Notes to the financial statements for the year ended 31 March 2019

1. Corporate Information

Jubilant Life Sciences 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 is an integrated global pharmaceutical and life sciences company engaged in pharmaceuticals, life science ingredients and other businesses including drug discovery and development solutions and India Branded Pharmaceuticals. The pharmaceuticals segment, through its wholly owned subsidiary Jubilant Pharma Limited, is engaged in manufacture and supply of APIs, solid dosage formulations, radiopharmaceuticals, allergy therapy products and contract manufacturing of sterile injectables and non-sterile products through 6 USFDA approved manufacturing facilities in India, USA and Canada and a network of over 50 radio-pharmacies in the US. The life science ingredients segment is engaged in specialty intermediates, nutritional products and life science chemicals through 5 manufacturing facilities in India. The drug discovery and development solutions business provides proprietary in-house innovation & collaborative research and partnership for out-licensing through 2 world class research centers in India. The Company is well recognized as a 'Partner of Choice' by leading pharmaceuticals and life sciences companies globally.

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 except for Ind AS 115 "Revenue from Contracts with Customers" and Appendix B, "Foreign currency transactions and advance consideration" to Ind AS 21, "the effects of changes in foreign exchange rates" which did not have any significant impact on the financial position or performance of the Company. Also refer to respective accounting policies for further details.

(a) Basis of preparation

(i) *Statement of compliance*

These Standalone Ind AS Financial Statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act. All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or '₹') and are rounded to the nearest million, except per share data and unless stated otherwise.

The financial statements have been authorized for issue by the Company's Board of Directors on 17 May 2019.

(ii) *Historical cost convention*

The 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) Property, plant and equipment (PPE) and intangible assets

(i) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost, which includes capitalized finance costs, less accumulated depreciation and any

Notes to the financial statements for the year ended 31 March 2019 (Continued)

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

- Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:

- Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.

- Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/ or improved product and/or process development capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of 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 amortization methods, estimated useful lives and residual value

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of 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
Motor vehicles (Vehicles – Owned)	5 years	8 years
Motor vehicles under finance lease (Vehicles – Leased)	Tenure of lease or 5 years whichever is shorter	8 years
Computer servers and networks (included in office equipment)	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

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

Software systems are being amortised over a period of five years being their useful life. Rights are amortised over the useful life.

Notes to the financial statements for the year ended 31 March 2019 (Continued)

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

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

(iv) Derecognition

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

(d) 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.

(e) Impairment of non-financial assets

The Company's 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.

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognized 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 recognized 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 amortization, if no impairment loss had been recognized.

(f) Financial instrument

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that

Notes to the financial statements for the year ended 31 March 2019 (Continued)

are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instrument at FVOCI

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

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

Debt instrument at FVPL

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

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

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL.

For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

Investments in subsidiaries

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 recognized in the Statement of Profit and Loss.

Impairment of financial assets

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

Derecognition of financial assets

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received

Notes to the financial statements for the year ended 31 March 2019 (Continued)

cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Financial liabilities

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

Derecognition of financial liabilities

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

Derivative financial instruments

The Company uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

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

(g) Inventories

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

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

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

(h) 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.

(i) Provisions and contingencies

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future

Notes to the financial statements for the year ended 31 March 2019 (Continued)

cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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

Contingent liability

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

(j) Revenue recognition

Effective 1 April 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at 1 April 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. There is no material effect on adoption of Ind AS 115 on the financial statements.

Revenue from sale of products is recognised upon transfer of control of products to customers at the time of shipment to or receipt of goods by the customers. Service income is recognised as and when the underlying services are performed. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

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

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

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

(k) 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 ('the Plan'), a defined contribution plan. Contribution made by the Company to the plan during the year is charged to Statement of Profit and Loss.

c) Provident fund

- The Company makes contribution to the recognised provident fund - "VAM

Notes to the financial statements for the year ended 31 March 2019 (Continued)

EMPLOYEES PROVIDENT FUND TRUST" (a multiemployer trust) for most of its employees in India, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

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

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

(iii) Other long-term employee benefits:

Compensated absences:

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

(iv) Termination benefits:

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

(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).

(l) 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 recognized as an employee expense, and those granted to employees of subsidiaries is 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 recognized in connection with share based payment transaction is presented

Notes to the financial statements for the year ended 31 March 2019 (Continued)

as a separate component in equity under "share based payment reserve". The amount recognized 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.

Corresponding balance of a share based payment reserve is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee, as the Company is operating the Employee Stock Option schemes through Jubilant Employees Welfare Trust, which has purchased share from the secondary market.

(m) Finance costs

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

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

(n) Income tax

Income tax expense comprises current and deferred tax. It is recognised in 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.

  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

Notes to the financial statements for the year ended 31 March 2019 (Continued)

the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

For operations carried out in SEZs, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

(o) Leases

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. If it is a lease arrangement, it is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(p) 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 and Managing Director (CCMD) of the Company is 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 on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be.

(q) Foreign currency translation

(i) *Functional and presentation currency*

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

(ii) *Transactions and balances*

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

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

(r) Government grants

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

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

(s) Earnings per share

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

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

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(ii) Diluted earnings per share

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

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

(t) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

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

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

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

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

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

(u) Critical estimates and judgements

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

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

- Assessment of useful life of property, plant and equipment and intangible asset – Note 2(c)
- Valuation of inventories – Note 2(g)
- Recognition of revenue and related accruals– Note 2(j)
- Fair value measurement – Note 2(t)
- Estimation of assets and obligations relating to employee benefits – Note 32
- Recognition and estimation of tax expense including deferred tax– Note 8 & 30
- Estimated impairment of financial assets and non-financial assets – Note 2(e), 2(f)
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 38
- Lease classification – Note 39(b)

(v) Recent accounting pronouncements

Applicable standards issued but not yet effective

The Company has not early adopted the following new standards or amendments to standards in preparing these financial statements.

Ind AS 116, Leases

MCA vide its notification dated 30 March 2019, notified Ind AS 116 “Leases”. The standard is effective from 1 April 2019. Ind AS 116 will replace the existing leases standard, Ind AS 17 “Leases” and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises present value

Notes to the financial statements for the year ended 31 March 2019 (Continued)

of the lease payment (discounted using incremental borrowing rate or interest rate implicit in the lease) as right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments and lease rent expense will be replaced with the amortization of right-of use-asset and interest accrued on lease liability. The standard also contains enhanced disclosure requirements for lessees and will have consequential impact on cash flows categories as well. The new standard substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116 effective annual reporting period beginning 1 April 2019 using the modified retrospective approach. Therefore, the cumulative effect of adopting new standard will be recognized as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

Ind AS 19, Employee Benefits

MCA vide its notification dated 30 March 2019, notified amendments to Ind AS 19 – "Employee Benefits" regarding plan amendments, curtailments and settlements. The amendments are as follows:

- If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement;
- In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding asset ceiling.

The above amendments are effective from 1 April 2019. The Company is currently in the process of evaluating the impact of this change on its financial statements.

Appendix C, "Uncertainty over Income Tax Treatments", to Ind AS 12, Income Taxes

MCA vide its notification dated 30 March 2019, notified Appendix C, "Uncertainty over Income Tax Treatments", to Ind AS 12, which clarifies how the recognition and measurement requirements of Ind AS 12 "Income taxes", are applied where there is uncertainty over income tax treatments. This appendix explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the applicable tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under applicable tax law.

The appendix provides specific guidance in several areas where previously Ind AS 12 was silent. Appendix applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The Appendix is effective from 1 April 2019. The Company is currently in the process of evaluating the impact of this change on its financial statements.

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

	Land-freehold	Land-leasehold (4)	Building-factory	Building-others	Plant and equipment	Furniture and fixtures	Vehicles-owned	Vehicles-leased	Office equipment	Railway sidings	Total	Capital work-in-progress
3. Property, plant and equipment and capital work-in-progress												
Gross carrying amount as at 1 April 2017	**219.57**	**324.83**	**894.91**	**1,655.98**	**12,116.09**	**93.71**	**31.59**	**37.77**	**289.44**	**108.43**	**15,772.32**	**646.22**
Additions/adjustments (5)	7.44	-	109.92	42.58	740.79	19.27	1.89	24.67	43.20	-	**989.76**	1,462.71
Deductions/adjustments	-	-	(0.06)	-	(19.96)	(3.59)	-	(11.63)	(3.01)	-	**(38.25)**	(955.76)
Gross carrying amount as at 31 March 2018	**227.01**	**324.83**	**1,004.77**	**1,698.56**	**12,836.92**	**109.39**	**33.48**	**50.81**	**329.63**	**108.43**	**16,723.83**	**1,153.17**
Accumulated depreciation as at 1 April 2017	**-**	**9.02**	**63.79**	**74.42**	**1,238.95**	**34.09**	**14.07**	**12.55**	**129.42**	**22.16**	**1,598.47**	**-**
Depreciation charge for the year	-	4.51	34.40	44.21	636.89	15.71	6.08	10.78	46.04	11.08	**809.70**	-
Deductions/adjustments	-	-	(0.02)	-	(5.50)	(1.74)	-	(6.98)	(1.66)	-	**(15.90)**	-
Accumulated depreciation as at 31 March 2018	**-**	**13.53**	**98.17**	**118.63**	**1,870.34**	**48.06**	**20.15**	**16.35**	**173.80**	**33.24**	**2,392.27**	**-**
Net carrying amount as at 31 March 2018	**227.01**	**311.30**	**906.60**	**1,579.93**	**10,966.58**	**61.33**	**13.33**	**34.46**	**155.83**	**75.19**	**14,331.56**	**1,153.17**

(₹ in million)

	Land-freehold	Land-leasehold (4)	Building-factory	Building-others	Plant and equipment	Furniture and fixtures	Vehicles-owned	Vehicles-leased	Office equipment	Railway sidings	Total	Capital work-in-progress
Gross carrying amount as at 1 April 2018	**227.01**	**324.83**	**1,004.77**	**1,698.56**	**12,836.92**	**109.39**	**33.48**	**50.81**	**329.63**	**108.43**	**16,723.83**	**1,153.17**
Additions/adjustments (5)	-	-	3.90	92.89	1,264.10	15.51	8.32	12.67	78.33	-	**1,475.72**	3,139.77
Deductions/adjustments	-	-	-	-	(89.56)	(6.18)	(4.22)	(5.14)	(1.95)	-	**(107.05)**	(1,454.73)
Gross carrying amount as at 31 March 2019	**227.01**	**324.83**	**1,008.67**	**1,791.45**	**14,011.46**	**118.72**	**37.58**	**58.34**	**406.01**	**108.43**	**18,092.50**	**2,838.21**
Accumulated depreciation as at 1 April 2018	**-**	**13.53**	**98.17**	**118.63**	**1,870.34**	**48.06**	**20.15**	**16.35**	**173.80**	**33.24**	**2,392.27**	**-**
Depreciation charge for the year	-	4.51	36.79	51.15	675.49	13.64	4.80	13.50	38.75	11.08	**849.71**	-
Deductions/adjustments	-	-	-	-	(15.97)	(3.64)	(3.88)	(3.47)	(1.60)	-	**(28.56)**	-
Accumulated depreciation as at 31 March 2019	**-**	**18.04**	**134.96**	**169.78**	**2,529.86**	**58.06**	**21.07**	**26.38**	**210.95**	**44.32**	**3,213.42**	**-**
Net carrying amount as at 31 March 2019	**227.01**	**306.79**	**873.71**	**1,621.67**	**11,481.60**	**60.66**	**16.51**	**31.96**	**195.06**	**64.11**	**14,879.08**	**2,838.21**

Notes:

(1) Refer note 16(c) for information on property, plant and equipment are provided as security by the Company.

(2) Refer note 39(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(3) Refer note 43 for finance costs capitalised.

(4) Represent land on long-term lease basis.

(5) Includes ₹ 13.63 million (31 March 2018: ₹ 18.66 million) in respect of research and development (R&D) assets.

(6) Capital research and development expenditure aggregating to ₹ 17.02 million (31 March 2018: ₹ 17.96 million) incurred during the year included in additions to fixed assets/capital work-in-progress.

(7) Addition includes exchange gain of ₹ Nil (31 March 2018: ₹ 4.94 million) (Refer note 44).

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

		Rights	Softwares	Total	Intangible assets under development
4.	**Other intangible assets and intangible assets under development**				
	Gross carrying amount as at 1 April 2017	**12.24**	**87.20**	**99.44**	**7.78**
	Additions/adjustments	-	25.15	**25.15**	17.37
	Deductions/adjustments	-	-	**-**	(25.15)
	Gross carrying amount as at 31 March 2018	**12.24**	**112.35**	**124.59**	**-**
	Accumulated amortisation as at 1 April 2017	**12.24**	**49.57**	**61.81**	**-**
	Amortisation for the year	-	16.25	**16.25**	**-**
	Accumulated amortisation as at 31 March 2018	**12.24**	**65.82**	**78.06**	**-**
	Net carrying amount as at 31 March 2018	**-**	**46.53**	**46.53**	**-**

(₹ in million)

	Rights	Softwares	Total	Intangible assets under development
Gross carrying amount as at 1 April 2018	**12.24**	**112.35**	**124.59**	**-**
Additions/adjustments	-	3.05	**3.05**	3.05
Deductions/adjustments	-	-	**-**	(3.05)
Gross carrying amount as at 31 March 2019	**12.24**	**115.40**	**127.64**	**-**
Accumulated amortisation as at 1 April 2018	**12.24**	**65.82**	**78.06**	**-**
Amortisation for the year	-	15.12	**15.12**	**-**
Accumulated amortisation as at 31 March 2019	**12.24**	**80.94**	**93.18**	**-**
Net carrying amount as at 31 March 2019	**-**	**34.46**	**34.46**	**-**

(₹ in million)

		As at	
		31 March 2019	**31 March 2018**
5.	**Non-current investments**		
	I. Investment in equity shares (at cost)		
	Unquoted (fully paid up)		
	Subsidiary companies:		
	375 (31 March 2018: 375) equity shares with no par value		
	Jubilant Life Sciences (USA) Inc.	17.11	17.11
	326,758,994 (31 March 2018: 326,758,994) equity shares with no par value		
	Jubilant Pharma Limited	14,913.01	14,913.01
	34,484,000 (31 March 2018: 34,484,000) equity shares of ₹ 10 each		
	Jubilant Infrastructure Limited	1,298.82	1,298.82
	2,050,000 (31 March 2018: 2,050,000) equity shares of ₹ 10 each		
	Jubilant First Trust Healthcare Limited	44.43	44.43
	437,503 (31 March 2018: 437,503) equity shares of USD 1 each		
	Jubilant Life Sciences International Pte. Limited	3.56	3.56
	99,999 (31 March 2018: 99,999) equity shares with no par value		
	Jubilant Life Sciences NV	7.81	7.81

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

		As at	
		31 March 2019	31 March 2018
	4,650,001 (31 March 2018: 4,650,001) equity shares of USD 1 each		
	Drug Discovery and Development Solutions Limited	641.31	641.31
	50,000 (31 March 2018: Nil) equity shares of ₹ 10 each		
	Jubilant Business Services Limited	0.50	-
	57,000,000 (31 March 2018: Nil) equity shares of ₹ 10 each		
	Jubilant Therapeutics India Limited	570.00	-
	6,200,000 (31 March 2018: Nil) equity shares of ₹ 10 each		
	Jubilant Chemsys Limited (Refer Note 48)	62.00	-
	186,620,000 (31 March 2018: Nil) equity shares of ₹ 10 each		
	Jubilant Biosys Limited (Refer Note 49)	-	-
		17,558.55	**16,926.05**
II.	**Investment in equity shares (at fair value through other comprehensive income)**		
	Unquoted (fully paid up)		
	Other Companies:		
	6,569,310 (31 March 2018: 6,569,310) equity shares of ₹ 10 each		
	Forum I Aviation Limited	80.35	74.96
		80.35	**74.96**
III.	**Investment in preference shares (at cost)**		
	Unquoted (fully paid up)		
	Subsidiary companies:		
	Nil (31 March 2018: 186,620,000) 12% convertible non-cumulative redeemable preference shares of ₹ 10 each	-	-
	Jubilant Biosys Limited (Refer Note 49)		
	Nil (31 March 2018: 6,200,000) 8% convertible non-cumulative redeemable preference shares of ₹ 10 each		
	Jubilant Chemsys Limited (Refer Note 48)	-	62.00
		-	**62.00**
	Total non-current investments	**17,638.90**	**17,063.01**
	Aggregate amount of unquoted investments	**17,638.90**	**17,063.01**
	Aggregate amount of impairment in the value of investments	-	-

(₹ in million)

		As at			
		31 March 2019		31 March 2018	
		Current	Non-current	Current	Non-current
6.	**Loans**				
	Unsecured, considered good				
	Security deposits	25.95	27.30	37.89	26.66
	Loan to related parties (Refer note 37)	-	-	162.99	-
	Loan to employees	5.82	5.62	4.88	5.37
	Total loans	**31.77**	**32.92**	**205.76**	**32.03**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

	As at			
	31 March 2019		31 March 2018	
	Current	Non-current	Current	Non-current
7. Other financial assets				
Other bank balances:				
Deposits with maturity after 12 months from the reporting date (1)	-	5.01	-	4.03
Recoverable from related parties (2) (Refer note 37)	336.64	-	177.90	-
Interest receivable	3.11	-	0.65	-
Others	258.43	-	219.84	-
Total other financial assets	**598.18**	**5.01**	**398.39**	**4.03**

Note:

(1) These deposits have restricted use.

(2) Including due by directors and private companies having common director aggregating to ₹ 5.17 million (31 March 2018: ₹ 3.43 million)

8. Deferred tax

Deferred income tax reflect 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 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	Accrued expenses and other temporary differences	Total
As at 1 April 2017	**221.72**	**23.25**	**2,184.72**	**11.56**	**2,441.25**
(Charged)/credited					
- to Statement of Profit and Loss	27.83	(4.02)	(167.59)	4.08	**(139.70)**
- to other comprehensive income	15.04	-	-	-	**15.04**
Reclassification to income tax assets	-	-	(19.43)	-	**(19.43)**
As at 31 March 2018	**264.59**	**19.23**	**1,997.70**	**15.64**	**2,297.16**
(Charged)/credited					
- to Statement of Profit and Loss	18.52	(5.03)	102.17	(0.40)	**115.26**
- to other comprehensive income	5.95	-	-	-	**5.95**
As at 31 March 2019	**289.06**	**14.20**	**2,099.87**	**15.24**	**2,418.37**

Deferred tax liabilities:

(₹ in million)

	Depreciation and amortisation	Others	Total
As at 1 April 2017	**2,335.85**	**11.41**	**2,347.26**
Charged/(credited)			
- to Statement of Profit and Loss	159.65	(10.50)	**149.15**
- to other comprehensive income	-	-	**-**
As at 31 March 2018	**2,495.50**	**0.91**	**2,496.41**
Charged/(credited)			
- to Statement of Profit and Loss	161.35	1.13	**162.48**
- to other comprehensive income	-	-	**-**
As at 31 March 2019	**2,656.85**	**2.04**	**2,658.89**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

Reflected in the Balance Sheet as follows:

(₹ in million)

	As at	
	31 March 2019	31 March 2018
Deferred tax assets	2,418.37	2,297.16
Deferred tax liabilities	2,658.89	2,496.41
Deferred tax (liabilities) / asset, net	**(240.52)**	**(199.25)**

Reconciliation of deferred tax (liabilities) / asset (net):

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Balance as at the commencement of the year	(199.25)	93.99
Charge during the year recognised in Statement of Profit and Loss (including MAT)	(47.22)	(288.85)
Reclassification to income tax assets	-	(19.43)
Credit during the year recognised in OCI	5.95	15.04
Balance as at the end of the year	**(240.52)**	**(199.25)**

DTA has not been recognized on temporary differences in relation to indexation benefit of investment in subsidiaries and freehold land amounting to ₹ 4,205.51million (31 March 2018: ₹ 3,971.99 million) and ₹ 72.61 million (31 March 2018: ₹ 69.03 million) respectively, as the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary differences will not reverse in foreseeable future. Further, DTA on temporary differences of capital nature amounting to ₹ Nil (31 March 2018: ₹ 434.74 million) has not been recognized as the management believes it is probable that the temporary differences will not reverse in foreseeable future.

(₹ in million)

		As at	
		31 March 2019	31 March 2018
9.	**Other non-current assets**		
	Capital advances	17.61	53.93
	Prepaid expenses	248.75	265.51
	Total other non-current assets	**266.36**	**319.44**

(₹ in million)

		As at	
		31 March 2019	31 March 2018
10.	**Inventories**		
	Raw materials *	2,505.83	2,803.91
	Work-in-progress	725.32	881.54
	Finished goods	1,062.45	1,377.64
	Stock-in-trade	23.49	19.49
	Stores and spares *	188.73	193.41
	Others- process chemicals and fuels *	413.57	579.81
	Total inventories	**4,919.39**	**5,855.80**
	* Goods-in-transit included in above		
	Raw materials	457.62	640.10
	Stores and spares	4.05	17.19
	Others- process chemicals and fuels	17.13	95.11
	Total goods-in-transit	**478.80**	**752.40**
	Total write down of inventories recognised during the year	8.23	8.55

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

	As at	
	31 March 2019	**31 March 2018**
11. Trade receivables		
Unsecured and current		
Trade receivables - considered good	3,512.01	2,874.29
Receivables from related parties (Refer note 37)	1,293.23	2,062.32
Trade receivables - which have significant increase in credit risk	7.57	7.15
Less: Expected credit loss allowance (Refer note 34)	(7.57)	(7.15)
Total trade receivables	**4,805.24**	**4,936.61**

(₹ in million)

	As at	
	31 March 2019	**31 March 2018**
12(a). Cash and cash equivalents		
Balances with banks		
- in current accounts	109.13	284.67
- in dividend accounts	54.73	49.76
Cash on hand	0.72	0.45
Cheques/ drafts on hand	-	14.80
Others		
- Funds in transit	22.34	14.97
- Imprest	0.06	0.02
Total cash and cash equivalents (1)	**186.98**	**364.67**

Note:

(1) ₹ 54.73 million (31 March 2018: ₹ 49.76 million) has restricted use.

(₹ in million)

	As at	
	31 March 2019	**31 March 2018**
12(b). Other bank balances		
Deposit accounts with maturity up to twelve months from the reporting date-held as margin money	160.44	10.40
Total other bank balances (1)	**160.44**	**10.40**

Note:

(1) These have restricted use.

(₹ in million)

	As at	
	31 March 2019	**31 March 2018**
13. Other current assets		
Prepaid expenses	99.53	77.76
Recoverable from/balance with government authorities (Refer note 42)	1,769.50	1,134.01
Advance to employees	3.23	4.72
Advance for supply of goods and services	203.34	237.32
Assets held for sale (1)	34.09	31.08
Others	-	2.35
Total other current assets	**2,109.69**	**1,487.24**

Note:

(1) Represents property, plant and equipments which are not considered for active use and are expected to be sold in due course.

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

		As at	
		31 March 2019	31 March 2018
14.	**Equity share capital**		
	Authorised		
	655,000,000 (31 March 2018 : 655,000,000) equity shares of ₹ 1 each	655.00	655.00
		655.00	**655.00**
	Issued and subscribed		
	159,313,139 (31 March 2018 : 159,313,139) equity shares of ₹ 1 each	159.31	159.31
		159.31	**159.31**
	Paid up capital		
	159,281,139 (31 March 2018 : 159,281,139) equity shares of ₹ 1 each	159.28	159.28
	Add: Equity shares forfeited (paid up)	0.02	0.02
		159.30	**159.30**

Movement in equity share capital:

	As at 31 March 2019		As at 31 March 2018	
	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 2019		As at 31 March 2018	
	Number	% of total shares	Number	% of total shares
Jubilant Stock Holding Private Limited	22,521,992	14.14%	21,871,992	13.73%
SSB Consultants & Management Services Private Limited	21,007,665	13.19%	21,007,665	13.19%
HSB Corporate Consultants Private Limited	18,698,979	11.74%	18,698,979	11.74%

Others:

a) 114,835 (31 March 2018: 114,835) equity shares of ₹ 1 each allotted on exercise of the vested stock options in accordance with the terms of exercise under the "Jubilant Employees Stock Option Plan, 2005". (Refer note 46).

b) Under the Jubilant Employees Stock Option 2011 Plan as at 31 March 2019 – 9,628 (31 March 2018: 32,216) outstanding options are convertible into 9,628 (31 March 2018: 32,216) shares. (Refer note 46).

15 Nature and purpose of other equity

- *Capital reserve*

  Accumulated capital surplus not available for distribution of dividend and expected to remain invested permanently.

- *Securities premium*

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

- *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.

Notes to the financial statements for the year ended 31 March 2019 (Continued)

- *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.

- *General reserve*

  This represents appropriation of profit by the Company and is available for distribution of dividend.

- *Debenture redemption reserve*

  The Company is required to create a debenture redemption reserve out of the profits prior to the redemption of debentures. This reserve is available for distribution of dividend post redemption of debentures.

- *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 with corresponding credit to Share based payment reserve. Corresponding balance of a share based payment reserve is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee, as the Company is operating the Employee Stock Option schemes through Jubilant Employees Welfare Trust, which has purchased share from the secondary market.

- *Foreign Currency Monetary Item Translation Difference Account (FCMITDA)*

  This represent accumulated Monetary Item Translation Difference of long-term foreign currency monetary items to be amortised over the period in which long-term foreign currency monetary items is payable.

- *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.

(₹ in million)

		As at	
		31 March 2019	**31 March 2018**
16 (a).	**Non-current borrowings**		
	Secured debentures		
	Secured rated listed non-convertible debentures	6,435.66	3,938.56
	Term loans		
	From banks		
	Indian rupee loans (secured)	1,569.95	2,168.32
	From other parties		
	Indian rupee loans (secured)	-	1,118.53
	From related parties		
	Indian rupee loans from subsidiaries (unsecured)	3,367.40	3,342.40
	Long term maturity of finance lease obligations (secured)	22.72	26.00
	Total non-current borrowings	**11,395.73**	**10,593.81**
	Add: Current maturities of non-current borrowings (Refer note 19)	984.11	1,727.74
	Add: Current maturities of financial lease obligations (Refer note 19)	13.24	11.54
	Total Non-current borrowings (including current maturities)	**12,393.08**	**12,333.09**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

	As at	
	31 March 2019	**31 March 2018**
16(b). Current borrowings		
Loans repayable on demand		
From banks		
Secured	2,071.03	38.19
Unsecured	2,315.09	1,617.22
From related parties(unsecured)	241.00	251.00
Total current borrowings	**4,627.12**	**1,906.41**

16 a Nature of security of non-current borrowings and other terms of repayment

16(a) (i) Indian rupee term loans amounting to ₹ 1,575.00 million (31 March 2018: to ₹ 2,177.90 million) from Axis Bank Limited, RBL Bank Limited and Non-Convertible Debentures amounting to ₹ 7,450.00 million (31 March 2018: ₹ 4,950.00 million) are secured by a first pari-passu charge created amongst the lenders by way of:

1) Mortgage on the immovable fixed assets, both present and future, situated at Bhartiagram, Tehsil Dhanora, District Amroha, Uttar Pradesh, India, save and except the following immovable fixed assets from mortgage:

   (i) Land measuring 90,124.24 square meters together with all the buildings and structures thereon situated in the revenue estate of Village Naipura Khadar and Tigariya Bhoor, Tehsil Dhanora, District Amroha, Uttar Pradesh, India, being under common title deeds with other Group companies;

   (ii) Land measuring 5.56 Acres (equivalent to 2.253 Hectares) together with all the buildings and structures thereon situated in the revenue estate of Village Fazalpur Gosai, Tehsil Dhanora, District Amroha, Uttar Pradesh, India; and

   (iii) Leasehold Land, being plot no. A-4/2 measuring 157,509 square meters, together with all the buildings and structures thereon situated in UPSIDC Industrial Area II, Gajraula, Tehsil Dhanora, District Amroha, Uttar Pradesh, India, being under common lease deed with other Group companies;

2) Hypothecation on the entire movable fixed assets, both present and future of the Company.

16(a) (ii) Non-convertible debentures amounting to ₹ 3,950.00 million (31 March 2018: ₹ 4,950.00 million repayable in four yearly installments) is repayable in three yearly installments as given below:

a. 8.47% Non-convertible debentures of ₹1,000 million repayable on 27 January 2020.

b. 8.65% Non-convertible debentures of ₹ 1,500 million repayable on 27 January 2021.

c. 8.88% Non-convertible debentures of ₹ 1,450 million repayable on 27 January 2022.

8.20% Non-convertible debentures of ₹ 1,000 million has been repaid during the year.

16(a) (iii) Non-convertible debentures amounting to ₹ 3,500.00 million (31 March 2018: ₹ Nil) is repayable in three yearly installments as given below:

a. 8.95% Non-convertible debentures of ₹ 1,000 million repayable on 5 September 2020.

b. 9.10% Non-convertible debentures of ₹ 1,000 million repayable on 5 September 2021.

c. 9.26% Non-convertible debentures of ₹ 1,500 million repayable on 5 September 2022.

16(a) (iv) Indian rupee term loan amounting to ₹ 1,575.00 million (31 March 2018: ₹ 1,575.00 million repayable in three half yearly installments from March 2021) from Axis Bank Limited is repayable in three half yearly installments from March 2021.

16(a) (v) Indian rupee term loan amounting to ₹ Nil (31 March 2018: ₹ 602.90 million repayable in eight quarterly installments from March 2020) from RBL Bank Limited has been fully repaid during the year.

16(a) (vi) Indian rupee term loan amounting to ₹ Nil (31 March 2018: ₹ 1,875.00 million repayable in five equal half yearly installments from September 2018) from Housing Development Finance Corporation Limited has been fully repaid during the year.

16(a) (vii) Term loans from subsidiaries are repayable up to five years from the date of respective disbursement and carry interest rate ranging from 6.75% to 8.75% (31 March 2018: 6.75 % to 9.75% per annum).

Notes to the financial statements for the year ended 31 March 2019 (Continued)

16(a) (viii) Finance lease obligations are secured by hypothecation of specific assets taken under such lease. The same are repayable within five years.

16(a) (ix) The term loans 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 2019, the interest rate on Indian currency loans and foreign currency loans range from 8.00% to 10.09% per annum (31 March 2018: 7.90 % to 9.75% per annum) and NA (31 March 2018: 4.46% to 5.16% per annum), respectively.

The composition of property, plant and equipment and current assets as mentioned above are defined in detail in the respective financing/credit arrangements.

16 b. Nature of security of Current borrowings and other terms of repayment

16(b) (i) 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 the Company wherever the same may be or be held. Working capital loans are repayable as per terms of agreement within one year.

16(b) (ii) Short term loans are availed in Indian rupees and in foreign currency which 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 2019, the interest rate on Indian currency loans and foreign currency loans range from 6.10% to 10.60% per annum (31 March 2018: 5.95% to 11.65% per annum) and 1.44% to 5.58% per annum (31 March 2018: 1.10% to 3.78% per annum) , respectively

The composition of property, plant and equipment and current assets as mentioned above are defined in detail in the respective financing/credit arrangements.

16 c. 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 2019	**31 March 2018**
Property, plant and equipment	12,459.92	14,175.80
Inventory	4,919.39	5,855.80
Other financial assets	4,805.24	4,936.61
	22,184.55	**24,968.21**

(₹ in million)

	31 March 2019	**31 March 2018**
16 d. Analysis of movement in borrowings		
Borrowings at the beginning of the year	**14,239.50**	**16,978.06**
Movement due to cash transactions per the Statement of Cash Flows	2,749.75	(2,778.41)
Movement due to non-cash transactions:		
- Foreign exchange movement	0.48	(6.75)
- Effective interest rate accounting	32.05	36.68
- Liability for assets taken on lease	(1.58)	9.92
Borrowings at the end of the year	**17,020.20**	**14,239.50**

(₹ in million)

	As at			
	31 March 2019		31 March 2018	
	Current	Non-current	Current	Non-current
17. Provisions				
Unsecured, considered good				
Provision for employee benefits (Refer note 32)	207.75	619.55	183.49	573.71
Total provisions	**207.75**	**619.55**	**183.49**	**573.71**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

		As at	
		31 March 2019	31 March 2018
18.	**Trade payables**		
	Current		
	Total outstanding dues of micro enterprises and small enterprises	60.34	19.37
	Total outstanding dues of creditors other than micro enterprises and small enterprises *	5,900.18	7,472.41
	Total trade payables	**5,960.52**	**7,491.78**
	* Amount payable to related party included in the above (Refer note 37)	236.97	304.10

(₹ in million)

		As at	
		31 March 2019	31 March 2018
19.	**Other current financial liabilities**		
	Current maturities of non-current borrowings [Refer note 16(a)]	984.11	1,727.74
	Current maturities of finance lease obligations [Refer note 16(a)]	13.24	11.54
	Interest accrued but not due on borrowings	123.81	113.41
	Unpaid dividend	54.73	49.76
	Security deposit	29.11	25.79
	Capital creditors *	405.36	219.72
	Employee benefits payable	323.50	275.72
	Other payables	27.44	49.72
	Total other current financial liabilities	**1,961.30**	**2,473.40**

* Includes outstanding dues of micro enterprises and small enterprises of ₹ 63.38 million (31 March 2018: ₹ 4.66 million).

(₹ in million)

		As at	
		31 March 2019	31 March 2018
20.	**Other current liabilities**		
	Contract liabilities	55.27	71.77
	Statutory dues payables	126.19	157.26
	Total other current liabilities	**181.46**	**229.03**

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
21.	**Revenue from operations**		
	Sale of products (including excise duty)		
	- Finished goods	32,260.24	31,114.06
	- Traded goods	1,654.33	1,841.08
	Sale of services	19.21	22.12
	Other operating revenue (Refer note 42)	452.33	452.81
	Total revenue from operations	**34,386.11**	**33,430.07**

Note:

Revenue from operations for the current year is not comparable with previous year since the revenue is net of Goods and Services Tax (GST) w.e.f. 1 July 2017, whereas revenue includes excise duty upto 30 June 2017.

Notes to the financial statements for the year ended 31 March 2019 (Continued)

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 2019			For the year ended 31 March 2018		
	Life Science Ingredients	Other	Total	Life Science Ingredients	Other	Total
Primary geographical markets						
India	22,502.69	247.48	22,750.17	19,613.71	179.02	19,792.73
Americas and Europe	7,079.57	-	7,079.57	8,247.61	-	8,247.61
China	1,258.07	-	1,258.07	1,820.21	-	1,820.21
Rest of the world	2,845.97	-	2,845.97	3,116.71	-	3,116.71
Total	**33,686.30**	**247.48**	**33,933.78**	**32,798.24**	**179.02**	**32,977.26**
Major products/service lines						
Speciality Intermediates	9,641.30	-	9,641.30	9,269.57	-	9,269.57
Life Science Chemicals	20,529.70	-	20,529.70	17,838.52	-	17,838.52
Nutritional Products	3,515.30	-	3,515.30	5,690.15	-	5,690.15
India branded pharmaceuticals	-	247.48	247.48	-	179.02	179.02
Total	**33,686.30**	**247.48**	**33,933.78**	**32,798.24**	**179.02**	**32,977.26**

Reconciliation of the disaggregated revenue with the Company's reportable segments (refer note 36).

(₹ in million)

	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Life Science Ingredients	Other	Total	Life Science Ingredients	Other	Total
Revenue from sale of products and services	33,686.30	247.48	33,933.78	32,798.24	179.02	32,977.26
Other operating revenue	452.33	-	452.33	452.81	-	452.81
Total	**34,138.63**	**247.48**	**34,386.11**	**33,251.05**	**179.02**	**33,430.07**

Contract Balances

(₹ in million)

	As at	
	31 March 2019	1 April 2018
Trade receivables	4,805.24	4,936.61
Contract liabilities	55.27	71.77

The amount of ₹ 71.77 million recognised in contract liabilities at the beginning of the period has been recognised as revenue for the year ended 31 March 2019.

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

(₹ in million)

	For the year ended 31 March 2019
Contracted price	34,461.92
Reductions towards variable consideration components	(75.81)
Revenue recognised	34,386.11

The reduction towards variable consideration comprises of volume discounts, price discounts etc.

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
22.	**Other income**		
	Interest income	20.31	15.76
	Dividend from subsidiaries	592.89	120.69
	Net foreign exchange income	-	126.20
	Other non-operating income	166.81	199.47
	Total other income	**780.01**	**462.12**

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
23.	**Cost of materials consumed**		
	Raw materials consumed	18,745.97	16,444.51
	Total cost of materials consumed	**18,745.97**	**16,444.51**

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
24.	**Purchase of stock-in-trade**		
	Purchase of stock-in-trade	1,314.74	1,540.52
	Total purchase of stock-in-trade	**1,314.74**	**1,540.52**

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
25.	**Changes in inventories of finished goods, stock-in-trade and work-in-progress**		
	Opening balance		
	Work-in-progress	881.54	652.58
	Finished goods	1,377.64	1,415.57
	Stock-in-trade	19.49	29.48
	Total opening balance	**2,278.67**	**2,097.63**
	Closing balance		
	Work-in-progress	725.32	881.54
	Finished goods	1,062.45	1,377.64
	Stock-in-trade	23.49	19.49
	Total closing balance	**1,811.26**	**2,278.67**
	Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**467.41**	**(181.04)**

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
26.	**Employee benefits expense**		
	Salaries, wages, bonus, gratuity and allowances	2,371.58	2,373.08
	Contribution to provident fund, superannuation and other funds	135.44	123.21
	Staff welfare expenses	150.07	147.86
	Total employee benefits expense	**2,657.09**	**2,644.15**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
27.	**Finance costs**		
	Interest expense	1,231.99	1,292.87
	Other finance costs	45.57	50.45
	Exchange differences to the extent considered as adjustment to finance costs	12.06	8.39
	Total finance costs	**1,289.62**	**1,351.71**

Note:

(1) Refer note 43 for finance costs capitalised.

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
28.	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment	849.71	809.70
	Amortisation of intangible assets	15.12	16.25
	Total depreciation and amortisation expense	**864.83**	**825.95**

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
29.	**Other expenses**		
	Power and fuel	3,582.81	3,398.00
	Consumption of stores and spares and packing materials	1,331.27	1,207.46
	Processing charges	174.86	124.73
	Excise duty related to decrease in inventory of finished goods	-	(92.81)
	Rental charges	146.49	140.22
	Rates and taxes	63.04	67.48
	Insurance	35.09	26.46
	Advertisement, publicity and sales promotion	45.27	62.57
	Travel and conveyance	178.12	182.46
	Repairs and maintenance:		
	i. Plant and machinery	880.34	769.68
	ii. Buildings	36.92	41.26
	iii. Others	128.98	112.18
	Office expenses	128.98	110.55
	Vehicle running and maintenance	30.68	28.65
	Printing and stationery	13.13	12.72
	Telephone and communication charges	20.34	22.75
	Staff recruitment and training	40.29	25.73
	Donation [including corporate social responsibility expenditure (Refer note 41)]	133.65	70.94
	Payments to statutory auditors (refer note 29(a) below)	8.40	8.46
	Legal and professional fees	142.38	137.04
	Freight and forwarding (including ocean freight)	448.83	514.19
	Subscription	18.33	15.21
	Claims and other selling expenses	41.09	60.37
	Commission on sales	27.78	40.02

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Loss on sale/ disposal/ discard of property, plant and equipment (net)	55.49	16.99
Provision/write off of bad debts/irrecoverable advances (net)	4.92	0.59
Amortisation of foreign currency monetary item translation difference	-	5.26
Net foreign exchange loss	187.08	-
Miscellaneous expenses	87.59	113.46
Total other expenses	**7,992.15**	**7,222.62**

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
29(a). Details of payment to statutory auditors (excluding applicable taxes and including out of pocket expenses)		
As auditor:		
Audit fee	4.00	3.50
Certification fees and other services	4.40	4.96
Total payment to auditors	**8.40**	**8.46**

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
29(b). Research and development expenses (excluding finance cost, depreciation and amortisation) comprises as mentioned here under:		
Cost of material consumed	18.50	19.19
Employee benefits expense	138.51	125.49
Utilities- power	4.84	4.37
Other expenses	40.35	33.00
	202.20	**182.05**

30. Income tax

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Profit or loss section		
Current income tax:		
Current income tax charge for the year	312.43	757.34
Adjustments in respect of current income tax of previous years	(1.64)	(3.67)
	310.79	**753.67**
Deferred tax:		
Deferred tax on profits for the year	138.04	283.66
Adjustments in respect of deferred tax of previous years	(90.82)	5.19
	47.22	**288.85**
Income tax expense reported in the Statement of Profit and Loss	**358.01**	**1,042.52**
OCI section		
Tax related to items that will not be reclassified to Profit & Loss	5.95	15.04
Income tax charged to OCI	**5.95**	**15.04**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

Reconciliation between average effective tax rate and applicable tax rate for the year ended 31 March 2019 and 31 March 2018:

(₹ in million)

	For the year ended	
	31 March 2019	**31 March 2018**
Accounting profit before income tax	**1,834.31**	**3,676.94**
At India's statutory income tax rate of 34.944%		
(31 March 2018: 34.608%)	640.98	1,272.52
- Effect of non-deductible expenses and exempt		
income	(165.07)	(230.61)
- Incremental allowance for research and		
development and other capital expenditure	(24.56)	(20.88)
- Effect of prior year taxes	(92.46)	1.52
- Effect of rate change on deferred tax	-	21.12
- Others	(0.88)	(1.15)
Income tax expense reported in the Statement of Profit and Loss	**358.01**	**1,042.52**

During the year ended 31 March 2019 and 31 March 2018, the Company has paid dividend to its shareholders that result in payment of dividend distribution tax in terms of Section 115O of the Income Tax Act, 1961 on the amount of dividends paid as reduced by the amount of dividend received by it from its subsidiaries. As the tax on dividends represents additional payment on behalf of the shareholder, the same has been charged to equity.

31. 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 2019	**31 March 2018**
The principal amount remaining unpaid to any supplier as at the end of the year	123.72	24.03
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	-	-

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 2019 (Continued)

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Employer's contribution to provident fund (1)	10.75	7.88
Employer's contribution to employee's pension scheme	30.61	29.94
Employer's contribution to superannuation fund	7.21	6.98
Employer's contribution to employee state insurance	2.24	3.32

(1) For certain employees where Provident Fund is deposited with government authority e.g. Regional Provident Fund Commissioner.

(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 7.65% p.a. (31 March 2018: 7.70% 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 2018: 58 years) and mortality table is as per IALM (2006-08) (31 March 2018: IALM (2006-08)).

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 2018: 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 are 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 are not available with the Company, hence not disclosed. The expected rate of return on plan assets is 7.65% p.a. (31 March 2018: 7.70 % p.a.).

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

(₹ in million)

	31 March 2019	31 March 2018
Present value of obligation at the beginning of the year	526.42	440.16
Current service cost	47.40	44.64
Interest cost	40.53	33.01
Actuarial loss	17.05	43.09
Benefits paid	(52.80)	(34.48)
Present value of obligation at the end of the year	**578.60**	**526.42**

Fair value of plan assets:**

(₹ in million)

	31 March 2019	31 March 2018
Plan assets at the beginning of the year	5.22	5.44
Expected return on plan assets	0.40	0.41
Actual benefits paid	(0.93)	(0.66)
Actuarial gain	0.02	0.03
Plan assets at the end of the year	**4.71**	**5.22**

** 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 2019 (Continued)

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

(₹ in million)

	As at	
	31 March 2019	31 March 2018
Present value of obligation at the end of the year	578.60	526.42
Fair value of plan assets at the end of the year	(4.71)	(5.22)
Net liabilities recognised in the Balance Sheet	**573.89**	**521.20**

The Company's best estimate of contribution during next year is ₹ 93.92 million (31 March 2018: ₹ 87.19 million)

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Current service cost	47.40	44.64
Interest cost	40.13	32.60
Expense recognised in the Statement of Profit and Loss	**87.53**	**77.24**

Amount recognised in the other comprehensive income:

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Actuarial loss/(gain) due to demographic assumption change	0.31	(1.32)
Actuarial loss/(gain) due to financial assumption change	1.51	(2.47)
Actuarial loss due to experience adjustment	15.23	46.88
Actuarial gain on plan assets	(0.02)	(0.03)
Amount recognised in the other comprehensive income	**17.03**	**43.06**

Sensitivity analysis:

Discount rate

	31 March 2019		31 March 2018	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(12.26)	12.88	(11.76)	12.36

Future salary increase

	31 March 2019		31 March 2018	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	12.94	(12.43)	12.42	(11.93)

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 2019	31 March 2018
Within one year	154.34	132.68
Between one to three years	77.03	46.63
Between three to five years	87.89	64.14
Later than five years	259.34	282.97
	578.60	**526.42**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

ii. Provident Fund:

The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. The total liability of ₹ Nil (31 March 2018: ₹ Nil) as worked out by the actuary has been allocated to each entity based on the corpus value of each entity as at 31 March 2019. Accordingly, liability of ₹ Nil (31 March 2018: ₹ Nil) has been allocated to Company and ₹ Nil (31 March 2018: ₹ Nil) has been charged to Statement of Profit and Loss during the year.

Actuarial assumptions made to determine interest rate guarantee on exempt provident fund liabilities are as follows:

	As at	
	31 March 2019	31 March 2018
Discount rate	7.65%	7.70%
Guaranteed rate of return	8.65%	8.55%

The Company has contributed ₹ 92.82 million to provident fund (31 March 2018: ₹ 85.79 million) for the year.

(C) Other long term benefits (Compensated absences):

(₹ in million)

	As at	
	31 March 2019	31 March 2018
Present value of obligation at the end of the year	253.41	236.00

33. Fair value measurements

(₹ in million)

	Notes	Level of hierarchy	Carrying Value as at		Fair Value as at	
			31 March 2019	31 March 2018	31 March 2019	31 March 2018
Financial assets						
FVTOCI						
Investments in Equity instruments						
(excluding investment in subsidiaries)	(d)	3	80.35	74.96	80.35	74.96
Amortised Cost						
Trade receivables	(a)		4,805.24	4,936.61	4,805.24	4,936.61
Loans	(a, b)		64.69	237.79	64.69	237.79
Cash and cash equivalents	(a)		186.98	364.67	186.98	364.67
Other bank balances	(a)		160.44	10.40	160.44	10.40
Other financial assets	(a, b)		603.19	402.42	603.19	402.42
Total financial assets			**5,900.89**	**6,026.85**	**5,900.89**	**6,026.85**
Financial liabilities						
Amortised Cost						
Secured rated listed non-convertible debentures	(c)	1	7,424.05	4,930.33	7,423.16	4,843.57
Other borrowings	(a, c)	3	9,596.15	9,309.17	9,622.76	9,257.56
Trade payables	(a)		5,960.52	7,491.78	5,960.52	7,491.78
Other financial liabilities	(a)		963.95	734.12	963.95	734.12
Total financial liabilities			**23,944.67**	**22,465.40**	**23,970.39**	**22,327.03**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

The following methods / assumptions were used to estimate the fair values:

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

(b) Fair valuation of non-current financial assets has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.

(c) Fair value of quoted financial instruments (listed debentures) is based on quoted market price at the reporting date. The fair value of other long-term borrowings is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts.

(d) 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 2019 and 31 March 2018.

Reconciliation of Level 3 fair value measurement:

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Opening balance	74.96	72.13
Gain recognized in other comprehensive income	5.39	2.83
Closing balance	**80.35**	**74.96**

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

Notes to the financial statements for the year ended 31 March 2019 (Continued)

considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 month (net of expected credit loss allowance), excluding receivable from group companies is ₹ 2.01 million (31 March 2018: ₹ Nil)

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

(₹ in million)

	31 March 2019	31 March 2018
Balance at the beginning of the year	7.15	5.69
Add: Provided during the year (net of reversal)	2.19	1.98
Less: Amount written off *	(1.77)	(0.52)
Balance at the end of the year	**7.57**	**7.15**

* 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.

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 excepted 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 daily 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. The amounts are gross and undiscounted and exclude the impact of netting agreements.

(₹ in million)

As at 31 March 2019	Carrying Amount	Contractual Cash flows (2)		
		Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings (1)	17,020.20	17,055.48	5,640.36	11,415.12
Trade payables	5,960.52	5,960.52	5,960.52	-
Other financial liabilities	963.95	963.95	963.95	-

(₹ in million)

As at 31 March 2018	Carrying Amount	Contractual Cash flows (2)		
		Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings (1)	14,239.50	14,289.25	3,667.95	10,621.30
Trade payables	7,491.78	7,491.78	7,491.78	-
Other financial liabilities	734.12	734.12	734.12	-

Note:

(1) Carrying amount presented as net of unamortised transaction cost.

(2) Contractual cash flows exclude interest payable.

Notes to the financial statements for the year ended 31 March 2019 (Continued)

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, EUR, CAD and Other.

The Company follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, entering into forward contract and interest rate swap.

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:

(₹ in million)

	As at 31 March 2019				As at 31 March 2018			
	USD	EUR	CAD	OTHER	USD	EUR	CAD	OTHER
Cash and cash equivalents	68.97	-	-	-	227.89	-	-	-
Trade receivables	1,685.67	771.74	-	-	1,523.03	1019.58	-	-
Other financial assets	240.02	7.77	26.19	-	97.27	8.08	29.85	-
Trade payables	(3,682.72)	(36.27)	-	(1.60)	(4,531.03)	(35.42)	-	(2.96)
Borrowings	(380.19)	-	-	-	(617.22)	-	-	-
Net statement of financial position exposure	**(2,068.25)**	**743.24**	**26.19**	**(1.60)**	**(3,300.06)**	**992.24**	**29.85**	**(2.96)**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the EUR, USD, CAD and other 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.

(₹ in million)

	Profit or loss (before tax)	
	Strengthening	Weakening
31 March 2019		
USD (1% movement)	(20.68)	20.68
EUR (1% movement)	7.43	(7.43)
CAD (1% movement)	0.26	(0.26)
Other (1% movement)	(0.02)	0.02
31 March 2018		
USD (1% movement)	(33.00)	33.00
EUR (1% movement)	9.92	(9.92)
CAD (1% movement)	0.30	(0.30)
Other (1% movement)	(0.03)	0.03

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

Notes to the financial statements for the year ended 31 March 2019 (Continued)

variable interest rate. The borrowings of the Company are principally denominated in INR and USD 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 and LIBOR rates. 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:

(₹ in million)

	As at	
	31 March 2019	**31 March 2018**
Fixed-rate borrowings	11,509.75	9,080.94
Floating rate borrowings	5,545.73	5,208.31
Total borrowings (gross of transaction cost)	**17,055.48**	**14,289.25**

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

If interest rates had been 25 basis points higher / lower and all other variables were held constant, the Company's profit before tax for the year ended 31 March 2019 would decrease / increase by ₹ 13.86 million (31 March 2018: ₹ 13.02 million). This is mainly attributable to the Company's exposure to interest rates on its floating rate borrowings.

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

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

The gearing ratios were as follows:

(₹ in million)

	As at	
	31 March 2019	**31 March 2018**
Net debt	16,672.78	13,864.43
Total equity	23,403.10	22,493.82
Net debt to equity ratio	**0.71**	**0.62**

(b) Dividends

(₹ in million)

	31 March 2019	**31 March 2018**
Equity shares		
Final dividend for the year ended 31 March 2018 of ₹ 3 per fully paid equity share (including tax on dividend)	561.33	575.12
(31 March 2017 of ₹ 3 per fully paid up equity share)		

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 4.5 per fully paid equity share. The same amounts to ₹ 864.10 million including dividend distribution tax. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

Notes to the financial statements for the year ended 31 March 2019 (Continued)

36. Segment information

Business Segments

The Chairman and Co-Chairman and Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. Operating Segments have been defined and presented based on the regular review by the CODM to assess the performance of each segment and to make decision about allocation of resources. Accordingly, the Company has determined reportable segment by nature of its products and services, which are as follows:

a. **Life Sciences Ingredients**: (i) Specialty Intermediates, (ii) Nutritional Products and (iii) Life Science Chemicals.

b. **Others:** India Branded Pharmaceuticals.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company 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 Company 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 financial assets are not allocated to individual segments as the underlying instruments are managed on a Company 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.

(₹ in million)

	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Total segment revenue	Inter-segment revenue	Revenue from external customer	Total segment revenue	Inter-segment revenue	Revenue from external customer
Revenue						
Life Science Ingredients	34,138.63	-	34,138.63	33,251.05	-	33,251.05
Others	247.48	-	247.48	179.02	-	179.02
Total segment revenue	**34,386.11**	**-**	**34,386.11**	**33,430.07**	**-**	**33,430.07**

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Result		
Life Science Ingredients	2,954.92	5,526.10
Others	(136.73)	(274.60)
Total segment result	**2,818.19**	**5,251.50**
Un-allocated corporate expenses (net of un-allocated income)	(285.43)	238.61
Interest income	20.31	15.76
Finance costs	1,289.62	1,351.71
Profit before tax	**1,834.31**	**3,676.94**
Tax expense	358.01	1042.52
Profit for the year	**1,476.30**	**2,634.42**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

	Segment assets		Segment liabilities	
	As at			
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Life Science Ingredients	28,764.17	27,199.82	7,330.48	8,619.43
Others	56.83	48.19	63.72	85.56
Segment total	**28,821.00**	**27,248.01**	**7,394.20**	**8,704.99**
Un-allocated corporate assets/ liabilities	19,815.25	18,997.39	17,838.95	15,046.59
Total assets/liabilities	**48,636.25**	**46,245.40**	**25,233.15**	**23,751.58**

Other information: (₹ in million)

	Capital expenditure		Depreciation/Amortisation	
	For the year ended			
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Life Science Ingredients	3,147.53	1,506.38	819.83	767.84
Others	0.34	0.30	0.45	0.52
Un-allocated	15.94	7.40	44.55	57.59
Total	**3,163.81**	**1,514.08**	**864.83**	**825.95**

Information about Geographical segments: (₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Revenue by geographical markets		
India	23,202.50	20,245.54
Americas and Europe	7,079.57	8,247.61
China	1,258.07	1,820.21
Rest of the world	2,845.97	3,116.71
Total	**34,386.11**	**33,430.07**

(₹ in million)

	As at	
	31 March 2019	31 March 2018
Non-current assets (by geographical location of assets)*		
Within India	18,185.66	15,923.52
Outside India	-	-
Total	**18,185.66**	**15,923.52**

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

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, Cyprus, Draximage Limited, Ireland, Jubilant DraxImage (USA) Inc., Jubilant DraxImage Inc., 6963196 Canada Inc. (Merged into 6981364 Canada Inc. w.e.f. 1 April 2018), 6981364 Canada Inc., DAHI Animal Health (UK) Limited (liquidated w.e.f. 19 December 2017), Draximage (UK) Limited, Jubilant Pharma Holdings Inc., Jubilant Clinsys Inc., Cadista Holdings Inc., Jubilant Cadista Pharmaceuticals Inc., Jubilant Life Sciences International Pte. Limited, HSL Holdings Inc., Jubilant HollisterStier LLC, Jubilant Life Sciences (Shanghai) Limited, Jubilant Pharma NV, Jubilant Pharmaceuticals NV, PSI Supply NV, Jubilant Life Sciences (USA) Inc., Jubilant Life Sciences (BVI) Limited, Jubilant Biosys (BVI) Limited,

Notes to the financial statements for the year ended 31 March 2019 (Continued)

Jubilant Biosys (Singapore) Pte. Limited, Jubilant Biosys Limited, Jubilant Discovery Services LLC, Jubilant Drug Development Pte. Limited, Jubilant Chemsys Limited, Jubilant Clinsys Limited, Jubilant Infrastructure Limited, Jubilant First Trust Healthcare Limited, Jubilant Pharma Trading Inc. (Merged into Jubilant Pharma Holdings Inc. w.e.f. 14 December 2018), Jubilant Innovation (BVI) Limited (liquidated w.e.f. 12 January 2018), Jubilant Innovation Pte. Limited, Jubilant DraxImage Limited, Jubilant Innovation (India) Limited, Jubilant Innovation (USA) Inc., Jubilant HollisterStier Inc., Draxis Pharma LLC, Jubilant Life Sciences (Switzerland) AG (liquidated w.e.f. 8 November 2017), Drug Discovery and Development Solutions Limited, TrialStat Solutions Inc. (Formerly Jubilant Drug Discovery & Development Services Inc.), Vanthys Pharmaceutical Development Private Limited, Jubilant Generics Limited, Jubilant Life Sciences NV, Jubilant Pharma Australia Pty Limited, Jubilant Draximage Radiopharmacies Inc., Jubilant Pharma SA (Pty) Limited (w.e.f. 14 February 2019), Jubilant Therapeutics India Limited (w.e.f. 20 March 2019), Jubilant Therapeutics Inc. (w.e.f. 19 February 2019), Jubilant Business Services Limited (w.e.f. 28 March 2019), Jubilant Episcribe LLC (w.e.f. 28 March 2019), Jubilant Epicore LLC (w.e.f. 28 March 2019), Jubilant Prodel LLC (w.e.f. 28 March 2019), Jubilant Epipad LLC (w.e.f. 28 March 2019), Jubilant Employee Welfare Trust.

b) **Other entities where control exists**:

Jubilant HollisterStier General Partnership Canada, Draximage General Partnership Canada (controlled through subsidiaries/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. Sankaraiah Rajagopal, Mr. Pramod Yadav (upto 16 January 2018), Mr. Rajesh Kumar Srivastava (w.e.f. 17 January 2018), Mr. Sushil Kumar Roongta (w.e.f. 23 May 2017), Mr. Vivek Mehra (w.e.f. 23 May 2017), Mr. Arun Seth (w.e.f. 22 October 2018), Mr. Anant Pande (w.e.f. 22 October 2018), Mr. Rajiv Shah.

Jubilant Enpro Private Limited, JOGPL Private Limited, Jubilant FoodWorks Limited, B&M Hot Breads Private Limited, Jubilant Industries Limited, Jubilant Agri and Consumer Products Limited, Jubilant MotorWorks Private Limited, Jubilant Consumer Private Limited, Priority Vendor Technologies Private Ltd. (related to relatives of KMP).

d) **Others:**

Vam Employees Provident Fund Trust, Jubilant Bhartia Foundation, Vam Officers Superannuation Fund.

2. Transactions with related parties

FY 2018-19 **(₹ in million)**

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	Description of transactions:					
1.	**Sales of goods and services:**					
	Jubilant Life Sciences (Shanghai) Limited	882.13				882.13
	Jubilant Life Sciences (USA) Inc.	1,059.39				1,059.39
	Jubilant Chemsys Limited	22.17				22.17
	Jubilant Infrastructure Limited	2.83				2.83
	Jubilant Life Sciences International Pte. Limited	1,081.51				1,081.51
	Jubilant Life Sciences NV	2,978.16				2,978.16
	Jubilant Generics Limited	73.46				73.46
	Jubilant Consumer Private Limited		0.15			0.15
	Jubilant FoodWorks Limited		0.54			0.54
	Jubilant Agri and Consumer Products Limited		149.78			149.78
		6,099.65	**150.47**			**6,250.12**
2.	**Rental and other income:**					
	Jubilant Chemsys Limited	14.31				14.31
	Jubilant Biosys Limited	5.91				5.91
	Jubilant Generics Limited	86.39				86.39
	Jubilant Enpro Private Limited		10.83			10.83

Notes to the financial statements for the year ended 31 March 2019 (Continued)

FY 2018-19 (₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	JOGPL Private Limited		3.44			3.44
	Jubilant FoodWorks Limited		7.12			7.12
	Jubilant Industries Limited		0.18			0.18
	Jubilant Agri and Consumer Products Limited		53.67			53.67
	Jubilant Consumer Private Limited		2.85			2.85
		106.61	**78.09**			**184.70**
3.	**Dividend income:**					
	Jubilant Pharma Limited	592.89				592.89
		592.89				**592.89**
4.	**Interest income:**					
	Jubilant Generics Limited	0.37				0.37
		0.37				**0.37**
5.	**Purchase of goods and services:**					
	Jubilant Infrastructure Limited	809.82				809.82
	Jubilant Chemsys Limited	0.03				0.03
	Priority Vendor Technologies Private Ltd		0.78			0.78
	Jubilant Agri and Consumer Products Limited		165.84			165.84
		809.85	**166.62**			**976.47**
6.	**Purchase of Merchandise Exports from India Scheme (MEIS) scripts and Duty Entitlement Pass Book and License (DEPB):**					
	Jubilant Generics Limited	32.43				32.43
		32.43				**32.43**
7.	**Recovery of expenses:**					
	Jubilant Chemsys Limited	17.35				17.35
	Jubilant Cadista Pharmaceuticals Inc.	96.20				96.20
	Jubilant HollisterStier LLC	116.93				116.93
	Jubilant DraxImage Inc.	126.23				126.23
	Jubilant Draximage Radiopharmacies Inc.	166.54				166.54
	Jubilant HollisterStier General Partnership	22.39				22.39
	Jubilant Biosys Limited	12.51				12.51
	Jubilant Generics Limited	115.22				115.22
	Jubilant Pharma Holdings Inc.	19.31				19.31
	Jubilant Pharma Limited	6.89				6.89
	Jubilant Business Services Limited	1.03				1.03
	Jubilant Therapeutics India Limited	4.63				4.63
	Jubilant Life Sciences NV	6.84				6.84
	Jubilant Enpro Private Limited		0.28			0.28
	Jubilant Agri and Consumer Products Limited		8.30			8.30
		712.07	**8.58**			**720.65**
8.	**Reimbursement of expenses:**					
	Jubilant Chemsys Limited	0.03				0.03
	Jubilant Life Sciences NV	31.40				31.40
	Jubilant Generics Limited	5.58				5.58
	Jubilant Biosys Limited	0.26				0.26
	Jubilant Life Sciences (USA) Inc.	15.73				15.73
	Jubilant Industries Limited		1.99			1.99
	Jubilant Enpro Private Limited		2.37			2.37
		53.00	**4.36**			**57.36**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

FY 2018-19 (₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
9.	**Remuneration (including perquisites)* :**					
	Mr. Hari S. Bhartia			110.72		110.72
	Mr. Sankaraiah Rajagopal			70.30		70.30
	Mr. Anant Pande			7.92		7.92
	Mr. Rajesh Kumar Srivastava			45.68		45.68
	Mr. Rajiv Shah			8.43		8.43
				243.05		**243.05**
10.	**Sitting fees:**					
	Dr. Ashok Misra			0.49		0.49
	Mr. S Sridhar			0.53		0.53
	Ms. Sudha Pillai			0.61		0.61
	Mr. Sushil Kumar Roongta			0.48		0.48
	Mr. Vivek Mehra			0.53		0.53
	Mr. Arun Seth			0.10		0.10
				2.74		**2.74**
11.	**Commission:**					
	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			0.44		0.44
				5.44		**5.44**
12.	**Company's contribution to provident fund trust :**					
	Vam Employee Provident Fund Trust				92.82	92.82
					92.82	**92.82**
13.	**Company's contribution to superannuation fund:**					
	Vam Officers Superannuation Fund				7.21	7.21
					7.21	**7.21**
14.	**Rent expenses:**					
	Jubilant Enpro Private Limited		17.36			17.36
			17.36			**17.36**
15.	**Donation:**					
	Jubilant Bhartia Foundation				44.27	44.27
					44.27	**44.27**
16.	**Lease rental expenses:**					
	Jubilant Infrastructure Limited	26.01				26.01
		26.01				**26.01**
17.	**Interest expenses on loans:**					
	Jubilant Generics Limited	276.27				276.27
	Jubilant Infrastructure Limited	8.77				8.77
	Jubilant Chemsys Limited	14.10				14.10
	Vanthys Pharmaceutical Development Private Limited	2.17				2.17
		301.31				**301.31**
18.	**Investment in equity share capital:**					
	Jubilant Business Services Limited	0.50				0.50
	Jubilant Therapeutics India Limited	570.00				570.00
		570.50				**570.50**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

FY 2018-19 (₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
19.	**Loans given:**					
	Jubilant Generics Limited	420.00				420.00
		420.00				**420.00**
20.	**Loans received back:**					
	Jubilant Employee Welfare Trust	92.99				92.99
	Jubilant Generics Limited	490.00				490.00
		582.99				**582.99**
21.	**Loans taken:**					
	Jubilant Chemsys Limited	40.00				40.00
	Jubilant Infrastructure Limited	50.00				50.00
	Jubilant Generics Limited	67.00				67.00
		157.00				**157.00**
22.	**Loans repaid:**					
	Jubilant Infrastructure Limited	25.00				25.00
	Jubilant Chemsys Limited	50.00				50.00
	Jubilant Generics Limited	67.00				67.00
		142.00				**142.00**
	Amount outstanding					
23.	**Loans payable:**					
	Jubilant Generics Limited	3,250.00				3,250.00
	Jubilant Infrastructure Limited	117.40				117.40
	Jubilant Chemsys Limited	210.00				210.00
	Vanthys Pharmaceutical Development Private Limited	31.00				31.00
		3,608.40				**3,608.40**
24.	**Interest payable on loan:**					
	Jubilant Generics Limited	21.12				21.12
		21.12				**21.12**
25.	**Commission payable #:**					
	Mr. Hari S. Bhartia			22.00		22.00
	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			0.44		0.44
				27.44		**27.44**
26.	**Trade payables:**					
	Jubilant Pharmaceuticals NV	14.82				14.82
	Jubilant Life Sciences (USA) Inc.	26.97				26.97
	Jubilant Infrastructure Limited	128.05				128.05
	PSI Supply NV	1.16				1.16
	Jubilant Biosys Limited	12.65				12.65
	Jubilant Chemsys Limited	4.50				4.50
	Jubilant Life Sciences NV	20.17				20.17
	Jubilant Generics Limited	9.67				9.67
	Jubilant Business Services Limited	0.50				0.50
	Jubilant DraxImage Limited	0.04				0.04

Notes to the financial statements for the year ended 31 March 2019 (Continued)

FY 2018-19 **(₹ in million)**

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	Priority Vendor Technologies Private Ltd		0.26			0.26
	Jubilant Industries Limited		3.70			3.70
	Jubilant Agri and Consumer Products Limited		13.56			13.56
	Jubilant Enpro Private Limited		0.92			0.92
		218.53	**18.44**			**236.97**
27.	**Other payables:**					
	JOGPL Private Limited		1.44			1.44
	Vam Employees Provident Fund Trust				21.89	21.89
	Vam Officers Superannuation Fund				1.81	1.81
			1.44		**23.70**	**25.14**
28.	**Advance from customers:**					
	Jubilant Life Sciences International Pte. Limited	4.62				4.62
		4.62				**4.62**
29.	**Trade receivables:**					
	Jubilant Life Sciences (USA) Inc.	345.14				345.14
	Jubilant Life Sciences (Shanghai) Limited	119.63				119.63
	Jubilant Chemsys Limited	0.50				0.50
	Jubilant Infrastructure Limited	0.26				0.26
	Jubilant Generics Limited	0.84				0.84
	Jubilant Life Sciences NV	746.07				746.07
	Jubilant Consumer Private Limited		0.15			0.15
	Jubilant Industries Limited		0.32			0.32
	Jubilant Agri and Consumer Products Limited		80.32			80.32
		1,212.44	**80.79**			**1,293.23**
30.	**Deposits recoverable:**					
	Jubilant Enpro Private Limited		1.27			1.27
			1.27			**1.27**
31.	**Other recoverables:**					
	Jubilant Cadista Pharmaceuticals Inc.	45.87				45.87
	Jubilant HollisterStier LLC	3.84				3.84
	Jubilant HollisterStier General Partnership	14.47				14.47
	Jubilant DraxImage Inc.	11.72				11.72
	Jubilant DraxImage Limited	8.69				8.69
	PSI Supply NV	7.77				7.77
	Jubilant Pharma Holdings Inc.	17.18				17.18
	Jubilant Pharma Limited	6.90				6.90
	Jubilant Therapeutics India Limited	4.63				4.63
	Jubilant Business Services Limited	1.03				1.03
	Jubilant Draximage Radiopharmacies Inc.	166.24				166.24
	Jubilant Agri and Consumer Products Limited		42.61			42.61
	Jubilant FoodWorks Limited		0.52			0.52
	Jubilant Enpro Private Limited		0.87			0.87
	Jubilant Consumer Private Limited		4.30			4.30
		288.34	**48.30**			**336.64**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

FY 2017-18 (₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	Description of transactions:					
1.	**Sales of goods and services:**					
	Jubilant Life Sciences (Shanghai) Limited	1,160.05				1,160.05
	Jubilant Life Sciences (USA) Inc.	1,466.35				1,466.35
	Jubilant Chemsys Limited	9.10				9.10
	Jubilant Infrastructure Limited	4.00				4.00
	Jubilant Life Sciences International Pte. Limited	1,725.18				1,725.18
	Jubilant Life Sciences NV	3,681.27				3,681.27
	Jubilant Generics Limited	79.53				79.53
	Jubilant FoodWorks Limited		0.95			0.95
	Jubilant Agri and Consumer Products Limited		131.64			131.64
		8,125.48	**132.59**			**8,258.07**
2.	**Rental and other income:**					
	Jubilant Chemsys Limited	14.87				14.87
	Jubilant Cadista Pharmaceuticals Inc.	0.47				0.47
	Jubilant HollisterStier LLC	1.35				1.35
	Jubilant DraxImage Inc.	0.31				0.31
	Jubilant HollisterStier General Partnership	0.68				0.68
	Jubilant Biosys Limited	6.80				6.80
	Jubilant Generics Limited	96.76				96.76
	Jubilant Enpro Private Limited		14.43			14.43
	JOGPL Private Limited		15.09			15.09
	Jubilant FoodWorks Limited		10.15			10.15
	Jubilant Industries Limited		0.18			0.18
	Jubilant Agri and Consumer Products Limited		49.31			49.31
	Jubilant MotorWorks Private Limited		0.64			0.64
	Jubilant Consumer Private Limited		1.87			1.87
		121.24	**91.67**			**212.91**
3.	**Dividend income:**					
	Jubilant Infrastructure Limited	120.69				120.69
		120.69				**120.69**
4	**Interest income:**					
	Jubilant Generics Limited	4.52				4.52
		4.52				**4.52**
5.	**Purchase of goods and services:**					
	Jubilant Infrastructure Limited	727.07				727.07
	Jubilant Generics Limited	2.14				2.14
	Jubilant Chemsys Limited	0.06				0.06
	Priority Vendor Technologies Private Ltd		0.84			0.84
	Jubilant Agri and Consumer Products Limited		142.49			142.49
		729.27	**143.33**			**872.60**
6.	**Purchase of Merchandise Exports from India Scheme (MEIS) scripts and Duty Entitlement Pass Book and License (DEPB)**					
	Jubilant Generics Limited	147.78				147.78
		147.78				**147.78**
7.	**Purchase of property, plant and equipment**					
	Jubilant Infrastructure Limited	0.03				0.03
		0.03				**0.03**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

FY 2017-18 (₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
8.	**Recovery of expenses:**					
	Jubilant Chemsys Limited	27.28				27.28
	Jubilant Cadista Pharmaceuticals Inc.	83.47				83.47
	Jubilant HollisterStier LLC	118.52				118.52
	Jubilant DraxImage Inc.	139.28				139.28
	Jubilant DraxImage Limited	1.21				1.21
	Jubilant HollisterStier General Partnership	20.84				20.84
	Jubilant Infrastructure Limited	0.02				0.02
	Jubilant Biosys Limited	26.49				26.49
	Jubilant Generics Limited	132.49				132.49
	Jubilant Pharma Holdings Inc.	10.68				10.68
	Jubilant Pharma Limited	0.17				0.17
	Jubilant Enpro Private Limited		0.21			0.21
	Jubilant Agri and Consumer Products Limited		22.61			22.61
	JOGPL Private Limited		0.65			0.65
		560.45	**23.47**			**583.92**
9.	**Reimbursement of expenses:**					
	Jubilant Chemsys Limited	0.05				0.05
	Jubilant Infrastructure Limited	0.32				0.32
	Jubilant Life Sciences NV	4.71				4.71
	Jubilant Generics Limited	5.16				5.16
	Jubilant HollisterStier LLC	0.07				0.07
	Jubilant Pharma Holdings Inc.	13.46				13.46
	Jubilant Industries Limited		1.27			1.27
	Jubilant Agri and Consumer Products Limited		1.06			1.06
	Jubilant Enpro Private Limited		1.46			1.46
		23.77	**3.79**			**27.56**
10.	**Remuneration (including perquisites)* :**					
	Mr. Hari S. Bhartia			133.92		133.92
	Mr. Sankaraiah Rajagopal			62.91		62.91
	Mr. Pramod Yadav			28.73		28.73
	Mr. Rajesh Kumar Srivastava			6.06		6.06
	Mr. Rajiv Shah			8.16		8.16
				239.78		**239.78**
11.	**Sitting fees:**					
	Dr. Ashok Misra			0.40		0.40
	Mr. S Sridhar			0.54		0.54
	Ms. Sudha Pillai			0.55		0.55
	Mr. Sushil Kumar Roongta			0.25		0.25
	Mr. Vivek Mehra			0.25		0.25
				1.99		**1.99**
12.	**Commission:**					
	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			0.86		0.86
	Mr. Vivek Mehra			0.86		0.86
				4.72		**4.72**
13.	**Company's contribution to provident fund trust :**					
	Vam Employee Provident Fund Trust				85.79	85.79
					85.79	**85.79**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

FY 2017-18 (₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
14.	**Company's contribution to superannuation fund:**					
	Vam Officers Superannuation Fund				6.98	6.98
					6.98	**6.98**
15.	**Rent expenses:**					
	Jubilant Enpro Private Limited		15.81			15.81
			15.81			**15.81**
16.	**Donation:**					
	Jubilant Bhartia Foundation				21.59	21.59
					21.59	**21.59**
17.	**Lease rental expenses:**					
	Jubilant Infrastructure Limited	19.55				19.55
		19.55				**19.55**
18.	**Interest expenses on loans:**					
	Jubilant Generics Limited	276.28				276.28
	Jubilant Infrastructure Limited	10.64				10.64
	Jubilant Chemsys Limited	1.07				1.07
	Vanthys Pharmaceutical Development Private Limited	2.94				2.94
		290.93				**290.93**
19.	**Share capital reduction:**					
	Jubilant Clinsys Limited	270.50				270.50
		270.50				**270.50**
20.	**Investment in equity share capital:**					
	Drug Discovery and Development Solutions Limited	234.32				234.32
		234.32				**234.32**
21.	**Loans given:**					
	Jubilant Generics Limited	1,830.50				1,830.50
		1,830.50				**1,830.50**
22.	**Loans received back:**					
	Jubilant Employee Welfare Trust	19.00				19.00
	Jubilant Generics Limited	1,760.50				1,760.50
		1,779.50				**1,779.50**
23.	**Loans taken:**					
	Jubilant Chemsys Limited	220.00				220.00
	Jubilant Generics Limited	55.00				55.00
		275.00				**275.00**
24.	**Loans repaid:**					
	Jubilant Infrastructure Limited	50.00				50.00
	Jubilant Generics Limited	55.00				55.00
		105.00				**105.00**
	Amount outstanding:					
25.	**Loans payable:**					
	Jubilant Generics Limited	3,250.00				3,250.00
	Jubilant Infrastructure Limited	92.40				92.40
	Jubilant Chemsys Limited	220.00				220.00
	Vanthys Pharmaceutical Development Private Limited	31.00				31.00
		3,593.40				**3,593.40**
26.	**Interest payable on loan**					
	Jubilant Generics Limited	21.12				21.12
		21.12				**21.12**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

FY 2017-18 (₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
27.	**Commission payable #:**					
	Mr. Hari S. Bhartia			45.00		45.00
	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			0.86		0.86
	Mr. Vivek Mehra			0.86		0.86
				49.72		**49.72**
28.	**Trade payables:**					
	Jubilant Pharmaceuticals NV	15.42				15.42
	Jubilant Life Sciences (USA) Inc.	10.79				10.79
	Jubilant Infrastructure Limited	201.48				201.48
	PSI Supply NV	1.21				1.21
	Jubilant Biosys Limited	0.27				0.27
	Jubilant Chemsys Limited	0.06				0.06
	Jubilant Life Sciences NV	3.63				3.63
	Jubilant Generics Limited	16.12				16.12
	Jubilant Pharma Holdings Inc.	13.46				13.46
	Jubilant Industries Limited		4.71			4.71
	Jubilant Agri and Consumer Products Limited		22.61			22.61
	Jubilant Enpro Private Limited		14.34			14.34
		262.44	**41.66**			**304.10**
29.	**Other payables:**					
	JOGPL Private Limited		1.44			1.44
	B&M Hot Breads Private Limited		0.32			0.32
	Vam Employees Provident Fund Trust				15.09	15.09
	Vam Officers Superannuation Fund				0.58	0.58
			1.76		**15.67**	**17.43**
30.	**Loans recoverable:**					
	Jubilant Generics Limited	70.00				70.00
	Jubilant Employee Welfare Trust	92.99				92.99
		162.99				**162.99**
31.	**Trade receivables:**					
	Jubilant Life Sciences (USA) Inc.	431.41				431.41
	Jubilant Life Sciences (Shanghai) Limited	185.92				185.92
	Jubilant Chemsys Limited	0.69				0.69
	Jubilant Infrastructure Limited	1.84				1.84
	Jubilant Life Sciences International Pte. Limited	303.82				303.82
	Jubilant Generics Limited	21.20				21.20
	Jubilant Life Sciences NV	1,057.16				1,057.16
	Jubilant FoodWorks Limited		0.95			0.95
	Jubilant Industries Limited		0.10			0.10
	Jubilant Agri and Consumer Products Limited		59.23			59.23
		2,002.04	**60.28**			**2,062.32**
32.	**Deposits recoverable:**					
	Jubilant Enpro Private Limited		1.27			1.27
			1.27			**1.27**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

FY 2017-18 (₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
33.	**Other recoverables:**					
	Jubilant Cadista Pharmaceuticals Inc.	29.36				29.36
	Jubilant HollisterStier LLC	43.76				43.76
	Jubilant Clinsys Inc.	13.43				13.43
	Jubilant HollisterStier General Partnership	4.54				4.54
	Jubilant DraxImage Inc.	25.31				25.31
	Jubilant DraxImage Limited	8.73				8.73
	Jubilant Biosys Limited	0.18				0.18
	PSI Supply NV	8.08				8.08
	Jubilant Pharma Holdings Inc.	10.72				10.72
	JOGPL Private Limited		1.16			1.16
	Jubilant Agri and Consumer Products Limited		20.52			20.52
	B&M Hot Breads Private Limited		0.32			0.32
	Jubilant FoodWorks Limited		9.84			9.84
	Jubilant MotorWorks Private Limited		0.26			0.26
	Jubilant Consumer Private Limited		1.69			1.69
		144.11	**33.79**			**177.90**
34.	Mortgage of Land and Building at Bharuch owned by one of Subsidiaries as Security against Term Loan					

* 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 2019	31 March 2018
Short term employment benefits	235.38	232.80
Post employment benefits	7.67	6.98
	243.05	**239.78**

Commission payable is subject to the approval of shareholders in the annual general meeting.

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 2019	31 March 2018
Central Excise	407.55	664.19
Customs	34.48	15.52
Sales Tax	76.99	68.14
Income Tax	2,349.80	2,163.38
Service Tax and GST	2.42	13.61
State Excise	655.51	600.91
Others	324.24	334.06

During the FY 2018-19, the Company had received favourable order dated 12 March 2019 from Hon’ble Income Tax Appellate Tribunal, Delhi pertaining to FY 1999-00 to FY 2007-08. The Hon'ble ITAT had vide its order allowed various grounds in favour of the Company. Further, the Tax Department may file appeal before the Hon’ble High Court against the aforesaid order passed by the Hon’ble ITAT, Delhi.

Notes to the financial statements for the year ended 31 March 2019 (Continued)

Excluding claims in respect of business transferred to Jubilant Generics Limited and Jubilant Industries Limited in accordance with the demerger schemes approved by the Hon'ble Allahabad High Court, though the litigations may be continuing in the name of the Company.

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 can not be reliably estimated.

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

39. Commitments as at year end

a) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 724.00 million (31 March 2018: ₹ 1,137.35 million) for property, plant and equipment.

b) Leases:

(i) The Company's significant operating lease arrangements are in respect of premises (residential, offices, godown etc.). These leasing arrangements, which are cancellable, range between 11 months and 3 years generally and are usually renewable by mutual agreeable terms. The aggregate lease rentals payable are charged as expenses. Rental payments under such leases are ₹ 103.68 million (31 March 2018: ₹ 103.87 million) has been included under rent expense in note 29.

(ii) The Company has operating lease arrangements in respect of vehicles which are cancellable, range between 2 years and 5 years. The aggregate lease rentals payable are charged as expenses. Rental expenses recognized under such leases amounting to ₹ 5.52 million (31 March 2018: ₹ 5.81 million) has been included under vehicle running and maintenance expense in note 29.

(iii) The Company has significant operating lease arrangements which are non-cancellable for a period up to 25 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

The schedule of future minimum lease rental payments in respect of non-cancellable operating leases is set out below:

(₹ in million)

	Minimum lease payments as at	
	31 March 2019	31 March 2018
Not later than one year	26.76	26.01
Later than one year but not later than five years	115.52	106.01
Later than five years	527.58	560.91

Rental expenses recognised under such leases during the year are ₹ 42.81 million (31 March 2018: ₹ 36.35 million).

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(iv) Assets acquired under finance lease:

Future minimum lease payments and their present values under finance leases in respect of vehicles are as follows:

(₹ in million)

	Minimum lease payments		Present value of minimum lease payments		Future interest	
	As at					
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Not later than one year	17.87	16.48	13.24	11.54	4.63	4.94
Later than one year but not later than five years	27.33	31.77	22.72	26.00	4.61	5.77
Later than five years	-	-	-	-	-	-

There is no element of contingent rent or sub lease payments. The Company has option to purchase the assets at the end of the lease term. There are no restrictions imposed by these lease arrangements regarding dividend, additional debt and further leasing.

c) Other Commitments:

Export obligation under Advance License Scheme on duty free import of specific raw materials, remaining outstanding is ₹ 2,213.31 million (31 March 2018: ₹ 2,418.53 million).

40. 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 2019	31 March 2018
Jubilant Generics Limited	General business purpose and interest rate upto 7% p.a.		
Outstanding as at the beginning of year		70.00	-
Given during the year		420.00	1,830.50
Repaid during the year		490.00	1,760.50
Maximum balance outstanding		160.00	503.00
Outstanding as at the end of year		-	70.00

41. (a) Corporate Social Responsibility (CSR) expense:

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Prescribed CSR expenditure as per Section 135 of the Companies Act, 2013	38.23	10.90
Details of CSR spent during the financial year (1)		
a) Construction / acquisition of any asset	-	-
b) On purposes other than (a) above	38.23	10.90

(1) Included in Donation – Refer note 29

(b) Donation includes ₹ 30 million (31 march 2018 ₹ Nil) to Prudent Electoral Trust during the year.

42. Government grant recoverable ₹ 126.04 million (31 March 2018: ₹ 181.84 million) and government grant recognized ₹ 290.35 million (31 March 2018: ₹ 360.94 million) in the Statement of Profit and Loss.

43. During the year, finance costs amounting to ₹ 115.82 million (31 March 2018: ₹ 57.68 million) has been capitalized in property, plant and equipment, calculated using capitalisation rate of 8.4% (31 March 2018: 8.0%).

44. During year ended 31 March 2019, the Company has capitalised exchange gain amounting to ₹ Nil (31 March 2018: ₹ 4.94 million) to the cost of property, plant and equipment and exchange gain of ₹ Nil (31 March 2018: ₹ 1.81 million) to foreign currency monetary item translation difference account (FCMITDA). During the year ₹ Nil (31 March 2018:

Notes to the financial statements for the year ended 31 March 2019 (Continued)

₹ 5.26 million) has been amortised to the Statement of Profit and Loss and balance of ₹ Nil (31 March 2018: ₹ Nil) is carried in Balance Sheet as at 31 March 2019.

45. 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.

46. Employee Stock Option Scheme

The Company has two stock option plans in place namely:

- Jubilant Employees Stock Option Plan, 2005 ("Plan 2005")
- JLL Employees Stock Option Plan, 2011 ("Plan 2011")

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 Plans.

Under Plan 2005, as amended, and under Plan 2011, up to 1,100,000 Stock Options and up to 5,352,000 Stock Options, respectively, can be issued to eligible directors (other than promoter directors) and other specified categories of employees of the Company/ subsidiaries. Options are to be granted at market price. 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 2005, each option, upon vesting, shall entitle the holder to acquire five equity shares of ₹ 1 each. Options granted up to 28 August 2009 will vest entirely within two years from the grant date, with certain lock-in provisions. Options granted after 28 August 2009 will vest gradually over a period of 5 years from the grant date, without any lock-in provisions.

Under Plan 2011, each option, upon vesting, shall entitle the holder to acquire one equity share of ₹ 1 each. Options granted will vest gradually over a period of 3 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.

	PLAN 2005						PLAN 2011		
	Vesting schedule (With lock in)			Vesting schedule (Without lock in)			Vesting schedule		
	Applicable for grants made up to 28 August, 2009			Applicable for grants made after 28 August, 2009					
Sr. No	% of options scheduled to vest	Vesting date	Lock-in period	% of options scheduled to vest	Vesting date	Lock-in period	% of options scheduled to vest	Vesting date	Lock-in period
1	10	1 year from grant date	Nil	10	1 year from grant date	Nil	20	1 year from grant date	Nil
2	15	2 years from grant date	Nil	15	2 years from grant date	Nil	30	2 years from grant date	Nil
3	20	2 years from grant date	1 year from vesting date	20	3 years from grant date	Nil	50	3 years from grant date	Nil
4	25	2 years from grant date	2 years from vesting date	25	4 years from grant date	Nil			
5	30	2 years from grant date	3 years from vesting date	30	5 years from grant date	Nil			

Notes to the financial statements for the year ended 31 March 2019 (Continued)

There were no options granted during the year ended 31 March 2019 and 31 March 2018, accordingly disclosures as required under Ind AS 102 w.r.t. weighted average fair value of stock options granted during the year is not applicable.

In 2008-09, members approved constitution of Jubilant Employees Welfare Trust ('Trust') 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 respective Plans. The members authorised grant of loan(s) from time to time to the Trust in one or more tranches, up to ₹ 1,000 million either free of interest or at interest agreed between the Board and the Trust. The outstanding loan to the Trust as at 31 March 2019 is ₹ Nil (31 March 2018: ₹ 92.99 million).

Up to 31 March 2019, the Trust has purchased 6,363,506 equity shares of the Company from the open market, out of interest free loan provided by the Company, of which 2,879,277 (31 March 2018: 2,856,689) shares were transferred to the employees on exercise of Options. Further, during the year ended 31 March 2019, in order to comply with SEBI (Share Based Employee Benefits) Regulations, 2014, Jubilant Employees Welfare Trust sold 3,474,601 equity shares of the Company representing shares which were not backed by stock option grants to employees. The Trust is also holding 170,364 (31 March 2018: 170,364) equity shares of Jubilant Industries Limited issued to it in accordance with the Scheme of Amalgamation and Demerger amongst the Company, Jubilant Industries Limited and others.

The movement in the equity shares held by trust:

	Number of equity shares	
	31 March 2019	31 March 2018
At the commencement of the year	3,506,817	3,548,951
Sale of shares by trust	3,474,601	-
Transfer to employees on exercise of options	22,588	42,134
At the end of the year	**9,628**	**3,506,817**

The movement in the stock options under both the Plans, during the year, is set out below:

Under Plan 2005

	For the year ended			
	31 March 2019		31 March 2018	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	-	-	2,867	295.87
Forfeited/lapsed during the year	-	-	(801)	258.31
Exercised during the year	-	-	(2,066)	310.42
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

The Board has decided that no further grants will be made under Plan 2005.

Under Plan 2011

	For the year ended			
	31 March 2019		31 March 2018	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	32,216	213.43	71,185	216.83
Forfeited/lapsed during the year	-	-	(7,165)	214.03
Exercised during the year	(22,588)	211.46	(31,804)	220.90
Outstanding at the end of the year	9,628	218.04	32,216	213.43
Exercisable at the end of the year	9,628	218.04	32,216	213.43

Notes to the financial statements for the year ended 31 March 2019 (Continued)

The weighted average share price for share options exercised during the year ended 31 March 2019 is ₹ 765.19 (31 March 2018: ₹ 804.21).

The Company has granted following stock options to certain senior executives of its subsidiaries/step down subsidiaries under these stock option schemes:

Under Plan 2011, options outstanding at the end of the year:

	As at 31 March 2019		As at 31 March 2018	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Jubilant Generics Limited*	785	220.90	7,366	213.83
Drug Discovery and Development Solutions Limited	1,319	200.05	1,319	200.05

* Represents options outstanding out of options granted to employees of the Company which were transferred to Jubilant Generics Limited on account of sale of businesses.

Fair value of option granted

The weighted average fair value of options granted for Plan 2005 and Plan 2011 were ₹ 94.18 per option and ₹ 84.90 per option respectively. 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 two plans:

	Plan 2005	Plan 2011
Expected volatility	29.73% - 41.76%	38.36% - 45.95%
Risk free interest rate	7.52% - 9.44%	7.74% - 8.81%
Exercise price (₹)	198.55 - 359.25	170.20 - 220.90
Expected dividend yield	0.51% - 0.90%	0.63% - 1.10%
Life of options (years)	4.25	3.65

Expected volatility has been 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	Options outstanding as at		Remaining contractual life as at (in years)		Exercise Price as at	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Option Plan 2011	9,628	32,216	-	-	218.04	213.43
Total	**9,628**	**32,216**	**-**	**-**		

47. During the year ended 31 March 2018, the National Company Law Tribunal Allahabad Branch has approved a capital reduction scheme in respect of Jubilant Clinsys Limited (JCL), an indirect wholly owned subsidiary of the Company, resulting in realisation of investment amounting to ₹ 270.50 million made by the Company in 6,200,000 8% convertible non-cumulative redeemable preference shares of ₹ 10 each and 20,850,000 6% convertible non-cumulative redeemable preference shares of ₹ 10 each amounting to ₹ 62.00 million and ₹ 208.50 million, respectively of JCL.

48. On 31 January 2019, 6,200,000 8% convertible non-cumulative redeemable preference shares of ₹ 10 each of Jubilant Chemsys Limited held by the Company have been converted into 6,200,000 equity shares of ₹ 10 each.

Notes to the financial statements for the year ended 31 March 2019 (Continued)

49. On 31 January 2019, 186,620,000 12% convertible non-cumulative redeemable preference shares of ₹ 10 each of Jubilant Biosys Limited have been converted into 186,620,000 equity shares of ₹ 10 each.

50. Earnings per share

		For the year ended	
		31 March 2019	31 March 2018
Profit for basic and diluted earnings per share of ₹ 1 each	**₹ in million**	**1,476.30**	**2,634.42**
Weighted average number of equity shares used in computing earnings per share			
For basic earnings per share	Nos.	**159,281,139**	**159,281,139**
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.	-	-
No. of shares for diluted earnings per share	Nos.	**159,281,139**	**159,281,139**
Earnings per share (face value of ₹ 1 each)			
Basic	₹	9.27	16.54
Diluted	₹	9.27	16.54

51. Previous year figures have been regrouped / reclassified to conform to the current year's classification.

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 Life Sciences Limited**

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

Pravin Tulsyan
Partner
Membership No.: 108044

Shyam S. Bhartia
Chairman
DIN:00010484

Place: Noida
Date: 17 May 2019

Rajiv Shah
Company Secretary

Sankaraiah Rajagopal
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director
DIN:00010499