

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

	As at 31 December 2020	As at 31 March 2020
ASSETS		
Non-current assets		
Property, plant and equipment	282,821,714	275,146,402
Goodwill	169,235,096	160,044,663
Other intangible assets	110,440,004	102,771,955
Right-of-use assets	29,282,888	22,000,198
Equity accounted investee	25,129,783	-
Other investments	449,791	-
Other financial assets	1,203,620	44,064,915
Income tax assets	101,434	1,225,622
Deferred tax assets (net)	26,960,596	29,291,555
Other non-current assets	5,723,156	5,018,310
Total non-current assets	651,348,082	639,563,620
Current assets		
Inventories	155,349,340	147,182,493
Trade receivables	121,098,891	116,049,995
Other financial assets	94,253,021	9,843,341
Income tax assets	2,483,194	12,827
Other current assets	31,737,981	25,134,245
Cash and cash equivalents	124,831,781	138,325,966
Total current assets	529,754,208	436,548,867
Total assets	1,181,102,290	1,076,112,487
EQUITY AND LIABILITIES		
Equity		
Equity share capital	326,758,994	326,758,994
Merger reserve	(80,838,832)	(80,838,832)
Retained earnings	333,564,140	281,607,162
Foreign currency translation reserve	(49,513,804)	(86,074,016)
Other components of equity	(12,796,499)	(11,889,928)
Total equity attributable to owners of the Company	517,173,999	429,563,380
LIABILITIES		
Non-current liabilities		
Loans and borrowings	198,110,519	396,686,285
Lease liabilities	22,673,933	14,845,110
Employee benefits	4,633,599	4,055,982
Deferred tax liabilities (net)	31,103,554	28,946,524
Provisions	5,533,437	5,034,380
Other non-current liabilities	3,739,450	1,095,657
Total non-current liabilities	265,794,492	450,663,938
Current liabilities		
Loans and borrowings	250,959,071	44,208,228
Lease liabilities	6,027,296	5,769,408
Employee benefits	24,525,042	26,380,106
Trade payables	70,617,143	68,695,898
Other financial liabilities	20,046,125	24,848,675
Income tax liabilities	6,481,580	12,114,819
Provisions	4,077,506	4,567,674
Other current liabilities	15,400,036	9,300,361
Total current liabilities	398,133,799	195,885,169
Total liabilities	663,928,291	646,549,107
Total equity and liabilities	1,181,102,290	1,076,112,487

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

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

	Quarter ended 31 December 2020	Quarter ended 31 December 2019	Nine months ended 31 December 2020	Nine months ended 31 December 2019
Revenue from operations	229,346,291	202,585,381	577,863,513	598,262,237
Other income	186,489	18,560	368,168	512,535
Total income	229,532,780	202,603,941	578,231,681	598,774,772
Cost of materials consumed	(51,767,783)	(51,392,180)	(133,600,223)	(158,112,481)
Purchases of stock-in-trade	(6,725,369)	(3,550,965)	(17,958,506)	(9,018,577)
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(3,870,873)	5,148,495	(2,526,613)	18,731,748
Employee benefits expense	(59,800,754)	(59,649,728)	(178,404,953)	(177,177,711)
Depreciation, amortisation and impairment	(12,986,275)	(11,724,666)	(35,050,700)	(34,290,281)
Other expenses	(43,179,215)	(39,052,086)	(115,278,174)	(120,365,858)
Finance income	711,537	1,233,635	2,621,284	4,882,429
Finance costs	(7,723,310)	(9,855,692)	(20,250,115)	(24,639,319)
Profit before share of loss of equity accounted investee	44,190,738	33,760,754	77,783,681	98,784,722
Share of loss of equity accounted investee, net of tax	(420,861)	-	(420,861)	-
Profit before tax	43,769,877	33,760,754	77,362,820	98,784,722
Income tax expense	(14,878,217)	(12,146,157)	(25,405,842)	(31,815,007)
Profit for the period	28,891,660	21,614,597	51,956,978	66,969,715
Other comprehensive income/(loss)				
<i>Items that will be reclassified to profit or loss</i>				
Exchange differences on translation of foreign operations	14,496,029	1,819,466	34,908,014	(1,779,916)
Income tax relating to items that will be reclassified to profit or loss	1,198,510	353,908	1,652,198	445,506
<i>Items that will not be reclassified to profit or loss</i>				
Changes in fair value of equity investments which are classified at fair value through other comprehensive income	(146,876)	-	(777,705)	-
Remeasurements of defined benefit obligations	(66,798)	20,987	(198,085)	63,759
Income tax relating to items that will not be reclassified to profit or loss	23,342	(7,334)	69,219	(22,280)
Other comprehensive income for the period, net of tax	15,504,207	2,187,027	35,653,641	(1,292,931)
Total comprehensive income for the period	44,395,867	23,801,624	87,610,619	65,676,784

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

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

	Attributable to owners of the Company							
	Equity share capital **	Merger reserve #	Other capital reserve ##	Fair value reserve @	Remeasurements of defined benefit obligations @@	Foreign currency translation reserve ^	Retained earnings	Total equity
As at 1 April 2019	326,758,994	(68,787,724)	(11,441,561)	-	(384,961)	(49,230,721)	211,093,389	408,007,416
Total comprehensive income/(loss) for the period								
Profit for the period	-	-	-	-	-	-	66,969,715	66,969,715
Other comprehensive income/(loss) for the period, net of tax	-	-	-	-	41,479	(1,334,410)	-	(1,292,931)
Total comprehensive income/(loss) for the period	-	-	-	-	41,479	(1,334,410)	66,969,715	65,676,784
Transactions with equity holders								
Dividend distribution to shareholders*	-	-	-	-	-	-	(10,456,286)	(10,456,286)
Total comprehensive income/(loss) for the period	-	-	-	-	41,479	(1,334,410)	56,513,429	55,220,498
As at 31 December 2019	326,758,994	(68,787,724)	(11,441,561)	-	(343,482)	(50,565,131)	267,606,818	463,227,914
As at 1 April 2020	326,758,994	(80,838,832)	(11,322,840)	-	(567,088)	(86,074,016)	281,607,162	429,563,380
Total comprehensive income/(loss) for the period								
Profit for the period	-	-	-	-	-	-	51,956,978	51,956,978
Other comprehensive income/(loss) for the period, net of tax	-	-	-	(777,705)	(128,866)	36,560,212	-	35,653,641
Total comprehensive income/(loss) for the period	-	-	-	(777,705)	(128,866)	36,560,212	51,956,978	87,610,619
As at 31 December 2020	326,758,994	(80,838,832)	(11,322,840)	(777,705)	(695,954)	(49,513,804)	333,564,140	517,173,999

** No. of shares as at 31 December 2020 and 31 March 2020 is 326,758,994. There is no change in the number of shares during the current period. All issued ordinary shares are fully paid. There is no par value for these ordinary shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company.

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

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

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

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

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

* The board of directors of the Company at its meeting held on 22 July 2019 declared an interim dividend amounting to USD 10,456,286 (USD 0.032 per equity share) to the shareholder of the Company.

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

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

Particulars	Nine months ended 31 December 2020	Nine months ended 31 December 2019
A. Cash flow from operating activities		
Profit before tax	77,362,820	98,784,722
Adjustments for:		
Depreciation, amortization and impairment	35,050,700	34,290,281
Unrealised foreign exchange loss, net	2,707,708	119,885
Finance income	(2,621,284)	(4,882,429)
Finance costs	20,250,115	24,639,319
Loss on disposal of property, plant and equipment (net)	643,535	1,611,039
Share of loss of equity accounted investee, net of tax	420,861	-
Operating cash flow before working capital changes	133,814,455	154,562,817
(Increase)/decrease in trade receivable	(4,288,075)	12,938,123
Increase in other assets including other financial assets	(5,349,270)	(2,974,619)
Increase in inventories	(4,519,768)	(31,644,250)
Decrease in trade payables	(525,104)	(5,606,104)
Increase in other liabilities including other financial liabilities	4,931,673	5,559,013
Cash generated from operations	124,063,911	132,834,980
Income taxes paid (net of refund)	(27,627,217)	(22,964,721)
Net cash generated from operating activities	96,436,694	109,870,259
B. Cash flows from investing activities		
Acquisition of property, plant and equipment and other intangible assets	(30,260,023)	(39,667,063)
Proceeds from disposal of property, plant and equipment	1,188,531	397,435
Acquisition of investments (refer note 11)	(15,658,519)	-
Acquisition of business *	(16,954,743)	-
Loan given to related party	(4,000,000)	-
Interest received	2,352,265	4,367,754
Change in bank deposits with original maturity of more than three months	(34,344,123)	44,500,000
Net cash (used in)/generated from investing activities	(97,676,612)	9,598,126
C. Cash flow from financing activities		
Proceeds from long term loans and borrowings **	3,997,104	-
Repayment of long term loans and borrowings	-	(100,000,000)
Payment of lease liabilities	(4,918,384)	(4,315,759)
Proceeds from/(repayments of) short term loans repayable on demand, net	2,488,987	(3,369,729)
Dividend paid	-	(10,456,286)
Finance costs paid	(18,007,105)	(25,389,727)
Net cash used in financing activities	(16,439,398)	(143,531,501)
Net decrease in cash and cash equivalents (A+B+C)	(17,679,316)	(24,063,116)
Effect of exchange rate changes	4,185,131	1,080,212
Cash and cash equivalents at the beginning of the period	138,325,966	90,289,248
Cash and cash equivalents at the end of the period	124,831,781	67,306,344

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

** Includes revolver credit facility of Jubilant HollisterStier LLC amounting to USD 3,997,104 and USD Nil presented on net basis during the periods ended 31 December 2020 and 31 December 2019, respectively.

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

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

Note 1. Corporate information

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

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

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

Note 2. Basis of accounting

These condensed consolidated interim financial statements have been prepared in accordance with the recognition and measurement principles of IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 March 2020 (‘last annual financial statements’). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

Note 3. Significant accounting policies

The accounting policies applied in these condensed consolidated interim financial statements are same as those applied in the last annual financial statements. Effective current period, the Group has also applied the following accounting policy in respect of an associate (refer note 11):

Equity accounted investee

The Group’s interest in equity accounted investee comprises interest in an associate. Associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interest in an associate is accounted for using the equity method. Under the equity method of accounting, the investment in an associate is initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the condensed consolidated interim financial statements include the Group’s share of profit or loss and other comprehensive income of equity accounted investee until the date on which significant influence ceases. Dividends received or receivable from associate are recognised as a reduction in the carrying amount of the investment.

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within “Share of loss of equity accounted investee, net of tax” in the condensed consolidated interim financial statements.

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

Note 4. Use of judgments and estimates

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

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2020.

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

Note 5. Recent accounting pronouncements

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective, other than the amendment to IFRS 16 for COVID-19-Related Rent Concessions where earlier application is permitted.

Amendments to IFRS 16	COVID-19-Related Rent Concessions
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current
Amendments to IAS 16	Property, plant and equipment - Proceeds before intended use
Amendments to IAS 37	Onerous Contracts - Cost of Fulfilling a Contract
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform - Phase 2
Annual Improvements to IFRS Standards 2018-2020	IFRS 9 and IFRS 16

IFRS 16 – COVID-19-Related Rent Concessions

In May 2020, International Accounting Standards Board (IASB) issued COVID-19-Related Rent Concessions, which provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. It requires lessees that apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications. Lessees need to disclose that fact and need to apply the exemption retrospectively in accordance with IAS 8, but they do not require to restate prior period numbers. The practical expedient is available only for lease payments originally due upto June 2021. This amendment is effective for annual reporting period beginning on or after 1 June 2020, although early adoption is permitted. The Group has applied the amendment effective 1 April 2020 with no significant impact on the condensed consolidated interim financial statements.

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

IAS 1 – Classification of Liabilities as Current or Non-Current

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

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

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

IAS 37 – Onerous Contracts - Cost of Fulfilling a Contract

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

IFRS 3 – Reference to the Conceptual Framework

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

Interest Rate Benchmark Reform - Phase 2

In August 2020, IASB published Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) with amendments that address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The changes relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting. This amendment is effective for annual reporting period beginning on or after 1 January 2021, although early adoption is permitted. The Group does not expect the amendment to have any significant impact on its condensed consolidated interim financial statements.

Jubilant Pharma Limited
Notes to the condensed consolidated interim financial statements
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IFRS 9 – Annual Improvements to IFRS Standards - 2018-2020

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

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

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

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

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

	Face value	Carrying amount
Balance as at 1 April 2020		440,894,513
Additions		
- Long term loans and borrowings	3,997,104	3,997,104
- Short term loans repayable on demand, net	2,488,987	2,488,987
Others		
- Amortisation of transaction costs	-	1,166,535
- Foreign currency translation adjustment	-	522,451
Balance as at 31 December 2020		449,069,590

Note 7. During the quarter and nine months ended 31 December 2019, the Company early redeemed 100,000,000 in aggregate principal amount of the Senior Notes on a pro-rata basis on 20 November 2019 together with accrued interest and redemption premium, and cancelled equivalent amount of Senior Notes upon redemption out of the 300,000,000 4.785% Senior Notes Due 2021. Premium of 2,437,500 and debt issuance costs of 635,803 on early redemption of Senior Notes was included in finance costs for the period.

Note 8. During the quarter and nine months ended 31 December 2019, the Group had written off property, plant and equipment on account of obsolescence amounting to 1,650,130 and included in other expenses for the period.

Note 9. Fair value measurements

	Note	Level of hierarchy	As at 31 December 2020			As at 31 March 2020		
			FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets								
Other investments	(a)	1	-	449,791	-	-	-	-
Trade receivables	(b)		-	-	121,098,891	-	-	116,049,995
Cash and cash equivalents	(b)		-	-	124,831,781	-	-	138,325,966
Other financial assets	(e),(f)	3	-	-	95,456,641	-	-	53,908,256
Total financial assets			-	449,791	341,387,313	-	-	308,284,217
Financial liabilities								
Loans and borrowings - Senior Notes	(d),(f)	1	-	-	397,852,820	-	-	396,686,285
Loans and borrowings - Others	(b)		-	-	51,216,770	-	-	44,208,228
Lease liabilities	(b)		-	-	28,701,229	-	-	20,614,518
Trade payables	(b)		-	-	70,617,143	-	-	68,695,898
Employee benefits	(b),(c)		-	-	23,873,578	-	-	25,863,909
Other financial liabilities	(b)		-	-	20,046,125	-	-	24,848,675
Total financial liabilities			-	-	592,307,665	-	-	580,917,513

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

Valuation techniques and significant unobservable inputs

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

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Other financial assets (loan to related parties)	<i>Discounted cash flows:</i> The valuation model considers the present value of expected receipts discounted using an adjusted discount rate	Adjusted discount rate 4.24% (31 March 2020: 7.12%)	The estimated fair value would increase (decrease) if the adjusted discount rate was lower (higher)

Note:

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

	Level of hierarchy	As at 31 December 2020	As at 31 March 2020
Senior Notes 2021	1	201,240,000	186,250,000
Senior Notes 2024	1	211,394,000	188,826,000
		412,634,000	375,076,000

- Fair value of other financial assets is as below:

	Level of hierarchy	As at 31 December 2020	As at 31 March 2020
Other financial assets [#]	3	95,893,455	53,520,600

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

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

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

Note 10. Income tax expense

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

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

	Quarter ended 31 December 2020	Quarter ended 31 December 2019	Nine months ended 31 December 2020	Nine months ended 31 December 2019
Profit from continuing operations before income tax expense	43,769,877	33,760,754	77,362,820	98,784,722
Weighted average applicable tax rate	28.30%	27.59%	27.33%	26.85%
Tax at weighted average applicable tax rate	12,386,151	9,315,759	21,139,712	26,526,264
Tax effect of amounts which are not deductible (taxable) in calculating taxable income				
Incremental allowance for research and development	(63,597)	(659,255)	(124,406)	(800,778)
Effect of prior year taxes	73,913	1,375,833	244,272	1,057,082
Effect of state taxes	832,672	(59,334)	1,447,235	536,014
Change in tax rate	(110,091)	1,546	(467,371)	(3,931)
Unrecognised deferred tax on business loss	7,533	(806)	20,923	5,343
Non-deductible expenses	1,614,359	1,727,008	3,601,275	3,909,110
Share of loss of equity accounted investee reported, net of tax	71,546	-	71,546	-
Others	65,731	445,406	(527,344)	585,903
	14,878,217	12,146,157	25,405,842	31,815,007

Note 11. Pursuant to Series C Preferred Stock Purchase Agreement dated 4 November 2020, the Company acquired 2,796,747 Series C Preferred Stock of SOFIE Biosciences, Inc. ("SOFIE"), USA representing 25% share in its fully-diluted equity, for a total consideration of 25,000,000, out of which 11,000,000 has been held back pending fulfillment of certain closing conditions. SOFIE is engaged in manufacturing and distribution of radiopharmaceuticals and has a contract manufacturing facility. Strategic partnership between the Company and SOFIE will enable them to collaborate in the development, manufacturing and distributions of radiopharmaceuticals that will help in diagnosis and treatment of a wide variety of oncology diseases.

Note 12. Subsequent events

The Company has given notice to the holders of its 300,000,000 4.785% Senior Notes Due 2021 on 30 December 2020 that it has elected to exercise its option to redeem 100,000,000 in aggregate principal amount of the Senior Notes on a pro-rata basis on 29 January 2021 together with accrued interest and redemption premium. The Senior Notes called for redemption will be canceled upon redemption. The redemption is through refinancing. Redemption premium of 1,218,750 and debt issuance costs of 257,698 on redemption of Senior Notes has been included in finance costs for the quarter and nine months ended 31 December 2020.