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Cancelled during the year	-	-	438	-
Outstanding at the end of the year	1,140	-	1,140	-
Exercisable at the end of the year	772	-	598	-

### Fair value of awards granted

The weighted average fair value of awards granted for Plan 2020 is USD 72.04 per award. The fair value at grant date is determined using the market approach. Under this approach, funding transactions of the biotech companies in the oncology sector in a similar phase of research is considered and “post-money valuation” to “equity funding raised to date” multiple is applied.

**Note 47.** (a) 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 Holding Company or its subsidiary companies incorporated in India to or in any other persons or entities, including foreign entities (“intermediary”) 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 by or on behalf of the Holding Company or its subsidiary companies incorporated in India (“Ultimate Beneficiary”) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries, except the intra-group loan transaction during the year in which Jubilant Biosys Limited, a wholly owned subsidiary incorporated in India loaned USD 10 million (₹ 825.00 million) to Jubilant Biosys Innovative Research Services Pte. Ltd., its wholly owned subsidiary, on 24 March 2023 which was further loaned to Drug Discovery and Development Solutions Limited, another wholly owned subsidiary of the Company on 27 March 2023. The Group has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999), to the extent applicable, the Companies Act, 2013 for such transaction and this transaction is not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003) and is eliminated in full in the consolidated financial statements.

- (b) There are no funds which have been received by the Group from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Group 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.



## Notes to the consolidated financial statements for the year ended 31 March 2023

### Note 48. Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

Name of the Enterprise	Net Assets (Total assets - Total liabilities)		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in million)	As % of consolidated profit/(loss)	Amount (₹ in million)	As % of Consolidated other comprehensive income	Amount (₹ in million)	As % of Consolidated total comprehensive income	Amount (₹ in million)
<b>Parent</b>								
Jubilant Pharmova Limited	44.78%	24,145.52	(76.88%)	498.83	0.60%	13.16	32.92%	511.99
<b>Subsidiaries</b>								
<b>Indian</b>								
1 Jubilant Clinsys Limited	0.07%	36.46	0.35%	(2.26)	-	-	(0.15%)	(2.26)
2 Jubilant Biosys Limited	9.34%	5,033.36	(141.90%)	920.69	(0.24%)	(5.33)	58.85%	915.36
3 Jubilant First Trust Healthcare Limited	0.08%	41.99	(0.88%)	5.74	-	-	0.37%	5.74
4 Jubilant Generics Limited	22.09%	11,911.19	290.93%	(1,887.60)	(0.23%)	(5.08)	(121.68%)	(1,892.68)
5 Jubilant Draximage Limited	(0.02%)	(8.75)	0.15%	(0.94)	-	-	(0.06%)	(0.94)
6 Jubilant Employee Welfare Trust	2.10%	1,133.29	(4.76%)	30.89	-	-	1.99%	30.89
7 Jubilant Therapeutics India Limited	2.00%	1,078.66	(16.97%)	110.13	(0.02%)	(0.49)	7.05%	109.64
8 Jubilant Business Services Limited	0.06%	31.51	0.55%	(3.58)	-	-	(0.23%)	(3.58)
<b>Foreign</b>								
1 Jubilant Pharma NV	2.97%	1,601.57	0.11%	(0.71)	4.24%	93.53	5.97%	92.82
2 Jubilant Pharmaceuticals NV	(0.10%)	(56.02)	1.66%	(10.76)	(0.15%)	(3.34)	(0.91%)	(14.10)
3 PSI Supply NV	0.19%	100.57	(0.92%)	5.95	0.29%	6.29	0.79%	12.24
4 Jubilant Pharma Holdings Inc.	54.32%	29,286.96	(278.29%)	1,805.58	66.58%	1,467.69	210.43%	3,273.27
5 Jubilant Clinsys Inc.	0.00%	0.49	(0.37%)	2.43	(0.21%)	(4.55)	(0.14%)	(2.12)
6 Jubilant HollisterStier LLC	26.71%	14,399.30	(496.07%)	3,218.56	50.58%	1,115.02	278.60%	4,333.58
7 Jubilant Pharma Limited	9.77%	5,265.69	297.59%	(1,930.82)	26.82%	591.14	(86.13%)	(1,339.68)
8 Jubilant Cadista Pharmaceuticals Inc.	10.74%	5,788.15	268.43%	(1,741.60)	24.51%	540.35	(77.23%)	(1,201.25)
9 Jubilant Discovery Services LLC	0.15%	79.63	(1.56%)	10.09	0.24%	5.36	0.99%	15.45
10 Jubilant Draximage (USA) Inc.	0.05%	25.80	(9.71%)	62.97	0.64%	14.04	4.95%	77.01
11 Jubilant DraxImage Inc.	73.06%	39,390.03	(296.86%)	1,926.08	113.80%	2,508.51	285.09%	4,434.59
12 Draximage (UK) Limited	0.00%	-	-	-	-	-	-	-
13 Jubilant Innovation (USA) Inc.	0.89%	482.05	6.13%	(39.79)	(1.16%)	(25.47)	(4.20%)	(65.26)
14 Draxis Pharma LLC	0.04%	20.33	(0.00%)	0.01	0.07%	1.58	0.10%	1.59
15 Jubilant HollisterStier Inc.	17.80%	9,598.46	(43.20%)	280.27	37.80%	723.09	64.50%	1,003.36
16 TrialStat Solutions Inc.	0.08%	42.33	(0.92%)	5.98	0.00%	0.07	0.39%	6.05



## Notes to the consolidated financial statements for the year ended 31 March 2023

Name of the Enterprise	Net Assets (Total assets - Total liabilities)		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in million)	As % of consolidated profit/ (loss)	Amount (₹ in million)	As % of Consolidated other comprehensive income	Amount (₹ in million)	As % of Consolidated total comprehensive income	Amount (₹ in million)
17 Drug Discovery and Development Solutions Limited	4.40%	2,374.18	(91.50%)	593.66	9.15%	201.80	51.14%	795.46
18 Jubilant Pharma Australia Pty Limited	0.00%	(1.25)	(0.02%)	0.12	0.02%	0.36	0.03%	0.48
19 Jubilant Draximage Radiopharmacies Inc.	0.76%	409.67	(2.17%)	14.05	1.41%	31.04	2.90%	45.09
20 Jubilant Pharma SA (Pty) Limited	0.01%	5.65	(0.27%)	1.76	(0.01%)	(0.28)	0.10%	1.48
21 Jubilant Therapeutics Inc.	(3.93%)	(2,117.04)	178.14%	(1,155.81)	(4.07%)	(89.70)	(80.07%)	(1,245.51)
22 Jubilant Episcrite LLC	0.80%	432.88	0.01%	(0.05)	1.23%	27.21	1.75%	27.16
23 Jubilant Epicore LLC	1.74%	940.50	0.01%	(0.06)	2.85%	62.77	4.03%	62.71
24 Jubilant Prodel LLC	1.00%	536.89	0.01%	(0.04)	1.66%	36.59	2.35%	36.55
25 Jubilant Epipad LLC	0.88%	472.64	3.86%	(25.06)	1.77%	39.10	0.90%	14.04
26 Jubilant Pharma UK Limited	(0.01%)	(4.04)	0.84%	(5.44)	(0.02%)	(0.45)	(0.38%)	(5.89)
27 Jubilant Biosys Innovative Research Services Pte. Limited	0.78%	422.50	0.43%	(2.81)	(1.28%)	(28.17)	(1.99%)	(30.98)
28 Jubilant Pharma ME FZ-LLC	(0.03%)	(17.57)	4.22%	(27.41)	(0.06%)	(1.35)	(1.85%)	(28.76)
29 1359773 B.C. Unlimited Liability Company	-	-	-	-	-	-	-	-
<b>Partnership controlled through subsidiaries</b>								
<b>Associates</b>	8.80%	4,744.59	(38.96%)	252.79	0.65%	14.24	17.17%	267.03
<b>Total eliminations *</b>	4.15%	2,236.30	(18.88%)	122.52	-	-	7.88%	122.52
<b>Total</b>	(196.52%)	(105,946.60)	567.67%	(3,683.17)	(232.46%)	(5,124.44)	(566.22%)	(8,807.61)
	<b>100.00%</b>	<b>53,917.87</b>	<b>100.00%</b>	<b>(648.81)</b>	<b>100.00%</b>	<b>2,204.29</b>	<b>100.00%</b>	<b>1,555.48</b>

\* Non-controlling interest included in respective subsidiaries - Net liabilities: ₹ 74.89 million, share in loss ₹ 39.01 million, share in other comprehensive loss ₹ 3.16 million and share in total comprehensive loss ₹ 42.17 million. Also refer note 2(b).



## Notes to the consolidated financial statements for the year ended 31 March 2023

### Note 49. Earnings per share

		For the year ended	
		31 March 2023	31 March 2022
<b>(Loss)/profit for basic and diluted earnings per share of ₹ 1 each</b>	<b>₹ in million</b>	<b>(609.80)</b>	<b>4,139.36</b>
Weighted average number of equity shares used in computing earnings per share*			
<b>For basic earnings per share</b>	Nos.	<b>159,147,533</b>	<b>159,173,999</b>
For diluted earnings per share:			
No. of shares for basic earnings per share	Nos.	159,147,533	159,173,999
Add: Potential dilutive effects of stock options	Nos.	-	-
<b>No. of shares for diluted earnings per share</b>	Nos.	<b>159,147,533</b>	<b>159,173,999</b>
<b>Earnings per equity share of ₹ 1 each</b>			
Basic	₹	(3.83)	26.00
Diluted	₹	(3.83)	26.00

\* The weighted average number of shares takes into account the weighted average effect of changes in treasury share during the year. There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these consolidated financial statements.

**Note 50.** Previous year figures have been regrouped/ reclassified to conform to the current year's classification.

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

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

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

**Manish Gupta**

Partner

Membership No.: 095037

**Shyam S. Bhartia**

Chairman

DIN: 00010484

**Arun Kumar Sharma**

Chief Financial Officer

**Hari S. Bhartia**

Co-Chairman and Managing Director

DIN: 00010499

**Naresh Kapoor**

Company Secretary

Place: Noida

Date: 29 May 2023

Place: Noida

Date: 29 May 2023



## FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of financial statements of subsidiary/ associates/ joint ventures as per Companies Act, 2013

### PART "A" : SUBSIDIARIES

Sr. No.	Name of the subsidiary	Date since when subsidiary was acquired / incorporated	Reporting currency	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments (4)	Turnover / Total income	Profit/ (loss) before taxation	Provision for taxation	Foreign Currencies in absolute terms		
												Profit/ (loss) after taxation	Proposed dividend	
₹ in million														
1	Jubilant Clinsys Limited	September 21, 2004	INR	2000	16.46	37.37	0.92	-	1.48	(2.26)	-	(2.26)	Nil	100.00%
2	Jubilant Biosys Limited	February 3, 2004	INR	2,521.41	2,511.95	8,295.32	3,261.96	-	5,628.44	1,240.68	319.99	920.69	Nil	100.00%
3	Jubilant First Trust Healthcare Limited	May 23, 2007	INR	20.50	21.49	42.12	0.14	-	6.06	5.74	-	5.74	Nil	100.00%
4	Jubilant Generics Limited	November 25, 2013	INR	25.80	11,885.39	15,332.00	3,420.81	-	3,296.42	(2,723.89)	(836.29)	(1,887.60)	Nil	100.00%
5	Jubilant Pharma NV	May 27, 2004	EUR	16,180,000	1,726,189	17,961,400	55,211	-	-	(8,282)	-	(8,282)	Nil	100.00%
6	Jubilant Pharmaceuticals NV	May 28, 2004	EUR	894.14	707.43	1,606.51	4.94	-	-	(0.71)	-	(0.71)	Nil	100.00%
7	PSI Supply NV	May 28, 2004	EUR	1,050,300	(1,676,631)	696,181	1,322,512	-	17,119	(128,570)	-	(128,570)	Nil	100.00%
8	Jubilant Pharma Holdings Inc.	September 12, 2005	USD	63.95	(11,997)	62.27	118.29	-	1.44	(10.76)	-	(10.76)	Nil	100.00%
9	Jubilant Clinsys Inc.	October 4, 2005	USD	665,000	459,463	2,607,400	1,482,938	-	2,269,674	105,760	30,164	75,595	Nil	100.00%
10	Jubilant HollisterStier LLC	May 31, 2007	USD	43.37	57.20	233.21	132.64	-	187.25	8.35	2.40	5.95	Nil	100.00%
11	Jubilant Pharma Limited	May 19, 2005	USD	254,089,087	102,329,980	738,641,469	382,222,402	-	56,024,771	20,674,161	(1,625,241)	22,299,402	Nil	100.00%
12	Jubilant Cadista Pharmaceuticals Inc.	July 1, 2005	USD	12,178.29	17,108.67	60,694.17	31,407.20	-	4,528.47	1,672.00	(133.59)	1,806	Nil	100.00%
13	Jubilant Discovery Services LLC	June 17, 2008	USD	38,725,630	(38,719,628)	63,398	57,396	-	55,978	304.70	1,556	28,914	Nil	100.00%
14	Jubilant Draximage (USA) Inc.	November 4, 2008	USD	2,073.70	(2,073.21)	5.21	4.73	-	4.60	2.56	0.13	2.43	Nil	100.00%
15	Jubilant DraxImage Inc.	May 28, 2008	USD	21,521,278	153,716,570	283,629,783	108,391,935	-	194,115,000	50,518,741	10,199,227	40,319,514	Nil	100.00%
16	Draximage (UK) Limited	December 10, 2002	USD	876.78	13,522.52	23,305.86	8,906.56	-	15,617.52	4,056.90	838.34	3,218.56	Nil	100.00%
17	Jubilant Innovation (USA) Inc.	July 14, 2009	USD	326,758,994	(262,676,061)	606,441,635	542,358,702	-	5,375,104	(24,046,483)	83,794	(24,130,277)	Nil	100.00%
18	Jubilant Draximage Limited	September 9, 2009	USD	15,232.66	(9,966.97)	49,831.31	44,565.62	-	432.15	(1,924.18)	6.64	(1,930.82)	Nil	100.00%
19	Draxis Pharma LLC	October 1, 2009	USD	1	70,441,125	139,513,515	69,072,389	-	63,325,593	(27,432,478)	(5,656,110)	(21,776,368)	Nil	100.00%
20	Jubilant HollisterStier Inc.	October 1, 2009	USD	3,485,000	(2,515,891)	11,463.82	5,675.68	-	5,079.91	(2,206.51)	(464.91)	(1,741.60)	Nil	100.00%
			INR	184.60	(104.97)	98.50	188.7	-	1,707,701	122,333	-	122,333	Nil	100.00%
			USD	9	313,963	2,021,802	1,707,830	-	136.81	10.09	-	10.09	Nil	100.00%
			INR	-	25.80	166.13	140.33	-	7,611,291	994,181	207,333	786,847.87	Nil	100.00%
			USD	2,073,438	477,298,995	581,091,094	101,718,661	-	612.20	80.01	17.04	62.97	Nil	100.00%
			INR	101.25	39,288.78	47,748.26	8,358.23	-	324,962,641	33,291,178	9,286,790	24,004,388.59	Nil	100.00%
			GBP	1	-	1	-	-	26,107.98	2,668.65	742.57	1,926.08	Nil	100.00%
			INR	-	-	-	-	-	-	-	-	-	Nil	100.00%
			USD	2,975,000	2,891,491	5,923,956	57,465	-	-	-	-	-	Nil	100.00%
			INR	160.04	322.01	486.78	4.73	1,051,145	26,199	(601,073)	(104,289)	(496,784)	Nil	100.00%
			INR	0.78	(9.53)	0.89	9.64	86.37	2.10	(48.05)	(8.26)	(39.79)	Nil	100.00%
			USD	250,100	(2,714)	248,886	1,500	-	0.39	(0.94)	-	(0.94)	Nil	100.00%
			INR	11.64	8.69	20.45	0.12	-	69	56	-	56	Nil	100.00%
			USD	145,856,844	(29,044,643)	117,298,986	486,785	-	0.01	0.01	-	0.01	Nil	100.00%
			INR	6,623.71	2,974.75	9,638.46	4,000	-	3,436,053	3,407,763	(1,441)	3,409,204	Nil	100.00%
			INR					-	282.43	280.15	(0.12)	280.27	Nil	100.00%





## FORM AOC-1 (Continued)

Sr. No.	Name of the subsidiary	Date since when subsidiary was acquired / incorporated	Reporting currency	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments (4)	Turnover / Total income	Profit/ (loss) before taxation	Provision for taxation	Profit/ (loss) after dividend taxation	Foreign Currencies in absolute terms (₹ in million)	Proposed dividend	% of shareholding
21	TrialStat Solutions Inc. (formerly Jubilant Drug Discovery and Development Services Inc.)	October 18, 2010	CAD	150,000	547,625	1,550,230	852,605	-	1,566,206	119,357	21,389	97,968	Nil	Nil	100.00%
			INR	7.36	34.97	94.06	51.73	-	95.12	7.30	1.32	5.98	Nil	Nil	
22	Drug Discovery and Development Solutions Limited	August 6, 2013	USD	4,650,001	24,243,412	55,387,620	26,494,207	-	8,095,022	72,251,73	1,183	72,23,990	Nil	Nil	100.00%
			INR	301.67	2,072.51	4,551.20	2,177.02	-	663.74	593.76	0.10	593.66	Nil	Nil	
23	Jubilant Pharma Australia Pty Limited	August 11, 2016	AUD	20,000	(42,774)	39,366	62,140	-	44,710	2,181	-	2,181	Nil	Nil	100.00%
			INR	1.00	(22.5)	2.17	3.42	-	2.47	0.12	-	0.12	Nil	Nil	
24	Jubilant Employee Welfare Trust	November 22, 2008	INR	001	1,133.28	1,137.53	4.24	-	63.44	61.65	30.76	30.89	Nil	Nil	100.00%
25	Jubilant Draximage Radiopharmacies Inc.	March 8, 2017	USD	114,505,000	(109,519,316)	5,171,873	186,189	-	194,807	184,843	9,548	175,295	Nil	Nil	100.00%
			INR	8,386.37	(7,976.70)	424.97	15.30	-	15.65	14.83	0.78	14.05	Nil	Nil	
26	Jubilant Pharma SA (Pty) Limited	February 14, 2019	ZAR	280,000	944,305	14,802,232	13,577,928	-	21,268,841	425,377	80,119	345,258	Nil	Nil	100.00%
			INR	1.37	4.28	68.35	62.70	-	100.17	2.19	0.43	1.76	Nil	Nil	
27	Jubilant Therapeutics India Limited	March 20, 2019	INR	866.45	212.21	1,104.33	25.67	-	202.36	146.30	36.17	110.13	Nil	Nil	100.00%
28	Jubilant Therapeutics Inc.	February 19, 2019	USD	562	(25,764,671)	34,249,931	60,014,040	-	29,861	(14,207,993)	1,100	(14,209,093)	Nil	Nil	96.70%
			INR	0.04	(2,117.08)	2,814.32	4,931.36	-	2.45	(1,155.72)	0.09	(1,155.81)	Nil	Nil	
29	Jubilant Business Services Limited	March 28, 2019	INR	0.50	31.01	42.03	10.52	-	4.24	(3.69)	(0.11)	(3.58)	Nil	Nil	100.00%
30	Jubilant Episcibe LLC	March 28, 2019	USD	5,306,440	(38,342)	5,555,503	287,404	-	380	(626)	-	(626)	Nil	Nil	96.70%
			INR	396.79	36.09	456.50	23.62	-	0.03	(0.05)	-	(0.05)	Nil	Nil	
31	Jubilant Epicore LLC	March 28, 2019	USD	11,883,575	(437,828)	12,209,421	763,674	-	654	(724)	-	(724)	Nil	Nil	96.70%
			INR	880.93	59.57	1,003.25	62.75	-	0.05	(0.06)	-	(0.06)	Nil	Nil	
32	Jubilant Prodel LLC	March 28, 2019	USD	6,841,317	(307,491)	7,250,059	716,233	-	338	(508)	-	(508)	Nil	Nil	96.70%
			INR	497.95	38.94	595.74	58.85	-	0.03	(0.04)	-	(0.04)	Nil	Nil	
33	Jubilant Epipad LLC	March 28, 2019	USD	6,801,230	(1,049,238)	6,698,554	946,562	-	1,036	(314,218)	-	(314,218)	Nil	Nil	96.70%
			INR	493.06	(20.42)	550.42	77.78	-	0.09	(25.06)	-	(25.06)	Nil	Nil	
34	Jubilant Pharma UK Limited	April 17, 2019	GBP	5,000	(44,782)	2,483,943	2,523,725	-	739,544	(69,206)	(12,622)	(56,583)	Nil	Nil	100.00%
			INR	0.46	(4.50)	252.49	256.53	-	72.73	(6.65)	(1.21)	(5.44)	Nil	Nil	
35	Jubilant Biosys Innovative Research Services Pte. Limited	July 22, 2020	USD	5,819,101	(677,340)	15,172,501	10,030,740	-	1,852,422	(34,541)	-	(34,541)	Nil	Nil	100.00%
			INR	423.87	(1.37)	1,246.72	824.22	-	1,07	(2.81)	-	(2.81)	Nil	Nil	
36	Jubilant Pharma ME FZ-LLC	October 31, 2021	AED	550,000	(1,335,416)	1,771,093	2,556,508	-	1,084	(1,244,509)	-	(1,244,509)	Nil	Nil	100.00%
			INR	11.45	(29.02)	39.62	57.19	-	0.02	(27.41)	-	(27.41)	Nil	Nil	
37	1359773 B.C. Unlimited Liability Company	April 26, 2022	CAD	1	-	2,501	2,500	-	-	-	-	-	Nil	Nil	100.00%
			INR	-	-	0.15	0.15	-	-	-	-	-	Nil	Nil	

### Notes:

- 1) Reporting period of all the Subsidiary Companies is 1 April 2022 to 31 March 2023.
- 2) Converted into Indian Rupees at the exchange rate as on 31 March 2023 : 1EUR = INR 89.44, 1USD = INR 82.17, 1GBP = INR 101.65, 1CAD = INR 60.67, 1AUD = INR 55.03, 1ZAR = 46.2 INR, 1AED = 22.37 INR.
- 3) The above statement excludes inter company eliminations.
- 4) Excludes investment in subsidiaries.

**Names of Subsidiaries which are yet to commence operations: - Nil**  
**Names of Subsidiaries which have been liquidated/struck off during the year: Nil**



## FORM AOC-1 (Continued)

### PART "B" : ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates/ Joint Ventures	Latest audited Balance Sheet date	Date on which Associate or Joint Venture was associated or acquired	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Profit/Loss for the year	
				No.	Amount of Investment in Associates/ Joint Venture (₹ in million)	Extent of Holding %			Considered in consolidation (₹ in million)	Not considered in consolidation (₹ in million)
1	Sofie Biosciences, Inc.	December 31, 2022	November 4, 2020	2,796,747	2,159.53	25.00%	By virtue of shareholding	Not Applicable	133.25	Not Applicable
2	SPV Laboratories Pvt. Ltd.	March 31, 2022	April 1, 2022	1,037,582	76.77	25.21%	By virtue of shareholding	Not Applicable	(10.73)	Not Applicable

1) Names of associates or joint ventures which are yet to commence operations : Nil

2) Name of associates or joint ventures which have been liquidated or sold during the year : Nil

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

Place: Noida Date: 29 May 2023	<b>Naresh Kapoor</b> Company Secretary	<b>Arun Kumar Sharma</b> Chief Financial Officer	<b>Hari S. Bhartia</b> Co-Chairman and Managing Director DIN: 00010499	<b>Shyam S. Bhartia</b> Chairman DIN: 00010484



# Corporate Information

## Chairman

Mr. Shyam S. Bhartia

## Co-Chairman

Mr. Hari S. Bhartia\*

## Managing Director

Mr. Priyavrat Bhartia\*

## Joint - Managing Director

Mr. Arjun Shanker Bhartia\*

## Executive Directors:

Mr. Arvind Chokhany  
Group Chief Financial Officer and  
Whole-time Director

Mr. R. Kumar  
Whole-time Director

## Independent Directors

Mr. S. Sridhar  
Ms. Sudha Pillai  
Dr. Ashok Misra  
Mr. Sushil Kumar Roongta  
Mr. Vivek Mehra  
Mr. Arun Seth  
Mr. Shirish G. Belapure (w.e.f. March 7, 2023)

\* Change in designations w.e.f. June 1, 2023

## Company Secretary

Naresh Kapoor

## Bankers

Axis Bank Limited  
ICICI Bank Limited  
RBL Bank Limited  
Yes Bank Limited

## Registered Office

Bhartiagram, Gajraula Distt. Amroha – 244 223  
Uttar Pradesh, India  
Tel.: +91 5924 267437  
CIN: L24116UP1978PLC004624

## Corporate Office

1A, Sector 16A, Noida – 201 301  
Uttar Pradesh, India  
Tel.: +91 120 4361000

## Statutory Auditors

B S R & Co. LLP  
Chartered Accountants  
Unit No. 502, 5th Floor,  
Tower B, ITES/ IS Complex,  
Advant Navis Business Park, Plot No. 7,  
Sector - 142, Expressway,  
Noida – 201 305,  
Uttar Pradesh, India

## Internal Auditors

Deloitte Touche Tohmatsu India LLP  
One International Center  
Tower 3, 27th - 32nd Floor,  
Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400013  
Maharashtra, India

## Registrars & Transfer Agents

Alankit Assignments Limited  
205-208 Anar Kali Complex Jhandewalan Extension  
New Delhi – 110 055  
Tel.: +91 11 42541234

## This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

## This image shows a full page of blank, lined paper. It features approximately 28 horizontal grey lines spaced evenly apart, typical of standard notebook paper. The lines extend across the entire width of the page, leaving small margins at the top and bottom. There are no vertical lines, text, or other markings present.

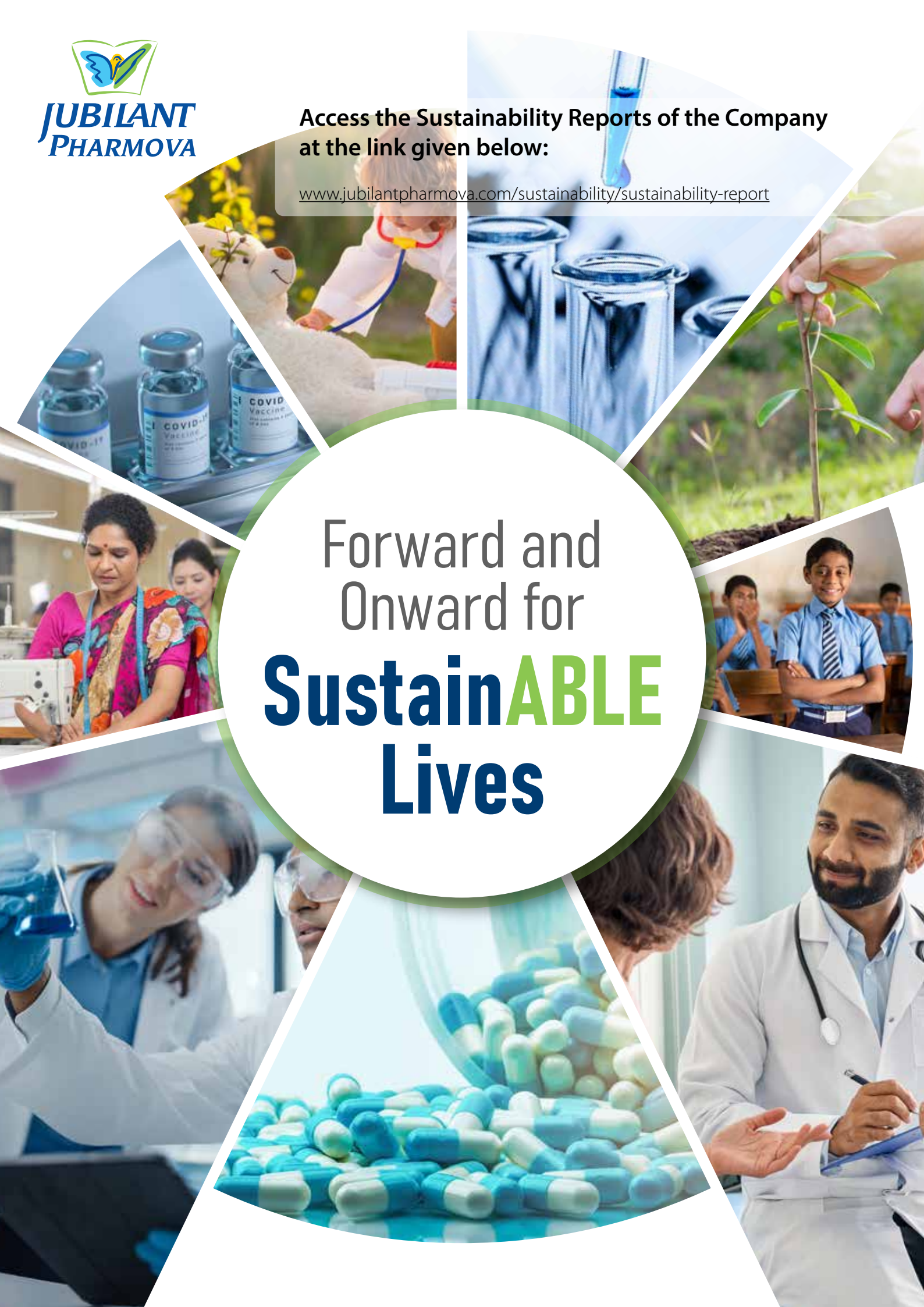
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Access the Sustainability Reports of the Company  
at the link given below:

[www.jubilantpharmova.com/sustainability/sustainability-report](http://www.jubilantpharmova.com/sustainability/sustainability-report)

Forward and  
Onward for  
**SustainABLE**  
Lives





**Jubilant Pharmova Limited**

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