Growing Responsibly
Creating Value

Annual Report 2020-21

Content

Forward-looking statement

"Statements in this document relating to future status, events or circumstances, including but not limited to statements about plans and objectives, the progress and results of Research and Development, potential product characteristics and uses, product sales potential and target dates for product launch are forward looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The Company may, from time to time, make additional written and oral forward-looking statements, including statements contained in the Company's filings with the regulatory bodies and our reports to shareholders. The Company assumes no obligation to update forward-looking statements to reflect actual results, changed assumptions or other factors".

- The historical financial numbers are derived from LSI Business Segment of Erstwhile Jubilant Life Sciences Limited, which has been demerged into Jubilant Ingrevia Limited on 1st February 2021.
- The Life Science Ingredients business of Jubilant Life Sciences Limited demerged to Jubilant Ingrevia Limited (Company) with effect from 1st February 2021 and during the year ended 31st March 2021, the financial results of the Company comprises results only for two months of operations, starting from 1st February 2021, being the effective date of demerger. To provide the comprehensive picture of the operations of the Company on continuing basis the results for FY 2021 has been presented by combining the relevant portion of the published results of LSI Segment of Jubilant Pharmova Limited and Company as under:
  - Results from 1st April 2020 to 31st January 2021 and previous year (FY 2020) has been taken from the reported discontinued operations for LSI Segment of Jubilant Pharmova Limited
  - Results from February 21 to March 21 has been taken from the audited results of Company
  - EPS has been computed on combined profits assuming existence of share capital throughout the year

Growing Responsibly Creating Value

At Jubilant Ingrevia Limited, our primary objective is to create value for consumers by manufacturing ingredients such as Speciality Chemicals, Nutrition and Health Solutions Products and Life Science Chemicals, that, in turn, help our customers build superior downstream products finding critical applications. By exploring new opportunities, we are on the path of relentless innovation and tailor-made solutions to meet evolving needs.

At the same time, our strong belief in the principles of sustainability is reflected in our practices and stands at the heart of our business. We continuously strive to balance our focus on enhancing socio-economic value for all stakeholders while minimising the environmental footprint of our operations. In line with this, we have adopted various steps in our sustainable journey, including optimisation of resource consumption, establishing state-of-the-art environment management system at our facilities and moving to energy-efficient and sustainable raw materials.

It is imperative for us to ensure that our initiatives help preserve the precious resources of our planet while limiting the overall carbon footprint across the lifecycle of our products.

About the Company

Enriching Life

Ingrevia is born out of a union of '**Ingredients**' and '**Life**' ('**Vie**' in French). Jubilant Ingrevia Limited is committed to offering high-quality and innovative life science ingredients to enrich all forms of life.

Jubilant Ingrevia is a global integrated Life Science products and Innovative Solutions provider serving, Pharmaceutical, Agrochemical, Nutrition, Consumer and Industrial customers with our customised products and solutions that are innovative, cost effective and conforming to excellent quality standards.

We are a part of the Jubilant Bhartia Group, a diversified global conglomerate with global workforce of around 46,000 employees, founded by Mr. Shyam S. Bhartia and Mr. Hari S. Bhartia. Today, the Group has a strong presence in diverse sectors like Pharmaceuticals, Contract Research and Development Services, Proprietary Novel Drugs, Life Science Ingredients, Agri Products, Performance Polymers, Food Service (QSR), Food, Auto, Consulting in Aerospace and Oilfield Services.

The Group has four flagships companies listed on Indian Stock Exchanges - Jubilant Ingrevia Limited, Jubilant Pharmova Limited, Jubilant FoodWorks Limited and Jubilant Industries Limited. We are one of the flagship companies representing life science products and services.

Our state-of-the-art manufacturing facilities across India offer a range of products and solutions that are innovative, cost effective and quality driven. We service multiple downstream industries through our broad portfolio of ingredients, while our in-house Research Development and Technology (RDT) team is consistently striving to enhance our offering by adding new value-added products and platforms. Additionally, we are a one-stop shop for Custom Development and Manufacturing (CDMO) solutions for Pharmaceutical and Agro-industry from process development and clinical phase to commercial manufacturing.

₹ 34,911 million
Revenue (Pro-Forma)

₹ 6,265 million
EBITDA (Pro-Forma)

20.2%
ROCE

60
Plants

5
Sites in 3 states of India

2,064
Employees

165+
Products and expertise

35
Key chemistry technology platforms

~1,400
Total customers

500
Global customers

DEMERGING FOR INCREASED FOCUS

Our Life Science Ingredients (LSI) business has been demerged from Jubilant Life Sciences as of 1st February 2021 to form Jubilant Ingrevia Limited. The demerger created a separate entity with an increased focus on the LSI and Pharmaceutical Businesses, Capture Growth Opportunities and unlock Value for our Shareholders.

Core Application Markets

PHARMACEUTICALS	**APIs**			
NUTRITION	**Animal Nutrition**	**Human Nutrition Premixes**	**Nutraceuticals**	**Energy Drinks**
AGROCHEMICALS	**Herbicides**	**Insecticides**	**Fungicides**	
DIRECT CONSUMER	**Cosmetics**	**Anti-microbial**	**Mouthwashes**	
INDUSTRIAL	**Paints**	**Print and Packaging**	**Fuel Blending**	**Solvents**

Vision

OUR VISION

- To acquire and maintain global leadership position in chosen areas of businesses
- To continuously create new opportunities for growth in our strategic businesses
- To be among the top 10 most admired companies to work for
- To continuously achieve a return on invested capital of at least 10 points higher than the cost of capital

Our Promise

OUR PROMISE

Caring, Sharing, Growing

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

Value

EXCELLENT QUALITY

*With utmost care for the **environment and safety**, we will always strive to excel in the quality of our processes, our products and our services.*

INSPIRE CONFIDENCE

*We will carefully select, train and develop our people to be creative and empower them to take decisions, so that they respond to all stakeholders with **agility, confidence** and **teamwork**.*

NURTURE INNOVATION

*By sharing our knowledge and learning from each other and from the markets we serve, we will continue to surprise our stakeholders with **innovative** solutions.*

ALWAYS STRETCH

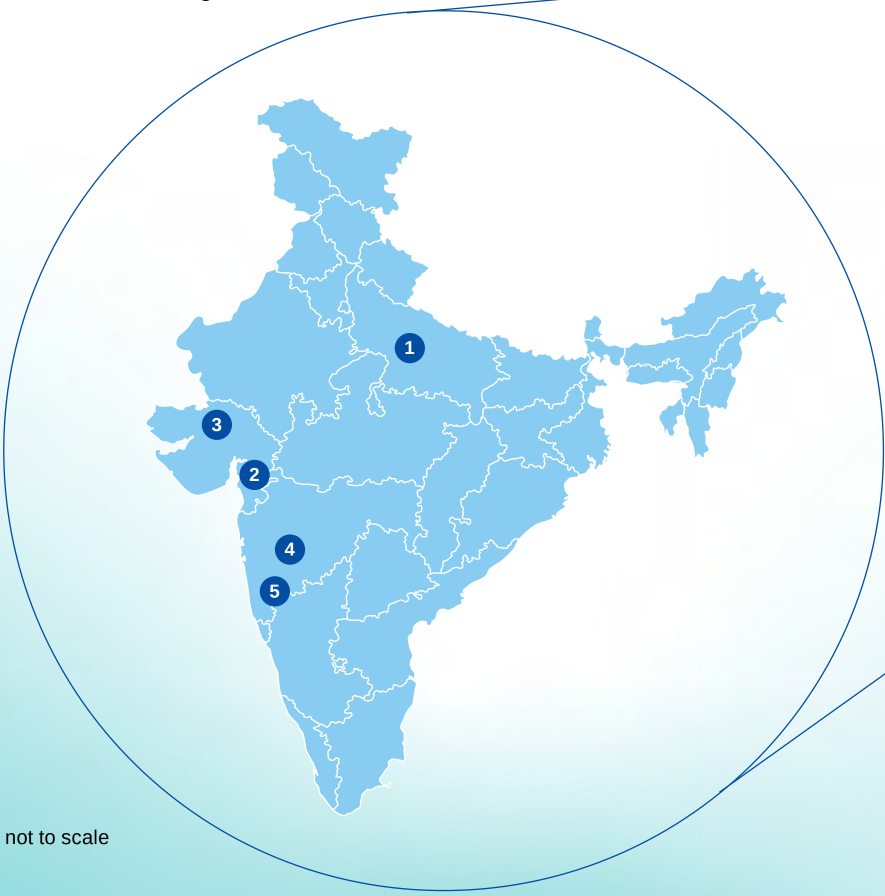
*We stretch ourselves to be **cost effective** and efficient in all aspects of our operations and focus on **flawless delivery** to create and provide the best value to our stakeholders.*

Reach

Deepening Our Presence

Our vertically integrated world-class facilities adhere to the stringent quality regulations. We have thus established our presence as global leaders in terms of cost benefits, quality consistency and ability to generate value-added products for our customers across the world.

We provide a vast range of products and services across our three business segments as a 'Partner of Choice' in our CDMO services for multiple companies. Our strong compliance history, track-record of timely delivery and environmentally-conscious manufacturing enables us to leverage our robust relationship with customers for continuous growth.



Note: Map not to scale

Manufacturing Units

1. Gajraula, Uttar Pradesh. India
2. Bharuch, Gujarat. India
3. Samlaya, Gujarat. India
4. Nira, Maharashtra. India
5. Ambernath, Maharashtra. India

39%
Of Revenue from Exports to

60
Countries

GEOGRAPHICAL REVENUE SPLIT

Region	% Share of Revenue
India (Domestic Consumption)	46
India (International Consumption)	15
Europe	19
North America	5
Rest of the World (RoW)	16

LEADING MARKET POSITIONS ACROSS BUSINESS LINES

Business Segment	Leaders
Speciality Chemicals	Amongst top 2 in Pyridine - Beta globally
	#1 in 11 Pyridine Derivatives globally
Nutrition and Health Solutions	Amongst top 2 in Vitamin B3 (Niacinamide) globally
	#1 in Vitamin B4 (Choline Chloride) domestic market
Life Science Chemicals	Amongst top 2 in Acetic Anhydride globally
	Largest manufacturer of bio-based Acetaldehyde globally

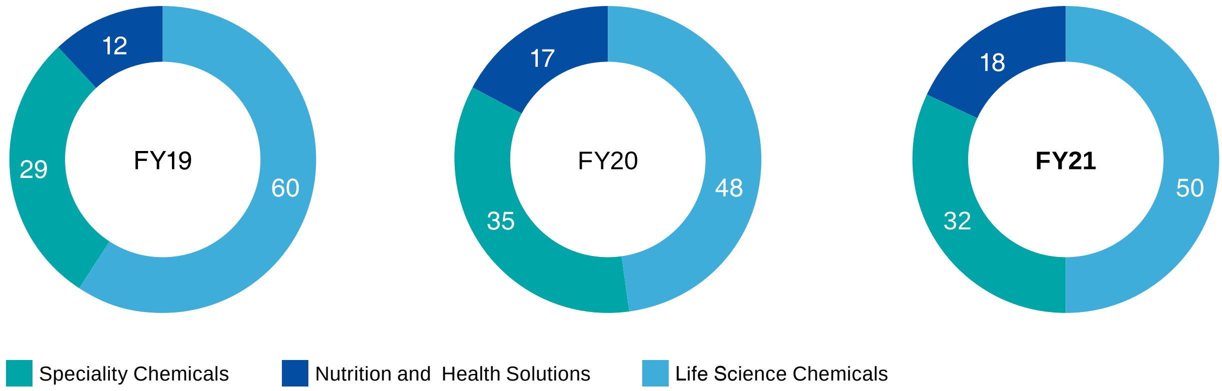
Business Segments

Our Three-part Nucleus

Our business focuses on three core segments – Speciality Chemicals, Nutrition and Health Solutions and Life Science Chemicals. The forward-integrated segment, along with a vast portfolio and application across multiple sectors, aids us in de-risking our business.

SHARE OF REVENUE

(%)



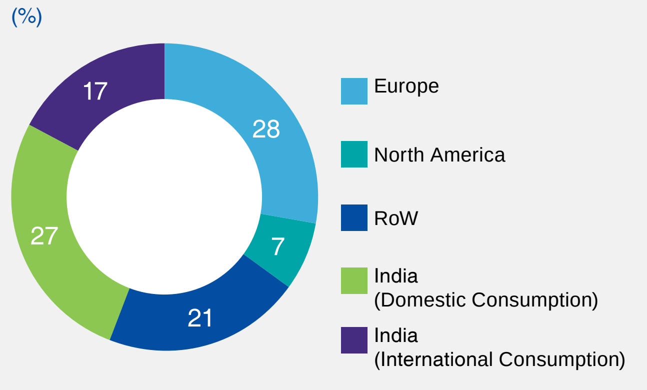
Speciality Chemicals

Our Speciality products place us as global leaders with application across industries. We offer Speciality building blocks including Pyridine and Picolines, Cyanopyridines, Piperidine and Pyridine based value-added products for the production of a range of Agrochemicals, Pharmaceuticals, Nutrition, Fine chemicals, Oilfield chemicals, Electronics and Solvents. Besides being one of the largest global manufacturers in the Pyridine and Picolines value chain, we are one of few companies with complete forward and backward integration.

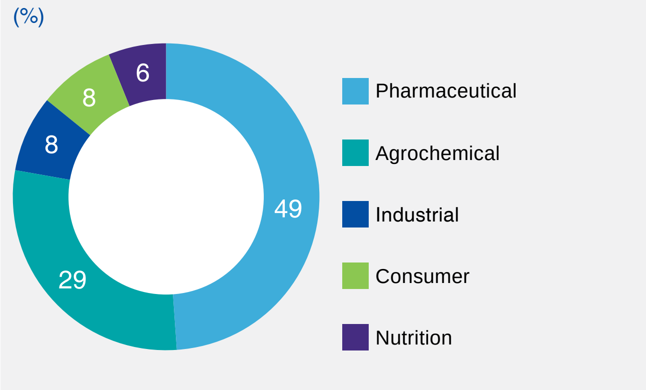
85
Pyridine based value-added products

72,000+ TPA
Capacity

GLOBAL GEOGRAPHICAL REVENUE SPLIT FY21



INDUSTRY END USE SPLIT FY21



KEY STRENGTHS AND GROWTH DRIVERS

- Completely backward integrated range of products in Pyridines, Picolines and its derivatives, globally places us in a unique position
- Our strong Research Development & Technology (RDT) capabilities with expertise in almost 35 key technology platforms and hands on experience of 40 years in the industry gives us a competitive edge in the industry
- We are able to offer extensive services to customers through our international offices in North America, Europe, Japan and China
- Our long-term relationship with customers, built over years of approvals and audits, gives us an advantage as the preferred supplier and 'Partner of Choice'
- Lower domestic consumption as compared to developed and developing countries is expected to drive domestic demand leading to increased growth in the region
- Agrochemicals, Personal care, Nutraceuticals and Flavours and Fragrance markets are the segments driving the growth in the Speciality Chemicals market
- Changing geopolitical scenario and de-risking strategy of global customers will strengthen India's position as a potential manufacturing hub, providing further global expansion opportunities
- Proactive steps taken by the Indian government under various policies to boost India's export and make it *'AatmaNirbhar'* plays well for exports business

GROWTH PROSPECTS

Global customers are de-risking their supply chains for Actives and Advanced Intermediates which compelled us to move up the value chain to capture a larger market share with investments worth ~ 5,500 million in the next three years. We are ramping up our manufacturing capabilities through forward integration of our Ketene capability, investing in a cGMP facility for Pharma customers and Non-GMP Multi-Purpose facility for Pharma and Agro customers. We are also moving up the value chain from our existing products to produce Agro Actives with an investment in a new world class manufacturing facility for Pesticides.

CUSTOM DEVELOPMENT AND MANUFACTURING ORGANISATION (CDMO)

We have established ourselves as a single point solution for CDMO services for global Pharmaceutical and Agrochemical companies. We are present across the value chain: Route design, Process Development, Process Optimisation, Scale-up and Commercial Manufacturing of Advance Intermediates for Pharma and Agro and Actives for Agrochemicals. Our strong synthetic, organic chemistry and manufacturing capabilities makes us the 'Partner of Choice' for our customers.

ENVIRONMENTALLY SUSTAINABLE PRODUCTS

We are global leaders in Pyridine and its derivatives, we produce Acetaldehyde, one of the key starting materials for Pyridine in-house at the site in Gajraula using renewable sources, minimising impact on the environment around us.

PARTNER OF CHOICE FOR

420
Global Customers including

15
of top 20 Pharma companies

7
of top 10 Agrochemical companies

8+
Current collaborations with Global Pharma and Biotech companies

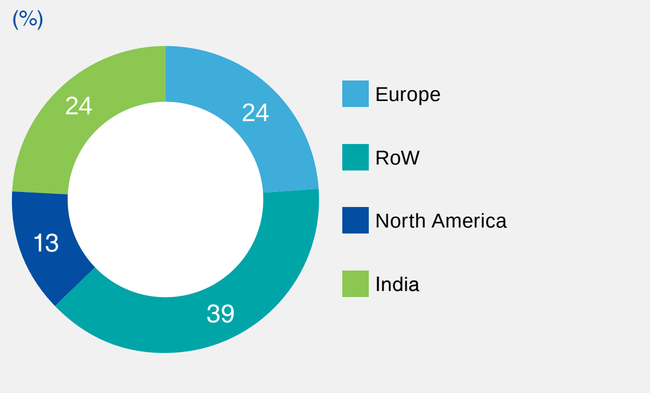
Nutrition and Health Solutions

We offer a range of products including straight Nutritional Ingredients like Vitamin B3, Picolinates to premix solutions for animal and human nutrition. Our Life Science Chemicals and Speciality Chemicals segments provide us complete backward integration giving us a competitive edge over competitors. We are the global largest producer of Niacinamide and amongst Global top two manufacturers of Vitamin B3 and India's largest manufacturer of Vitamin B4. We are a 'Partner of Choice' for more than 400 global customers. We have also embarked on the manufacturing of herbal range of products for animal feed under the brand 'Phytoshield'.

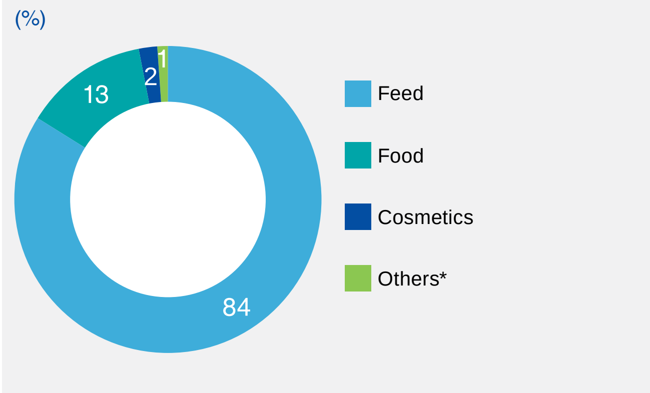
72
Product offerings

400
Global customers

GLOBAL GEOGRAPHICAL REVENUE SPLIT FY21



INDUSTRY END USE SPLIT FY21



*Includes Personal care, other Technical applications

KEY STRENGTHS AND GROWTH DRIVERS

- We offer a large portfolio of products and its derivatives that are used in daily urban life and are witnessing an increased demand in recent times
- Being fully Backward integrated and the lowest cost producer give us an advantage in expanding across geographies and adding more value-added products to our portfolio
- There is strong demand of Speciality Animal Nutrition products from our customers and we are well placed to leverage it

Life Science Chemicals

We offer building block ingredients based on Acetyls and Ketene chemistry platform, having applications in multiple daily use products, especially in urban areas. Globally, we are positioned among the top manufacturers of Acetic Anhydride and Propionic Anhydride in the merchant market. In India, we are the largest manufacturer of Bio-acetaldehyde. Our products are used in-house as well as in multiple downstream industries across our wide range of life science chemicals and intermediates. We are also the leading supplier of Ethanol to Oil Marketing Companies (OMCs) for Ethanol Blending Programme (EBP) among standalone distilleries in India.

KEY END USE APPLICATIONS

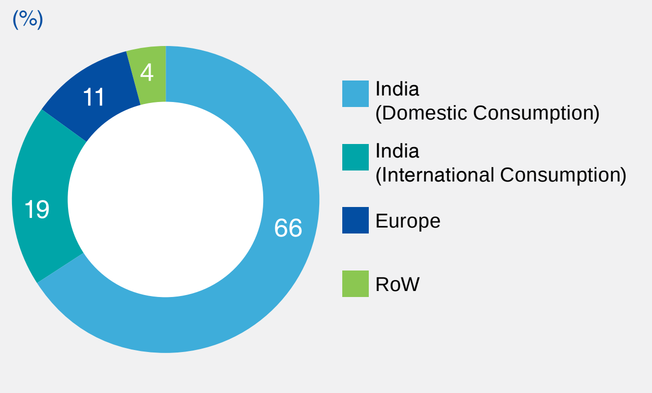
Pharmaceuticals (Paracetamol and more than 6 other APIs)

Agro (Acephate, Clethodim)

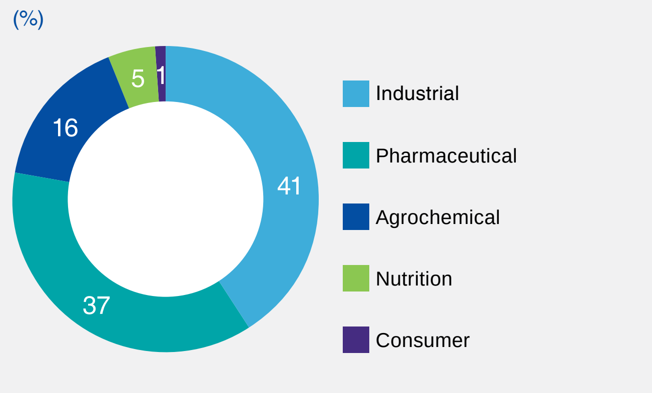
Food and Nutrition

8
Product offerings

GLOBAL GEOGRAPHICAL REVENUE SPLIT FY21



INDUSTRY END USE SPLIT FY21



KEY STRENGTHS AND GROWTH DRIVERS

- Multiple investments in the Segment to become the largest merchant marketer
- Engaged in a long-term contract with our feed stock suppliers, which protects us from any unseen price shocks in sourcing key raw materials
- The segment is seeing growing demand across application industries and with no new addition of facilities globally, we see further consolidation in our position
- Geopolitical tensions and customers exploring cost-effective production facilities further position us as global low-cost manufacturers
- Our scale of operations, market understanding, agile product placement and strong relationship with customers places us as at an inflection point as global players
- We are foraying into Extra Neutral Alcohol (ENA) facility to cater to Indian distilleries markets

GROWTH PROSPECT

In this Life Science Chemical Business, the Company holds strong growth prospects on the back of increasing demand. With the lack of new facilities across the globe, customers are opting for low-cost producers. In this growing market scenario, we are investing in augmenting our capacities by around 35% with an investment of ₹ 2,500 million in the next three years and reinforce our leadership in the global market.

RDT Capabilities

Adding Innovative Products

In addition to new product development, our Research Development & Technology (RDT) unit focuses on Process Intensification, Absorption and Establishing Technologies on a commercial scale.

The unit acts as a catalyst in constantly developing leading innovative solutions and optimising our production process to increase efficiency. Our dedicated team enables us in maintaining global standards in terms of cost and quality. We also ensure maintenance of a sustainable pipeline of high-value opportunities to maximise growth through prudent investments to meet the global market demands as the unit is critical to our success. We have a large and growing pipeline of value-added products as well as new platforms across our business segments.

Our RDT unit is designed to meet international standards with the latest technologies and has a team of highly qualified and experienced professionals. Our centres specialise across the value chain of chemical research, chemistry and process development of Advance Intermediates, Fine Ingredients, Nutritional Products and Contract Research.

We are constantly updating and expanding our internal RDT infrastructure and also complement it with academia collaborations. We are further strengthening our RDT by building a robust Scientific Advisory Board to support it.

3
State-of-the-art RDT centres in Noida, Gajraula and Bharuch

35
Key technology platforms

90
Highly Qualified Scientists including 20 PHDs

152
Patent applications

94
Patents have been granted

60+ New products in pipeline over the next 3-4 years

32
Speciality Chemicals

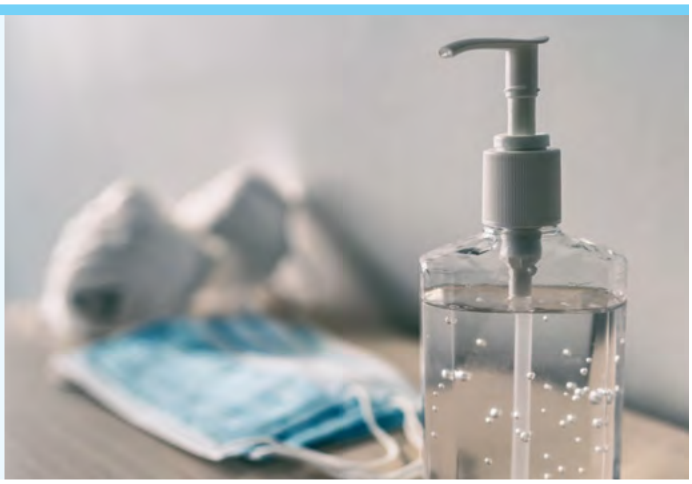
24
Nutrition & Health Solutions

7
Life Science Chemicals

CONTRIBUTING TO FIGHT AGAINST COVID-19

Our team worked against time to achieve breakthrough results of developing key ingredients for the first US FDA approved Antiviral drug ‘**Remdesivir**’ with proven results against COVID-19 in just **10 weeks’ time**.

We also developed Ethanol based Hand Sanitizer of **Chlorhexidine Gluconate (CHG)** and WHO Grade.



Chairmen's Message

Mr. Hari S. Bhartia
Co-Chairman

Mr. Shyam S. Bhartia
Chairman

Dear Fellow Shareholders,

I am happy to announce that despite the various challenges posed by the COVID-19 pandemic, we performed well during FY 2021. I am thankful to our employees who demonstrated resilient character during these testing times and helped us navigate through such a difficult phase. We reported a significant growth in our Revenue, EBITDA and PAT during the year under review. Our manufacturing sites remained operational throughout the pandemic and initiatives were taken to mitigate COVID-19 impacts. Our deeply integrated business model ensured raw material supply and relentless efforts towards ensuring logistics availability helped uninterrupted servicing of our customers.

Despite the COVID-19 related external challenges, I am happy to report a 10% growth in the revenue over FY 2020 to ₹ 34,911 million in FY 2021. Focus on cost control helped us in strengthening our EBITDA by 53% from ₹ 4,091 million in FY 2020 to ₹ 6,265 million in FY 2021 with EBIDTA margin strengthening by 507 bps from 12.9% in FY 2020 to 17.9% in FY 2021. Net profit strengthened by 43% from ₹ 2,205 million in FY 2020 to ₹ 3,161 million in FY 2021. Maintaining the cash flow was one of the key priorities during the year, wherein we witnessed significant increase in our cash flow from operating activities in FY 2021.

The pandemic affected operations initially as some of the plants remained shut following the government regulations. However, as an ingredient supplier for the pharmaceutical products, we could resume operations. The demand from our customers remained buoyant during the year considering strong traction from our downstream sectors which includes pharmaceuticals, nutrition and agrochemicals, among others. Our deeply integrated business model along with lesser dependence on China for raw material sourcing helped us continue operations seamlessly. We continued our virtual engagement with customers.

Our growth in the Specialty Chemicals business was led by strong demand from the agrochemical and pharmaceutical customers. With the rise in raw material, utility and logistic costs, we were able to pass on the increase to our customers and protect our margins. We continued to maintain our leadership in Pyridine and 11 other derivatives and improved market share in some of the other products. Unwavering focus on innovation helped us launch six new products during the year under review. The segment reported a revenue of ₹ 11,236 million in FY 2021 compared to ₹ 11,044 million reported in FY 2020 while EBITDA strengthened 13% from ₹ 2,369 million in FY 2020 to ₹ 2,683 million in FY 2021.

The demand from our customers remained buoyant during the year considering strong traction from our downstream sectors which includes pharmaceuticals, nutrition and agrochemicals among others. Our deeply integrated business model along with lesser dependence on China for raw material sourcing helped us continue operations seamlessly. We continued our virtual engagement with customers.

Despite challenges, the Nutrition & Health Solutions business maintained its growth momentum during the year. We were able to distribute our products across the world due to our strong relationships with shipping companies and container suppliers. Our continued focus on growing the share of value-added products proved important and led to good traction. The segment revenue witnessed 17% growth from ₹ 5,369 million in FY 2020 to ₹ 6,299 million in FY 2021. EBITDA from the segment improved 37% from ₹ 949 million in FY 2020 to ₹ 1,302 million in FY 2021.

Based on favourable demand from downstream sectors, our Life Science Chemicals business reported higher capacity utilisation. We took several productivity enhancement initiatives, helping us in cost reduction and improved margins. By augmenting existing capacities, we commercialised a new product, Propionic Anhydride, which is largely consumed by the agrochemical industry. Revenue from the business surged 13% from ₹ 15,374 million in FY 2020 to ₹ 17,376 million in FY 2021. EBITDA strengthened 138% from ₹ 993 million in FY 2020 to ₹ 2,360 million in FY 2021.

SHARPENING OUR BUSINESS FOCUS

Starting our journey back in 1978, over the years, we have emerged as a strong player in Life Science Ingredients as well as Pharmaceuticals businesses. To sharpen focus on each business vertical, we decided to demerge the business into two separate entities in FY 2021. The demerger has the following benefits:

- It simplified the corporate structure with greater operational efficiencies with dedicated management structure focusing on the strategic priorities of each business
- It also helps our shareholders to maximise their value as the demerged entity will be unlocking value for each business independently
- The demerger will also help the external world in understanding our business structure and facilitate better investment decisions
- The distinct businesses will enable strategic growth with optimal capital structure and deployment of cash flows for investments, capital expenditure and dividends

We believe that with a focussed approach we will be able to accelerate our growth and create significant value for the business.

BUILDING ON OUR STRENGTHS

Over the years, we have established our distinctive strengths in the industry which helps us maintain leadership in the segments we are present in.

Leadership: We have selected products where we enjoy leadership in the global market. We are globally #1 producer of 13 products and the second-largest for around 5 products. Besides, we prefer to be present in sectors with high-entry barriers, lowering the risk of competition.

Sustainability: We are one of the few companies in our sector with strong focus on sustainability and governance. We are using increasing amount of renewable stock with some of the products having renewable inputs of around 35-50%. Our commitment is further reinforced by the fact that we are among the six companies in India to receive the coveted ‘Responsible Care certification’ for two of our large facilities in Gajraula and Bharuch.

Chemistry knowledge: Our key strength is our deep knowledge in chemistry allowing us to handle complex molecules and derive highly effective products. We have more than 35 chemical platforms, one of the highest in the country.

Relationships: Our product quality, ability to customise and deliver on time, and high customer engagement helped us enjoy long-term relationships with our customers. We are serving 15 of top 20 Global Pharma and seven of top 10 Global Agrochemical companies and significant revenues were derived from the repeat orders.

Financial: We have maintained a strong cash flow from the business where we have been reinvesting to scale up our operations. We are also maintaining a highly deleveraged balance sheet which will help us with additional borrowings for our proposed expansion plans.

STRONG SENSE OF OPTIMISM

Our journey in the business of Life Science Ingredients started more than 40 years ago. Over the years, the business has expanded its operations globally with more than 100 commercial products. We have successfully consolidated a leading position in this segment through our commitment to quality and timely delivery of products.

Today, India enjoys a sweet spot in Specialty Chemicals with the emerging demand side from global customers who are looking at diversifying their supply chain away from China to create a reliable alternate source. This increasing demand is in addition to their continuous quest to explore possibilities of shifting their sourcing from higher-cost countries to cost-competitive locations like India. On the supply side, there is a deep talent pool in the chemicals space as well as a supportive government and regulatory environment.

Jubilant Ingrevia Limited is ideally positioned to capitalise on the growth opportunities because of its cost leadership in several products through integration and continuous improvement, timely delivery track record, updated compliance records, long-standing customer relationships and highly experienced management team with an excellent execution capability.

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Our business growth strategies and investment, as always, will continue to focus on meeting the growing demands of our customers. Our deep and long-standing relationships with customers has also led to investments in CDMO. We will continue our focus on driving margins and customer retention and expanding our global presence in each of our business segments.

We are thankful to our employees for demonstrating resilience in the time of extreme challenges and supporting the Company through their hard work and team spirit.

We firmly believe that the road ahead is exciting and we will continue to add value for our stakeholders.

Mr. Shyam S. Bhartia
Chairman

Mr. Hari S. Bhartia
Co-Chairman

Note:

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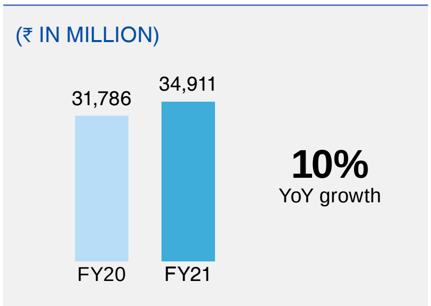
Key Performance Indicators

Measuring Our Progress

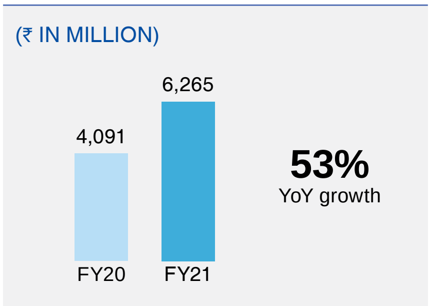
Despite the challenging business environment, we have demonstrated stable growth across parameters, a testament to our resilient business model.

Profit and Loss Indicators

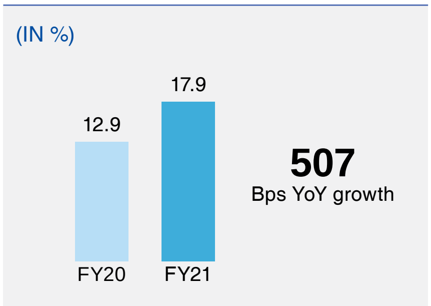
REVENUE FROM OPERATIONS (Pro-Forma)



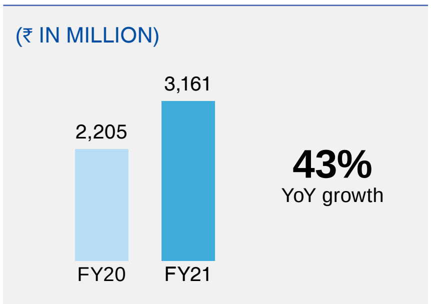
EBITDA (Pro-Forma)



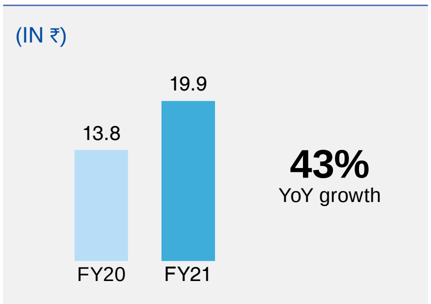
EBITDA MARGIN



PROFIT AFTER TAX

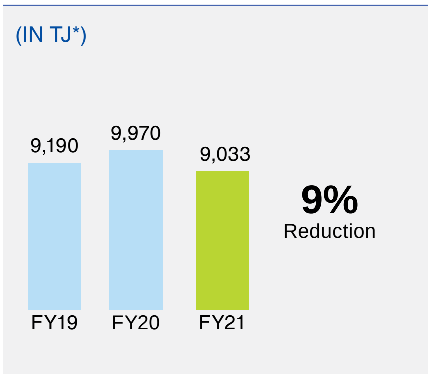


EARNINGS PER SHARE

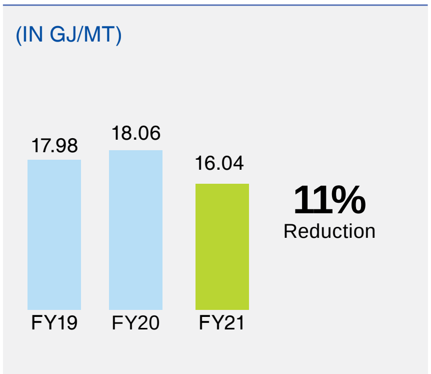


ESG Indicators

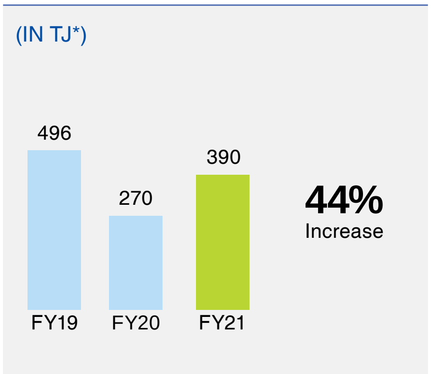
ENERGY CONSUMPTION



ENERGY CONSUMPTION (SPECIFIC)



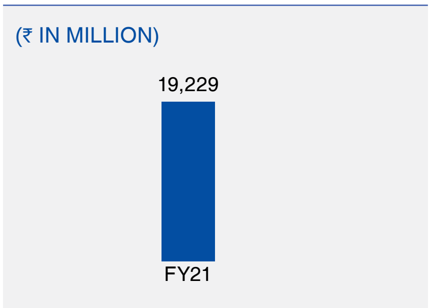
RENEWABLE ENERGY CONSUMPTION (DIRECT)



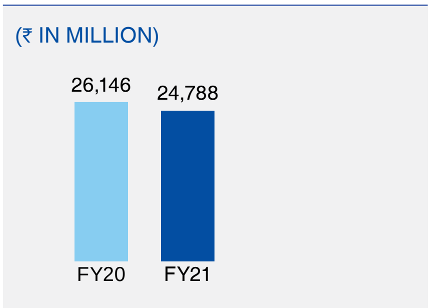
*TJ – Tera Jule

Balance Sheet Indicators

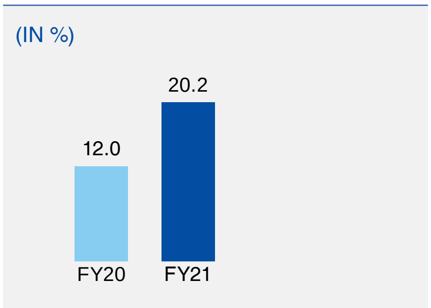
NET WORTH



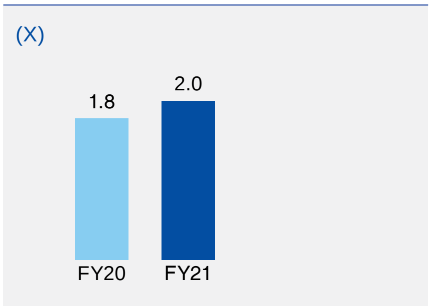
CAPITAL EMPLOYED



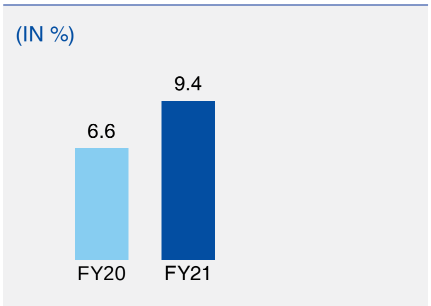
RETURN ON CAPITAL EMPLOYED (RoCE)



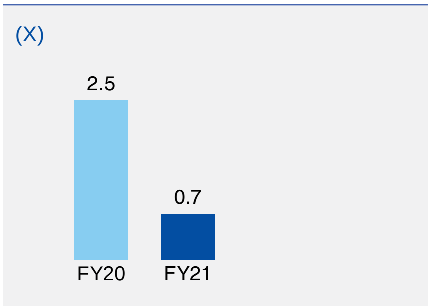
ASSET TURNOVER



RETURN ON ASSET (ROA)

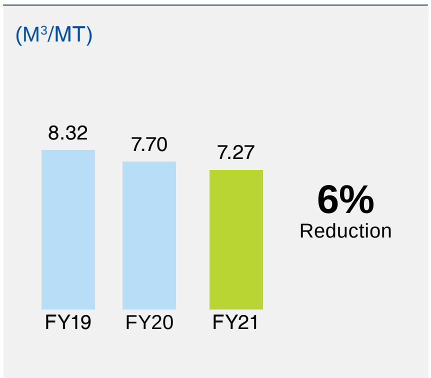


NET DEBT TO EBITDA

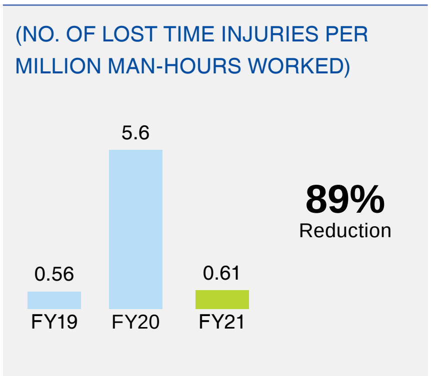


- The historical financial numbers are derived from LSI business Segment of erstwhile Jubilant Life Sciences Limited, which has been demerged into Jubilant Ingrevia Limited on 1st February, 2021.
- The Life Science Ingredients business of Jubilant Life Sciences demerged to Jubilant Ingrevia Limited (Company) with effect from 1st February 2021 and during the year ended 31st March 2021, the financial results of the Company comprises results only for two months of operations, starting from 1st February 2021, being the effective date of demerger. To provide the comprehensive picture of the operations of the Company on continuing basis the results for FY 2021 has been presented by combining the relevant portion of the published results of LSI Segment of Jubilant Pharmova Limited and company as Under:
  - Results from 1st April 2020 to 31st January 2021 and previous year (FY 2020) has been taken from the reported discontinued operations for LSI Segment of Jubilant Pharmova Limited.
  - Results from February'21 to March'21 has been taken from the Audited results of Company.

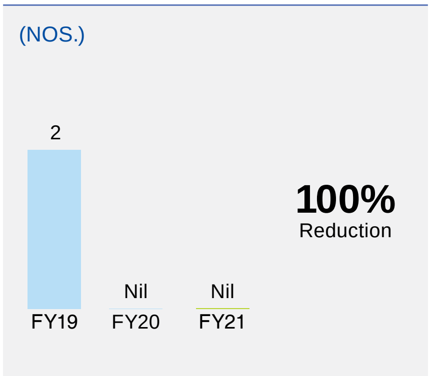
WATER CONSUMPTION (Specific)



LOST TIME INJURIES FREQUENCY RATE (LTIFR)



FATALITIES



Strategic Priorities

Charting out Our Growth Strategy

Having established ourselves as leaders in the products we deal in, we endeavour to further expand our offerings in all the three segments and move up the value chain.

We believe our decades of experience in the industry, global presence and strong customer relationship puts us at an inflection point where we are well placed to leverage our business synergies. Going forward, we plan to strategically bolster our core strengths and augment growth by exploring options to expand our technology platforms and product portfolio.

AUGMENTING DIGITAL TRANSFORMATION

We started our digital transformation journey a few years back in FY 2018, with a defined roadmap to enhance our business performance, sustainability and efficiency across verticals. The recent events put to test our initiatives and we have observed strong positive results.

34

Productivity and efficiency enhancing projects completed

DIGITAL AND TECHNOLOGY INTERVENTIONS FOR IMPROVING:

Operational efficiency	Sustainability	Customer experience and engagement
Moving towards digitalisation and process automation at our factories using smart Industry 4.0 technologies	Improved energy demand forecasting	360 degree customer overview and digital connect for better engagement. Application-based customer digital connects and web outreach
Operational analytics for process efficiency and asset optimisation. Strong focus on cyber secure IT/ OT networks	Electronic production management. Move towards continuous operation. Focus on improved OPE using automation	Digital sales through salesforce automation
Real-time demand and production planning	Moving towards digitally accelerated contracts	

PERSISTING DE-RISKING AND DIVERSIFICATION ACTIVITIES

We intend to continue to de-risk and diversify our operations and strengthen it further through synergistic expansion into related products and forward integration while also increasing our geographic footprint.

Jubilant Ingrevia Limited's strategic decisions and actions are geared to leverage our strong RDT expertise to add to our product basket similar and related chemistries as our existing products, which have mutual raw materials and can be manufactured using our swing facilities. We also have multiple derivative chemistries in the pipeline for the near future and are focusing on further downstream integration to aid in the production of value-added Speciality products. We are also leveraging our deep and long-standing relationship with innovator Pharma and Agro customers to expand CDMO operations.

We are also working on further developing our existing relationships and expanding our business in international markets through our offices in North America, Europe and China. In addition to this, we are also exploring opportunities to continue expansion in newer geographies including Japan, South-East Asia and Latin America.

PRODUCT PORTFOLIO EXPANSION

Speciality Chemicals	Nutrition & Health Solutions	Life Science Chemicals
Launch of Diketene and its value-added derivatives	Introduce new branded Animal as well as Human Nutrition & Health Premixes	Value-added Anhydrides and Aldehydes products
Forward integrate Crop Protection Chemicals to value-added Agrochemicals		Foray into Speciality Ethanol

EXPANDING OPERATIONAL CAPACITY

Bolstered by the growing demand across verticals and in-line with our portfolio expansion plans, we are increasing and upgrading our production capacity. We are also commissioning several debottlenecking initiatives to aid us in leveraging our Chemistry Expertise, Global Positioning and Strong Customer Relations to increase our market positioning.

We plan to primarily finance the organic growth plans through our buoyant internal accruals supported by our robust financial balances. We will also be selectively pursuing inorganic growth opportunities if required, to complement our growth plans.

Speciality Chemicals

₹ 5,500 million in 3 years CAPEX

New scalable facility addition for launch of 6 Diketene derivatives and provision for future portfolio expansion

Invest in addition of world-class Multi-Product facilities for Agro-active & Pesticides

CDMO Expansion - Invest in GMP & Non-GMP Multi-Product Facility for Pharma & Crop Protection customers

Nutrition & Health Solutions

₹ 1,000 million in 3 years CAPEX

~20% expansion in Vitamin B3 production and launch of multiple value-added grades

Investment for Premix Plant expansion for our new value-added premixes launches

Facilities to be upgraded to comply with US DMF and European CEP standards, and enter the regulated Pharma market of Niacinamide

Life Science Chemicals

₹ 2,500 million in 3 years CAPEX

Increase Acetic Anhydride capacity by ~35% by adding another unit

Invest in a green Acetic Acid plant to cater to the bio route acetyls chain.

Enabling Business Excellence, we believe that our large integrated operational capacity provides us the platform to leverage economies of scale with a stronger purchasing power and maintaining a lower overall cost base. This results in providing us a competitive cost structure to achieve sustainable growth and profitability.

Over the years, we have reached Global Sustainable Positions across our products using Business Excellence and a simple approach of maintaining distinction across operations from manufacturing and design to customer service. We have established a Business Excellence team which primarily focuses on areas of technology improvement, cost savings, enhancing delivery mechanism, enhancing sustainability and asset efficiency. Additionally, in concurrence with our long-term strategy, we continuously take-up Six Sigma and Lean Initiatives to focus on continual upgradation, capability and capacity enhancements, and efficiency improvements at all of our facilities to deliver high-quality products with timely delivery.

BELT COMPETENCIES

8	98	141
Black Belts	Green Belts	Yellow Belts

MEETING SUSTAINABILITY TARGETS

We are driven by our pledge to invest and create a balance amongst **Economic, Environment and Social drivers**—The Three Pillars of our Sustainable Business Model. For nearly two decades, we have been taking conscious efforts to monitor and reduce environmental impact, gradually moving towards a sustainable growth matrix in accordance with international guidelines.

We have adopted the principles of **5R - Reduce, Reprocess, Reuse, Recycle and Recover** on water conservation towards achieving Zero Liquid Discharge and reducing fresh water consumption at all our sites. Our integrated manufacturing facility at Gajraula and Nira have been designed to produce Bio-Gas (Green Fuel) in line with our commitment to Lower our Carbon Footprint. We have also established a system to evaluate our critical suppliers and external manufacturers for their sustainability practices.

36 MWH

Captive power generation facility

~43.7%

Renewable content in more than 20 ingredients used in our product portfolio.

Commitment	Target	Year	Current Status
Percentage of water recycle reuse in-house	28%	2024	31%
Percentage of sites with Zero Liquid Discharge status	All Sites	2024	60%
Increase in renewable share in overall energy mix	7%	2024	5.02%

'ZERO TOLERANCE' FOR NON-COMPLIANCE

We continuously strive to meet our customers' requirement and expectations by providing quality products and services complying with the stringiest compliance norms. Our products undergo rigorous checks at our NABL accredited laboratories before hitting the markets. In addition to the numerous certifications from various authorities across our units, we also comply with **REACH, FAMI-QS, KOSHER, FSSC 22000, FSSAI** and multiple other industry standards.

We have a custom built and automated web-based Quality Management System (QMS), which aids us in complying with all applicable National and International standards and regulations. The QMS covering all aspects of the value chain provides us with real-time information and analysis so that immediate course correction can be done wherever required. We also have a Compliance Committee in place, which undertakes regular reviews of the compliance status. Our manufacturing sites are audited from time-to-time by our Pharma, Agro and Nutrition customers, in addition to regular internal audits.

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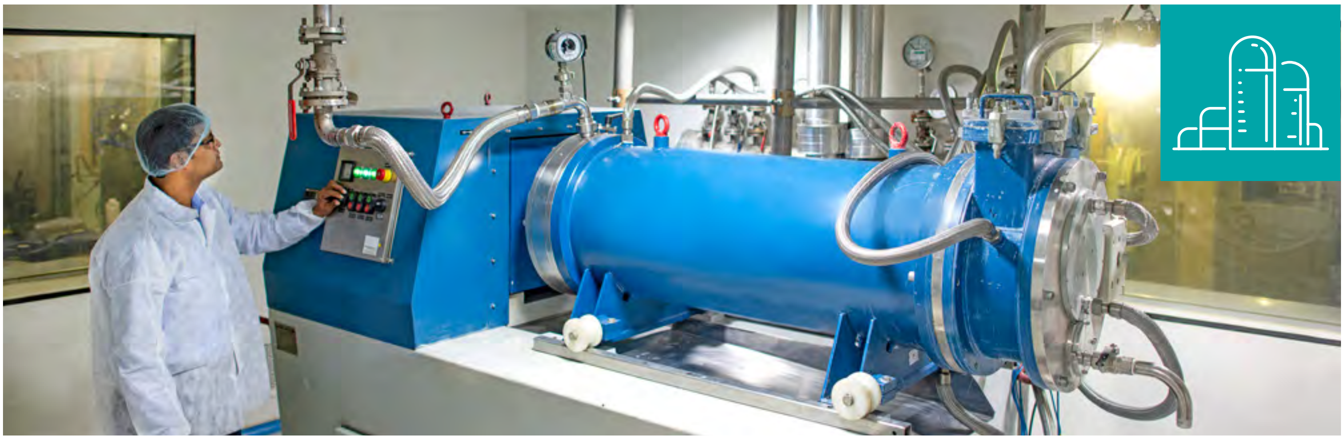
Tracked compliance items



CERTIFICATIONS ACROSS OUR UNITS

CURRENT STATUS OF THE CERTIFICATIONS IS GIVEN BELOW

Certifications	Ambernath	Bharuch	Gajraula	Nira	Samlaya
ISO 9001	✓	✓	✓	✓	✓
ISO 14001		✓	✓	✓	✓
ISO 45001		✓	✓	✓	✓
ISO 22000			✓	✓	
FSSC 2200		✓	✓	✓	
FAMI-QS		✓			✓
cGMP			✓		
HALAL		✓	✓	✓	
KOSHER		✓	✓	✓	
ISO 17025			✓		
RC 14001		✓	✓	✓	
ISO 50001		✓	✓		
ISO 27001					
ALACC					
ISO 13485					
RC Logo from ICC	✓	✓	✓	✓	✓
WHO GMP		✓			
NABL			✓		

OUR PEOPLE. OUR STRENGTH.

We believe our people are our greatest strength and their unwavering commitment to excellence is a key pillar in our success story. We achieve our shared objectives by focusing on attracting, retaining and developing the correct talent mix while maintaining diversity across the organisation. We seek to maintain a high-performance work culture based on values of development, collaboration and reward.

2,064
Employees (including Workmen) 1,667 (Executive)

600+
Postgraduates

239
Chemical engineers

We are committed to providing a safe, healthy and energising work environment for our employees and have undertaken multiple initiatives for the same.

Commitment	Target	Year	Current Status
Reduce Lost Time Injuries Frequency Rate (LTIFR)	50% (0.28)	FY24	Increase by 8% [0.61]
Reduce Lost Time Injuries Severity Rate (LTISR)	75% (436)	FY24	Reduce by 99.63% [5.4]
Zero Fatalities	0	FY21	[0]
Reduce fire incidents/Dangerous Occurrences	50% (10)	FY24	Increase by 10% [11]
Number of Hazards identified (Unsafe Acts and Conditions, EHS CAPA, Near miss)	1,50,000	FY24	[41535]
Increase in women workforce (at manufacturing sites)	5%	FY24	[1%]

Board of Directors

Shyam S. Bhartia
Chairman

Hari S. Bhartia
Co-Chairman

Sudha Pillai
Independent Director

Sushil Kumar Roongta
Independent Director

Arun Seth
Independent Director

Pradeep Banerjee
Independent Director

Siraj Azmat Chaudhry
Independent Director

Ameeta Chatterjee
Independent Director

Priyavrat Bhartia
Director

Arjun Shanker Bhartia
Director

Rajesh Kumar Srivastava
CEO and Managing Director

Anant Pande
Whole-time Director

Senior Leadership Team

Rajesh Kumar Srivastava
CEO and Managing Director
33 years of industry experience

Anil Khubchandani
President – Speciality Chemicals
29 years of industry experience

R Kumar
President – Nutrition & Health Solutions
35 years of industry experience

Chandan Singh
President – Life Science Chemicals
35 years of industry experience

Prakash Bisht
President & Chief Financial Officer
32 years of industry experience

Anant Pande
President & Chief of Operations
35 years of industry experience

Vinita Koul
Senior VP & Head – HR
25 years of industry experience

Prasad Joglekar
EVP & Head – Supply Chain
28 years of industry experience

Management Discussion and Analysis

CAUTIONARY STATEMENT

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

The Life Science Ingredients (LSI) business of Jubilant Life Sciences Limited demerged to Jubilant Ingrevia Limited (Company) with effect from 1st February 2021 and during the year ended 31st March 2021, the financial results of the Company comprises results only for two months of operations, starting from 1st February 2021, being the effective date of demerger. To provide the comprehensive picture of the operations of the Company on continuing basis the results for FY 2020 and FY 2021 has been presented by combining the relevant portion of the published results of LSI Segment of Jubilant Pharmova Limited and Company as under:

- Results from 1st April 2020 to 31st January 2021 and previous year (FY 2020) has been taken from the reported discontinued operations for LSI segment of Jubilant Pharmova Limited.
- Results from February 2021 to March 2021 has been taken from the Audited results of Company.
- EPS has been computed on combined profits assuming existence of share capital throughout the year.

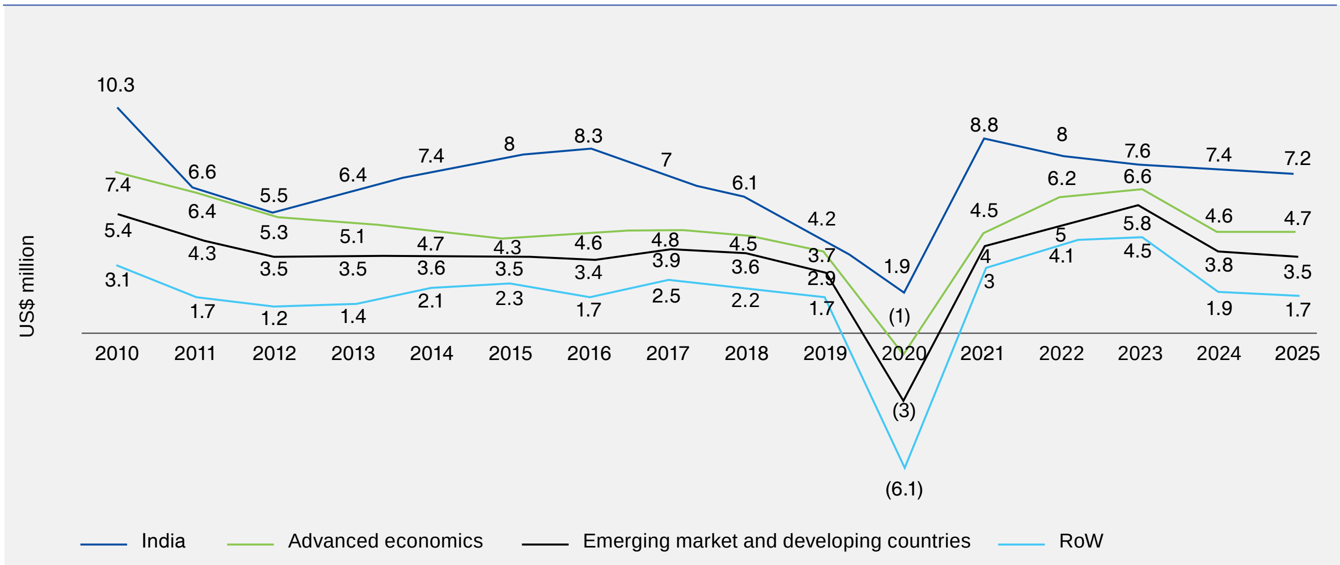
Jubilant Ingrevia Limited (JVL) is a global integrated life science products and solutions provider, serving Pharmaceutical, Nutrition, Agrochemical, Consumer and Industrial customers with its customised products and solutions that are innovative, cost effective and in compliance with the highest-level of quality standards.

Economy

GLOBAL ECONOMIC REVIEW AND OUTLOOK

The onset of the COVID-19 pandemic caused major disruptions within societies and economies across the globe. The global lockdowns adversely impacted several industries, such as manufacturing, construction, and logistics. However, vaccination drives gaining momentum across the world have led to an optimistic outlook of a faster recovery in FY 2021. Many rating agencies have reported a V-shaped recovery rate for the global GDP. The average projected GDP growth rates of developed countries are in the range of 3% to 5% in FY 2021, according to the International Monetary Fund (IMF). The developing countries are expected to witness an improved growth rate as compared to the advanced economies. However, further COVID-19 waves and variants, leading to restrictions and lockdowns, may dampen the growth outlook.

GLOBAL ECONOMIC GROWTH TRENDS



Source: Markets & Markets Research

REVIEW OF INDIAN ECONOMY AND GROWTH OUTLOOK

The Indian economy de-grew by 7.3% in FY 2021 adversely impacted by the lockdown, which was imposed to contain the spread of the pandemic. Stringent restrictions announced in the month of April 2020 and May 2020 brought the economy to an abrupt standstill and led to a contradiction of 22.4% in the first quarter of FY 2021. As the economy reopened, pent-up and festive demand led to a fast recovery. The slew of government policy measures and stimulus, including the 'AatmaNirbhar Bharat' package, were introduced in three tranches and valued at ~15% of the GDP. They were instrumental in cushioning the worst of the impact.

The second wave is expected to have some impact on the recovery, especially in the first quarter of FY 2022. With an increased focus on vaccination drives, localised restrictions and adaptation to the 'new normal', the impact is expected to be limited. The IMF expects India to grow 12.5% in FY 2022, with future waves and vaccination drives remaining critical factors for the pace of economic recovery.

Industry Review

CHEMICAL INDUSTRY

This is one of the most pervasive industries for manufacturing with its products being critical to a wide range of end-use, including basic, industrial and consumer applications. The global chemicals market is estimated at US$ 4.2 trillion in FY 2020 and is projected to reach a market size of US$ 5.2 trillion in FY 2025 with a Compound Annual Growth Rate (CAGR) of 4.6% during the forecast period.

In India too, the chemical industry is among one of the major industries with its growth correlated to end-use industries. The Indian chemicals market is estimated at US$ 194 billion in FY 2020 and is projected to reach a market size of US$ 279 billion in FY 2025 with a CAGR of 7.6% during the forecast period. The Government of India has also launched support initiatives, which will aid in the growth of the industry across the country.

Speciality Chemicals Industry

The growth of the speciality chemicals market is primarily attributed to the increase in R&D activities to develop new products, rise in demand in the Asia Pacific region, and the growth in the end-user industries. However, key factors such as volatile raw material costs and environmental concerns regarding toxicity issues of some speciality chemicals are projected to slowdown the growth. The global speciality chemicals industry is estimated at US$ 857 billion in FY 2020 and it is expected to grow at 6.4% CAGR to reach US$ 1,168 billion by FY 2025. (Projected on the basis of given CAGR)

The growth in the Indian market has been driven by a combination of an increase in domestic demand from end-user segments and strong export growth. The Indian speciality chemicals industry is estimated to have market size of US$ 36 billion in FY 2020 growing with CAGR of 12.4% to reach US$ 64.5 billion by FY 2025. (estimated on the basis of CAGR)

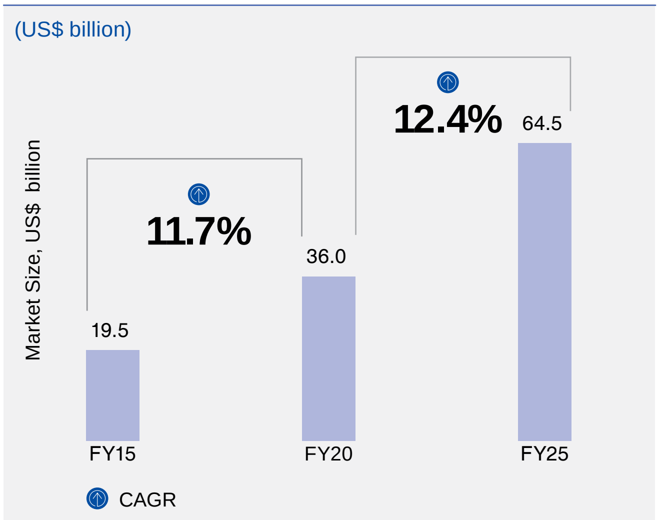
Global chemicals market to grow at a CAGR of
4.6%
To reach by FY 2025
US$ 5.2 trillion

Indian Market to grow at a faster CAGR of
7.6%
To reach by FY 2025
US$ 279 billion

Global Speciality Chemicals Market to grow at a CAGR of
6.4%
To reach by FY 2025
US$ 1,168 billion

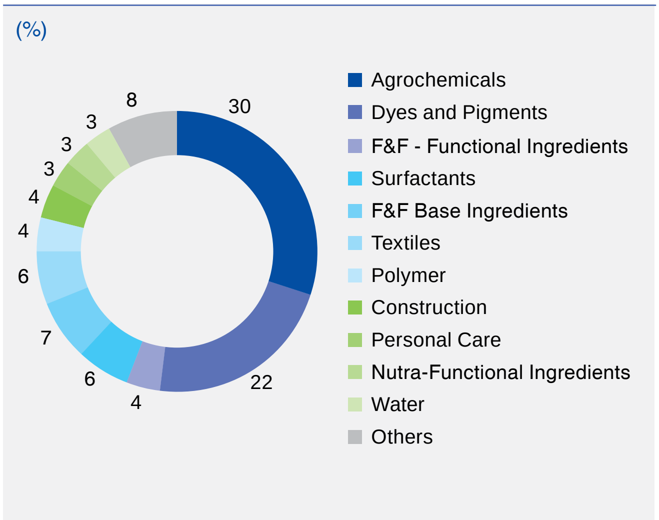
Indian Speciality Chemicals Market to grow at a faster CAGR of
12.4%
To reach by FY 2025
US$ 64.5 billion

INDIA: SPECIALITY CHEMICALS MARKET FY15 – FY25



Source: FICCI report, Annual Reports, SEC Filings, Investor Presentations, Press Releases, Conferences, Journals, Expert Interviews, and MarketsandMarkets Analysis

INDIA: SPECIALITY CHEMICALS MARKET SHARE, BY TYPE, FY20

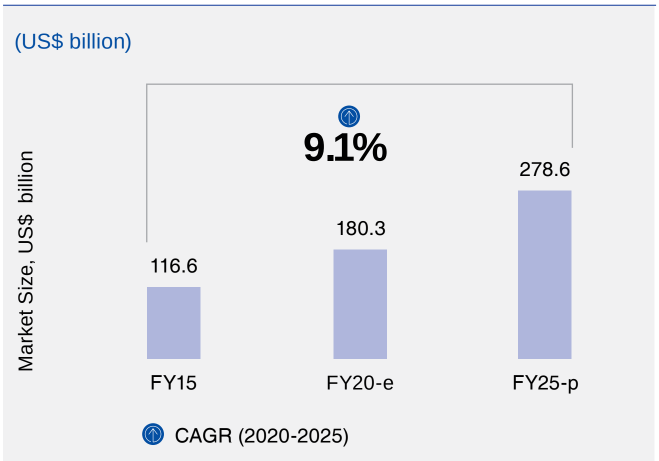


Source: Secondary Research, Primary Interviews, Related Research Publications, Industry Journals, Press Releases, and MarketsandMarkets Analysis

Custom Development and Manufacturing Organisation (CDMO)

CDMO is used for custom synthesis of Agrochemical Technical Grades or Active Ingredients, Intermediates and Speciality Chemical products along with other Fine Chemicals such as Active Pharmaceutical Ingredients.

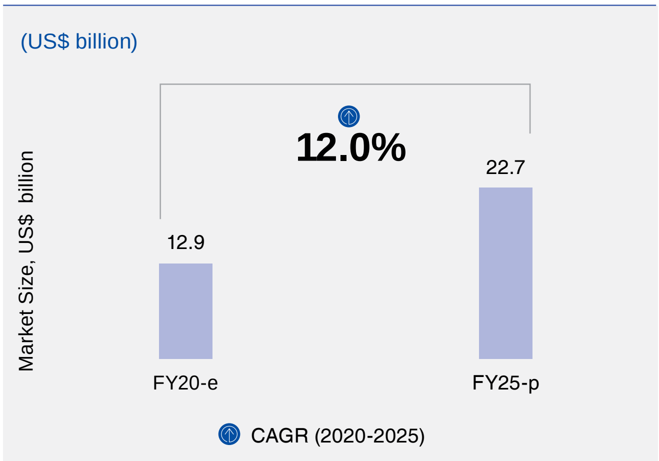
GLOBAL: CUSTOM DEVELOPMENT AND MANUFACTURING MARKET FY15 – FY25



e-Estimated; p-Projected

Source: Secondary Research, Primary Interviews, Related Research Publications, Industry Journals, Press Releases, and MarketsandMarkets Analysis

INDIA: CUSTOM DEVELOPMENT AND MANUFACTURING MARKET FY15 – FY25



e-Estimated; p-Projected

Source: Secondary Research, Primary Interviews, Related Research Publications, Industry Journals, Press Releases, and MarketsandMarkets Analysis

In FY20, ~80% of the Indian Speciality Chemicals CDMO market was captured by Fine Chemicals (by value), which are single molecule compounds that are utilised in Crop Protection Chemicals and Active Pharmaceutical Ingredients industries. These single molecule compounds are mainly Active Ingredients in either agrochemical or pharmaceutical formulation. Active Ingredients are among the expensive chemicals utilised in the agrochemical or pharmaceutical final consumer product, significantly contributing to the total cost. India's CDMO market is driven by R&D investment in the development of new molecules and chemistries along with efforts to reduce capital investments in the overall Fine Chemicals segment. One of the major driving factors for the Indian CDMO market is the increase in contract manufacturing of Fine Chemicals. Major global companies prefer to invest in contract manufacturing primarily due to low-cost manufacturing in India and the redirection of innovators' focus towards core competencies.

NUTRITION INDUSTRY

The nutrition industry is one of the most robust and fast-growing markets. The growing health and wellness trend, changing food landscape, increasing demand for fortified food products and growing demand for nutritional supplements packed in single tablets and capsules have been instrumental in driving the growth of this market. Vitamin and Mineral supplements are added in the feed according to the type of livestock, life stage, permissible formulations, dosage, and nutrient composition of the feed. The market for vitamin feed supplements is projected to be valued at US$ 5,051.5 million by FY 2025 at a CAGR of 7.2% from FY 2020 to FY 2025. The Asia Pacific market accounted for the largest share of 28.4% in FY 2019 and is projected to grow at a CAGR of 7.4% during the forecast period. While RoW (Rest of the World) is projected to be the fastest-growing market at a CAGR of 7.7% from FY 2020 to FY 2025.

Global nutrition market to grow at a CAGR of

7.2%

To reach by FY25

US$ 5.05 billion

Market Share of Asia Pacific Market in FY19

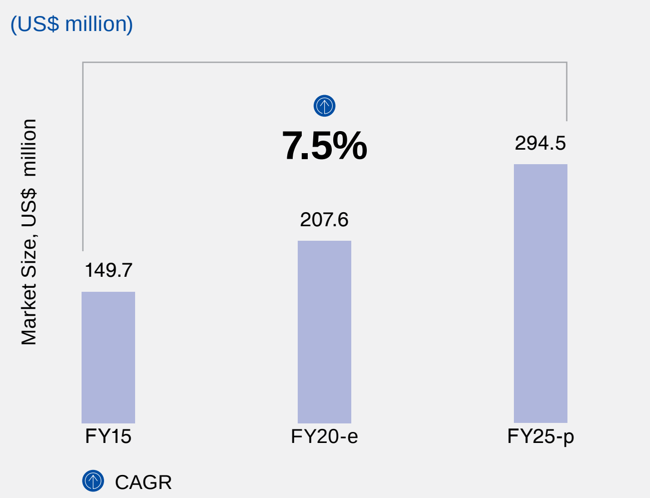
28.4%

There has been a positive trend in end-use markets with annual production of meat growing steadily. Poultry, which is most susceptible to vitamin deficiencies among other livestock, has been growing at the highest rate in India. Also, compared to the livestock sector, the poultry sector in India is better organised, more scientific, and constantly moving towards modernisation. These factors are expected to have a beneficial impact on the market for feed vitamins. India is not dependent on imports for livestock feeds as the country is an important exporter of solvent-extracted meals.

Cattle feed in the country is essentially enriched with trace minerals such as Manganese, Iron, Cobalt, Zinc, Copper and Iodine. Macro minerals such as Phosphorus and Calcium are also major constituents. Poultry feed constitutes all of these components as well as Vitamin B complex vitamins.

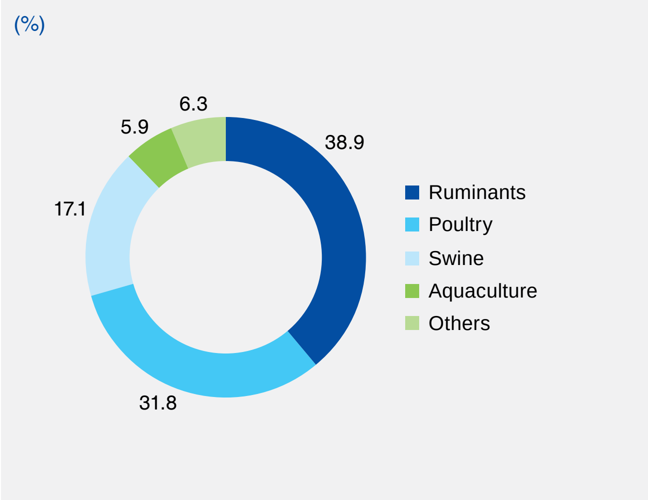
The Indian market for vitamin feed supplements, especially for poultry and ruminant feedstuff, is growing owing to the increasing demand for animal protein and poultry products.

INDIA: FEED VITAMIN SUPPLEMENTS MARKET, FY15 – FY25



e-Estimated; p-Projected
Source: Secondary Research, Primary Interviews, Related Research Publications, Industry Journals, Press Releases, and MarketsandMarkets Analysis

FEED VITAMIN SUPPLEMENTS MARKET SHARE, BY LIVESTOCK SPECIES, FY20



*Others include equine and pets.
Source: Secondary Research, Primary Interviews, Related Research Publications, Industry Journals, Press Releases, and MarketsandMarkets Analysis

FEED ADDITIVES INDUSTRY

Feed additives are added to livestock feed as they improve the feed quality, prevent diseases, thereby improving livestock performance and health. They also increase the yield and quality of food obtained from the livestock. The feed additives market is projected to grow at a CAGR of 6.1% from FY 2020, to reach US$ 47.0 billion by FY 2025 in terms of value. The growth of this market is attributed to the growing focus on livestock and their welfare, which, in turn, is driven by the global increase in demand for meat and poultry products, rise in global feed production with improved technologies and increasing standardisation of meat products due to contamination from bacteria such as Salmonella, Campylobacter jejuni, Yersinia enterocolitica, Clostridium perfringens, and Staphylococcus aureus. India is expected to be one of the fast-growing markets for livestock feed as animal husbandry is a dominant occupation in the country.

India accounted for the second-largest share of the additives market with 10% in FY 2020, in terms of volume, in the Asia Pacific region. The country is expected to be one of the fast-growing markets for livestock feed, as animal husbandry is a dominant occupation in the country. India was the sixth-largest producer of feed in FY 2019, according to a survey conducted by Alltech. The country had about 1,201 feed mills in FY 2018, with the production of about 34.2 million MT of feed. This also marked a 7% increase in the amount of feed production in the country in FY 2019 from FY 2018.

Global feed additives to grow at a CAGR of

6.1%

To reach by FY25

US$ 47 billion

India

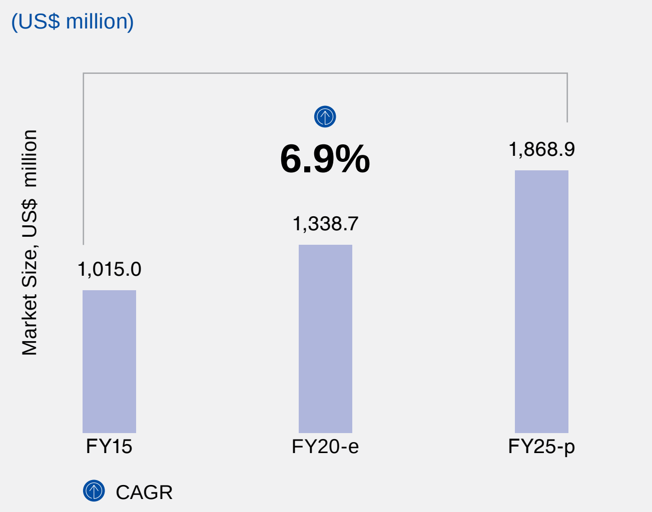
2nd largest

Additives market in Asia Pacific region with

10%

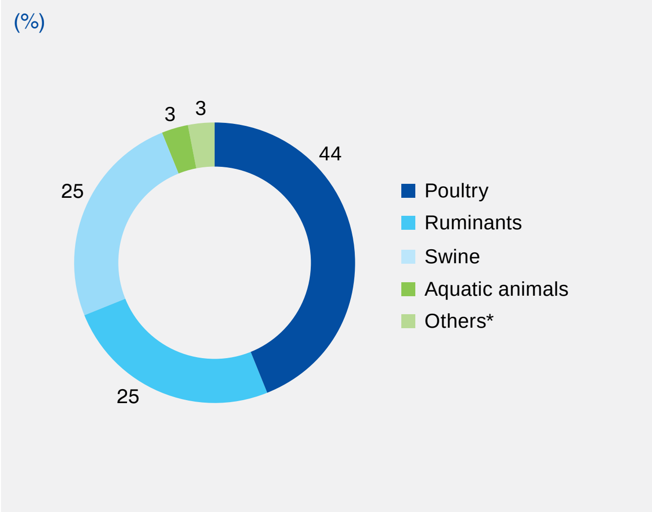
Market Share as of FY 2020 (in terms of volume)

INDIA: FEED ADDITIVES MARKET, FY15 – FY25



e-Estimated; p-Projected
*RoW includes Africa and the Middle East.
Source: Secondary Research, Primary Interviews, Related Research Publications, Press Releases, Industry Journals, and MarketsandMarkets Analysis

FEED ADDITIVES MARKET, BY LIVESTOCK, FY 20



e-Estimated; p-Projected
*Others include equine and pets.
Source: Secondary Research, Primary Interviews, Related Research Publications, Press Releases, Industry Journals, and MarketsandMarkets Analysis

NUTRACEUTICAL PRODUCTS

The growth in nutraceutical products is attributed to the increasing number of health-conscious consumers, along with the increasing demand for functional food, functional beverages, and dietary supplements. In India, nutrition structure/function health claims are permitted, and nutritional labelling is mandatory for all functional foods as per the Food and Safety Standards Act (FSSA), 2006. In India, the rising healthcare costs and adoption of preventive measures for diseases is driving the nutraceutical products market.

Global Functional Food Ingredients Market to grow at a CAGR of

7.2%

To reach by FY25

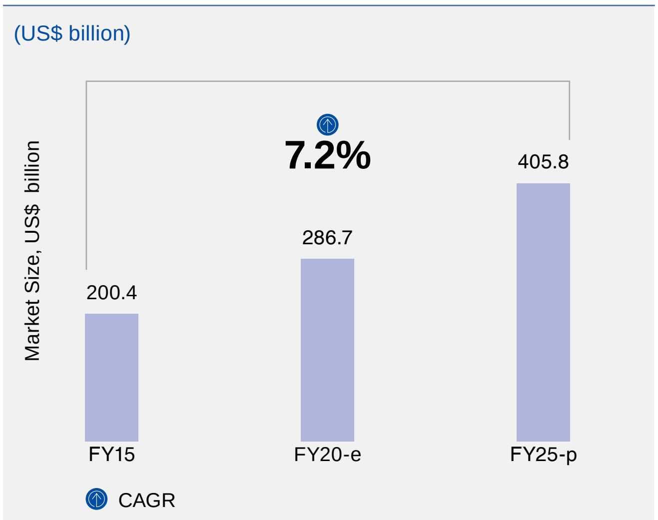
US$ 107.3 billion

Dietary Supplements Market in India to grow at a CAGR of

20%

FY20-FY25

INDIA: NUTRACEUTICAL PRODUCTS MARKET, FY15–FY25



e - Estimated; p - Projected
Source: Secondary Research, Primary Interviews, Related Research Publications, Press Releases, Industry Journals, and MarketsandMarkets Analysis

Vitamins and minerals contribute to a larger share of the Indian dietary supplements market, which is followed by the herbal, proteins, and other segments.

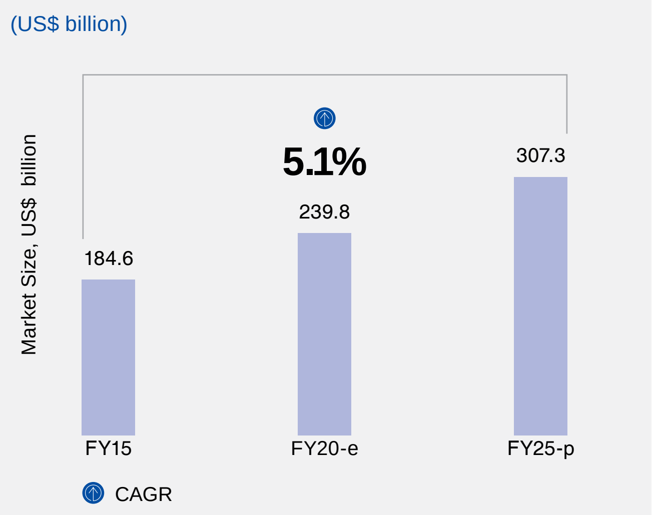
India is projected to be the fastest growing country in the Asia Pacific region for functional food and beverage products, owing to a vast consumer base and the growing demand for healthier food and beverage products. According to the President of India Food Processors Association, the major growth propeller for functional food and beverage products in the country is the increasing disposable income level of consumers. Consumers are now willing to spend an additional amount for fortified products, which has helped manufacturers of functional food ingredients to gain a substantial market opportunity. This trend is also aided by the growing awareness of the consumption of healthy food products with many consumers solely focused on obtaining optimal nutrition.

INDUSTRIAL CHEMICALS

Industrial chemicals include Sulphuric Acid, Ethylene, Propylene, Nitrogen, and Sodium Hydroxide among others. These are manufactured through complicated chemical reactions, most industrial chemicals are made by extraction and purification from natural substances, including minerals, natural gas, petroleum, plants, air, and water. Oxygen and Nitrogen gas are made by freezing air, Phosphates from marine deposits, Ethanol by fermenting corn, Chlorine from salt water and many chemicals are made by boiling petroleum.

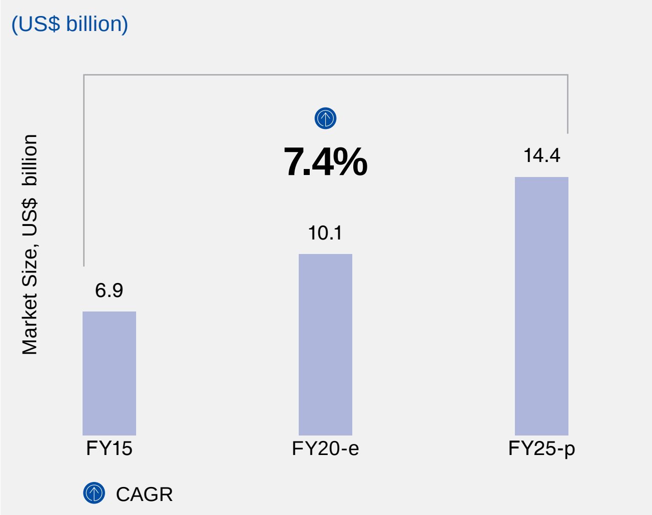
India is one of the major production hubs for chemicals. The rapid urbanisation and globalisation has had a positive impact on the demand patterns in the Packaging and Paints & Coatings industry. Consumers are increasingly demanding for better infrastructure and lifestyle which has led to the growth of the market. Global players have also established their manufacturing centres in the Indian market so as to benefit from the lower costs of production.

GLOBAL INDUSTRIAL CHEMICALS MARKET, FY 2015–FY 2025



e - estimated; p - projected
Source: Secondary Research, Primary Interviews, Related Research Publications, Industry Journals, Press Releases, and MarketsandMarkets Analysis

INDIA: INDUSTRIAL CHEMICALS MARKET, FY 2015–FY 2025



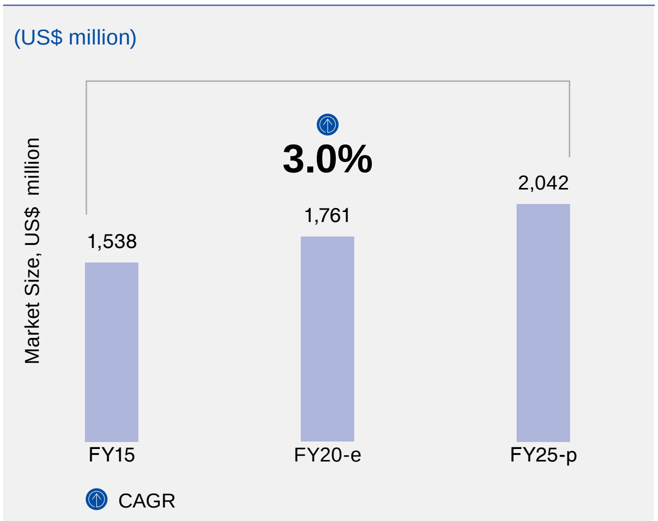
e-Estimated ;p- Projected
Source: Secondary Research, Primary Interviews, Related Research Publications, Industry Journals, Press Releases, and MarketsandMarkets Analysis

LIFE SCIENCE CHEMICALS

The global Acetic Anhydride in terms of end-use is dominated by industrial applications largely driven by its demand from use in the production of Cellulose Acetate flake, Monochloroacetic Acid, and detergents. Industrial applications account for approximately 79% of the total market, followed by pharmaceutical applications, which accounted for approximately 14% in FY 2020, and other applications such as agrochemicals and nutrition.

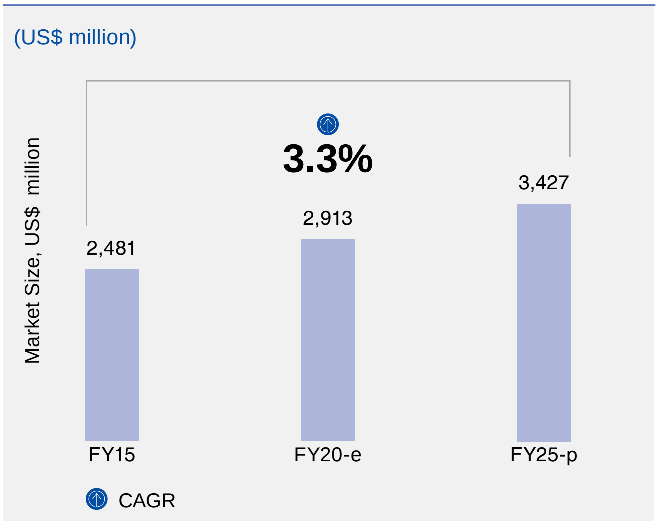
Ethyl Acetate global market, in terms of end-use application, is also dominated by industrial applications largely driven by the demand from paints and coatings, inks and printing and adhesives industries among others. Industrial applications account for ~67% of the total market, followed by pharmaceuticals, which accounts for ~31% in FY 2019.

GLOBAL ACETIC ANHYDRIDE MARKET, FY 2015–FY 2025



e-estimated; p-projected
Source: Secondary Research, Primary Interviews, Related Research Publications, Industry Journals, Press Releases, and MarketsandMarkets Analysis

GLOBAL ETHYL ACETATE MARKET, FY 2015–FY 2025



e-Estimated; p-Projected
Source: Secondary Research, Primary Interviews, Related Research Publications, Industry Journals, Press Releases, and MarketsandMarkets Analysis

The Indian market for acetic anhydride is estimated to hold a market size of US$ 201.5 million in FY 2020 and is estimated to reach US$ 249.1 million with a CAGR of 4.3% by FY 2025. The industrial applications of Acetic Anhydride in the manufacture of Cellulose acetate and in detergent industries is the highest in the Indian context as consumer demand for cigarettes have remained steady in the market. The textile industry in the country has also been booming which has also aided in the growth of the market for Acetic anhydride.

The Indian market for Ethyl acetate is estimated at US$ 118.5 million in FY 2020 and is projected to reach US$ 139.2 million with a CAGR of 4.4% by FY 2025. India is the fastest-growing country during the forecast period. The higher purchasing power in the country has led to a strong demand in the sectors such as Construction and Paint & Coatings due to which the demand for Ethyl acetate is projected to be high during the forecast period.

Indian Acetic Anhydride Market to grow at a CAGR of

4.3%

To reach by FY25

US$ 249.1 million

Indian Ethyl Acetate Market to grow at a CAGR of

4.4%

To reach by FY25

US$ 139.2 million

Financial Performance FY 2021

(In ₹ Million)

Particulars	FY20	FY21	YoY (%)
Total Revenue from Operations	31,786	34,911	10%
Speciality Chemicals	11,044	11,236	2%
Nutrition & Health Solutions	5,369	6,299	17%
Life Science Chemicals	15,374	17,376	13%
Other Income	100	148	48%
Total Income	**31,886**	**35,059**	**10%**
Total Operating Expenditure	**27,795**	**28,794**	**3%**
Segment EBITDA			
Speciality Chemicals	2,369	2,683	13%
Nutrition & Health Solutions	949	1,302	37%
Life Science Chemicals	993	2,360	138%
Unallocated Corporate (Expenses)/Income	(219)	(80)	-
Reported EBITDA	**4,091**	**6,265**	**53%**
Depreciation and Amortisation	1,221	1,248	(2%)
Finance Cost	877	705	20%
Profit Before Tax (Before Exceptional Items)	**1,994**	**4,313**	
Exceptional Items	17	129	(661%)
Profit Before Tax (After Exceptional Items)	**1,977**	**4,183**	**112%**
Tax Expenses (Net)	(228)	1,022	-
Profit After Tax	**2,205**	**3,161**	**43%**
EPS - Face Value ₹ 1	13.8	19.9	43%
Segment EBITDA Margins			
Speciality Chemicals	21.4%	23.9%	
Nutrition & Health Solutions	17.7%	20.7%	
Life Science Chemicals	6.5%	13.6%	
Reported EBITDA Margin	**12.9%**	**17.9%**	
Net Margin	6.9%	9.1%	

Note

During the year ended 31st March 2021, the financial results of the company comprises results only for two months of operations, starting from 1st February 2021, being the effective date of demerger. To provide the comprehensive picture of the operations of the Company on continuing basis, the results for FY 2021 has been presented by combining the relevant portion of the published results of LSI Segment of Jubilant Pharmova Limited and Jubilant Ingrevia Limited are as Under:

- Results from 1st April 2020 to 31st January 2021 and previous year(FY 2020) has been taken from the reported discontinued operations for LSI segment of Jubilant Pharmova Limited.
- Results from February 2021 to March 2021 has been taken from the Audited results of Jubilant Ingrevia Limited.
- EPS has been computed on combined profits assuming existence of share capital throughout the year

REVENUE FROM OPERATIONS

Total Revenue from operations of the Company during the year was at ₹ 34,911 million as compared to ₹ 31,786 million in FY 2020. Revenue grew by 10% on YoY basis, driven by growth in volume and pricing together.

Revenue from Speciality Chemicals segment grew 2% YoY driven by growth in Fine Chemicals and new CDMO projects. Speciality Chemicals revenue stood at ₹ 11,236 million as against ₹ 11,044 million in FY 2020 and contributed 32% to overall revenue.

Revenue from Nutrition & Health Solutions segment grew by 17% on YoY basis, driven by conducive market condition and robust growth in Niacinamide prices. Segmental revenue stood at ₹ 6,299 million in the year as compared to ₹ 5,369 million in previous year.

Revenue from Life Science Chemicals segment grew by 13% YoY driven by favourable market conditions from Pharma, Packaging, Industrial applications both in domestic as well as export markets. Segmental revenue stood at ₹ 17,376 million in the year as compared to ₹ 15,374 million in previous year.

EXPENDITURE

Expenditure from operation were at ₹ 28,794 million in FY 2021 as compared to ₹ 27,795 million in the previous year. Material cost stood at ₹ 18,364 million vs 16,854 million in FY 2020. Power and Fuel was at ₹ 3,235 million as compared to ₹ 3,616 million in FY 2020. Employee benefit expense in FY 2021 was at ₹ 2,990 million as against ₹ 2,845 million in FY 2020. Other expense were marginally lower at ₹ 4,204 million as compared to ₹ 4,481 million in FY 2020.

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION (EBITDA)

The Reported EBITDA (after allocation of corporate Expenses/Incomes) was at ₹ 6,265 million in FY 2021 as compared to ₹ 4,091 million in the previous year. Translating to EBITDA margin of 17.9% in FY 2021, as against 12.9% in FY 2020.

The EBITDA of Speciality Chemical segment was at ₹ 2,683 million as against ₹ 2,369 million in FY 2020 with margins of 23.9% as against 21.4% in FY 2020. Nutrition & Health Solution Segment EBITDA was at ₹ 1,302 million as compared to ₹ 949 million in FY 2020, translating to EBITDA margin of 20.7% in FY 2021. Life Science Chemical Segments EBITDA was at ₹ 2,360 million as compared to ₹ 993 million in FY 2020, translating to EBITDA margins of 13.6% in FY 2021.

FINANCE COST AND DEPRECIATION

Depreciation and Amortisation expenses were at ₹ 1,248 million vs ₹ 1,221 million in FY 2020. Finance cost was at ₹ 705 million as compared to ₹ 877 million in FY 2020. During FY 2021, Company reduced Gross Debt and Net Debt by ₹ 7,472 million and ₹ 5,938 million respectively.

PROFIT BEFORE TAX

Profit Before Tax was at ₹ 4,183 million as compared to ₹ 1,977 million in FY 2020.

TAX EXPENSE

Tax expenses for the year was at ₹ 1,022 million in FY 2021 as compared to ₹ (228) million in FY 2020, lower tax in FY 2020 was primarily driven by tax rate revision by finance ministry in October 19, which led to deferred tax liability reversal.

PROFIT AFTER TAX

During FY 2021, Profit After Tax was at ₹ 3,161 million, as against ₹ 2,205 million in the previous year. Earnings Per Share (EPS) was at ₹ 19.9 per equity share of ₹ 1 each.

KEY FINANCIAL RATIOS

Key Financial Ratios/Parameters	Units	FY20	FY21
Debtor Turnover	times	7.93	8.20
Inventory Turnover	times	2.62	2.75
Current Ratio	times	1.3	1.6
Interest Coverage	times	3.3	7.1
Net Debt to Equity Ratio	times		0.22
Reported EBITDA Margin	%	12.9	17.9
Net Profit Margin	%	6.9	9.1
Return on Net Worth	%	-	16.4
Return on Capital Employed (RoCE)	%	12.0	20.2

Business Segment Review

SPECIALITY CHEMICALS

The Speciality Chemicals businesses is organised across four verticals, namely Speciality Ingredients, Fine Chemicals, Crop Protection Chemicals and CDMO.

The Speciality Chemicals business is the largest manufacturer in the Pyridine-based value chain, offering 85 value-added products using renewable starting materials. Besides being one of the largest global manufacturers in the Pyridine and Picolines value chain, we are one of few companies with complete forward and backward integration. This has positioned us amongst the top two global leaders in Pyridines and a leader in 11 Pyridine derivatives. This also gives us the ability to ensure cost leadership, quality consistency and thereby achieve sustainable global leadership position. We attribute our market leadership in Pyridine and its derivatives to our diverse and comprehensive product portfolio, product innovation, our ability to meet stringent specification and customisation along with strong technical competencies, and research and development capabilities with expertise in almost 35 key technology platforms.

Our products find application in Pharmaceutical, Agrochemicals, Food, Personal Care and Cosmetics, Healthcare and Nutrition, Electronics, Oil field Chemicals, Flavours and Fragrance, and so on.

SPECIALITY INGREDIENTS

The Speciality Ingredients vertical of Jubilant Ingrevia Limited offers building blocks such as Pyridine, Beta Picoline, Alpha Picoline, Gamma Picoline, 3-Cyanopyridine, 4-Cyanopyridine, Piperidine, Alkyl Pyridine mixtures and so on. We have over 30 years of experience in Pyridine chemistry and are the only manufacturer of Pyridines and Picolines with complete forward and backward integration. While key end-use of Pyridine is for manufacturing herbicides in agrochemical industry, Beta Picoline finds its major application in the most important nutritional product Vitamin B3. While Alpha Picoline is used in manufacture of agrochemicals and many industrial applications, Gamma Picoline and its key derivative 4-cyano pyridine is used by customers in making anti-tuberculosis drugs which help in eradication of tuberculosis. Alkyl Pyridine mixture is used as an intermediate to make corrosion inhibitor formulations in the oil and gas industry.

FINE CHEMICALS

Our Fine Chemicals Business offers value-added derivatives of Pyridines and Picolines such as Amino Pyridines, Halo Pyridines, Acetyls of Pyridine, Carboxaldehydes of Pyridine, Carboxylates of Pyridine, Carboxylic acid of Pyridine, Lutidines & Collidines, metal complexes and other products. These products are used in several important therapeutic segments such as anti-ulcerative (Esomiprazole, Lanzoprazole and Rabiprazole), anti-diabetic (Alogliptin, Linagliptin), anti-thrombotic (Dabigatran), anti-histamine (Fexofenadine), anti-neoplastic (Palbociclib, Ribociclib), anti-idiopathic pulmonary fibrosis (Perfenidone), multiple anti-retroviral drugs, among others. Our products also find applications in Cosmetics, Flavours and Fragrance and Electronics.

CROP PROTECTION CHEMICALS

In Crop Protection Chemicals, we offer further value-added products, derived from speciality building blocks which have application in intermediates and actives used across insecticides, fungicides, herbicides and plant growth regulators, whereby we contribute to the global food security programme. Some of our agrochemical ingredients find application in popular active-nitrification inhibitors (Nitrapyrin), fungicides (such as Picoxystrobin), insecticides (such as Pyriproxyfen, Pymetrozine, Rynaxypyr) and herbicides (such as Diquat, Picloroam, Clopyralid, Fluroxypyr, Picolinafen, Haloxyfop) and growth regulators (Mepiquat chloride) which are supplied across multiple geographies.

We also offer a range of safe and highly efficacious anti-microbial solutions for applications in paints, coatings, industrial, cosmetic and personal care industries. We have a range of antimicrobial offerings like Cetyl Pyridinium Chloride, Pyrithiones (Zinc, Copper, Sodium) as well as 8+ formulated products which are very popular amongst Poultry, Personal care, Hair care, Oral care, Marine anti-fouling and Paint industries for their proven efficacy and effectiveness.

CDMO

Our Custom Manufacturing and Development portfolio provides customised solutions for the pharmaceutical and agrochemical industry for both cGMP and non-GMP products. Our strong synthetic, organic chemistry and manufacturing capabilities make us a one-stop shop for CDMO services and strengthen our position as 'Partner of Choice' for global pharmaceutical and agrochemical customers. Our solutions include Route Design, Process Development, Process Optimisation, Scale-up and Commercial manufacturing of intermediates starting from a few kilograms to multi-metric tons of specific products as desired by customers. We are continuously collaborating on late-phase and launch products with more than more than eight collaborations with global pharmaceutical and biotech companies.

Revenues from our Speciality Chemicals business stood at ₹ 11,236 million in FY 2021 against ₹ 11,044 million in FY 2020.

Despite the COVID-19 pandemic, we have maintained normal operations at all our manufacturing locations during the entire year through social distancing, staggered working hours, work-from-home, wherever possible, sanitisation drives and other safety measures. The pandemic and the ensuing lockdown impacted our domestic sales due to customer plants not being operational in the first quarter of the year. We also faced challenges due to global disruptions in sea and air logistics. However, we have taken steps to minimise the impact and ensured timely deliveries to all our export customers.

We developed and commercialised six new products during the year—three in CDMO and rest in Fine Chemicals and Crop Protection Chemicals. Among these, we worked on and commercialised opportunities related to intermediates for Remdesivir. We currently have seven molecules in our pharma CDMO pipeline out of which four are in Phase III for anti-viral and cosmetic applications and three are in Phase II for anti-neoplastic, anti-retroviral and anti-thrombotic applications.

Our agrochemical CDMO pipeline includes four molecules, one in Stage III for insecticides and three in Stage II for insecticide and fungicide application. We added new chemistry technologies like Chiral Synthesis, Sugar Chemistry and Pinner Reaction to our existing technology platform.

We are also planning to file DMFs for our intermediates for regulated markets from our GMP facility at Bharuch.

This year we developed and introduced our in-house range of hand sanitisers under the brand name ‘Hands Together-Safe Hands Make a Safe World’ in record time after acquiring all necessary approvals. With our belief in a safe world for everyone and with one of the largest distilleries in the country, we developed a WHO recommended formulation with 80% ethanol and some other variants with ethanol as the base. We started distribution to pharmacies and directly to hospitals and across multiple e-commerce platforms.

OUTLOOK

The global Speciality Chemicals market is growing at a CAGR of 6.4% to become a US$ 1,168 billion market by FY 2025. The Indian Speciality Chemical sector is expected to grow at ~2x rate from the Global Speciality Chemicals market with a CAGR of 12.4% to become a US$ 64 billion market by FY 2025. Within the Indian sector, Agrochemicals, Personal care, Nutraceuticals and Flavours and Fragrance markets are the fastest growing segments. The Indian government is also taking proactive actions to make India ‘Self-Reliant’ or ‘AatmaNirbhar’ and has launched various schemes like ‘Make in India’ initiative, PCPIR policy for investment promotion, ‘Production Linked Incentive’ (PLI) for KSMs/Drug Intermediates and APIs and a similar scheme for chemicals is under progress. All these factors will further catalyse the growth of this sector in the coming years.

> In line with our strategy to move up the value chain to produce Agro-Actives, we are also planning to invest in world-class manufacturing facilities for insecticides, fungicides and herbicides

The Business has emerged as a global leader in demonstrating its ability to supply some of the most critical intermediates to its customers. Efforts to deliver better value to the customers will continue as the Business remains committed to invest in various capacity expansion projects for Fine Chemicals and Crop Protection Chemicals due to growing demands in end applications.

Going forward, the business has a strong growth strategy outlined with robust investment plans in place over the next three years.

We are investing in Diketene Derivatives with six derivatives and further eight value-added products. The facility will be commercialised towards second half of the the next financial year and will cater to pharmaceuticals and agrochemicals sectors.

In line with our strategy to move up the value chain to produce Agro-Actives, we are also planning to invest in world-class manufacturing facilities for insecticides, fungicides and herbicides in the coming years.

We have seen and continue to see large number of opportunities from global customers who are looking at developing alternate supply chains for themselves. Therefore, we have plans to invest in GMP and Non-GMP multi-product facility for our CDMO Pharma and Crop Protection customers in the coming years.

Overall, the business holds an optimistic outlook for the coming years as it continues to stay invested in the long-term projects to drive growth in the Speciality Chemicals space.

NUTRITION & HEALTH SOLUTIONS

Our Nutrition & Health Solutions comprises Nutrition & Health Ingredients, Animal Nutrition & Health Solutions and Human Nutrition & Health Solutions segments. Revenues from this business stood at ₹ 6,299 million in FY 2021 against ₹ 5,369 million in FY 2020.

We manufacture Vitamin B3 – Niacinamide and market Niacin. We are amongst the top two manufacturers of Vitamin B3 in the world. Our Vitamin B3 is manufactured through an eco-friendly route, starting from a renewable source, instead of conventional fuels, thereby reducing our carbon footprint. We believe we are amongst the few companies in the world to have complete backward integration across the product chain of Niacinamide, using the key raw material i.e., Beta Picoline produced captively. We also offer health ingredients such as Chromium and Zinc Picolinate, Riboflavin Phosphate Sodium (RPS).

Vitamin B3 (Niacinamide & Niacin) is one of the eight B-complex vitamins which plays an essential role in multiple physiological functions. It is used in the following applications:

- Animal Feed: Increases nutrient absorption, thereby, weight gain and improved feed utilisation
- Human Nutrition: Used in food premixes, dietary supplements, flour and rice fortification, energy drinks and infant nutrition
- Personal Care: Used to enhance the efficacy of skin care, hair care formulas
- Technical: Niacinamide is also used in metal plating for obtaining uniform brilliant surfaces
- Agrochemical: Niacinamide is also used in the production of insecticide formulations

Picolinates (Chromium and Zinc) are popularly used in dietary supplements for glucose metabolism, insulin resistance, appetite control and weight management leading. This application is growing at ~5% from FY 2020-FY 2025.

Riboflavin Phosphate Sodium (RPS) and Inositol Hexa Nicotinate (IHN), find various applications in Food and Beverages (Energy Drinks, Jams, Juices), Dietary Supplements (multivitamin, B Complex, Syrups) and Pharmaceuticals. The market for RPS is growing at about 10% from FY 2020-FY 2025 (Source: M&M Industry Report).

Under Animal Nutrition & Health Solutions, we offer high-quality feed additives to enhance performance of live stocks. We have more than 24 product offerings used in Poultry, Dairy, Aqua and Pet food industries.

- More than 18 offerings belong to the Health Ingredients category, which includes: Vitamin, Mineral Premix, Stress Regulator, Amino Acid, Non-antibiotic growth promoter and Egg quality enhancer
- Six offerings are in Performance Ingredients category, which includes: Toxin Binder, Acidifiers, Enzymes and Emulsifiers

We offer Vitamin B4 (Choline Chloride) which helps maintain liver health in animals. Different variants of Vitamin B4 help various species like poultry, dairy, aqua, swine and pets. We hold the domestic market leadership position in Choline Chloride. We have also diversified into herbal replacer of Choline, Methionine, Non-antibiotic growth promoter (under brand 'Phytoshield') which is a plant-based natural offering for animal health which helps protect liver and is globally growing at 4% CAGR.

In Human Nutrition & Health Solutions, we are providing food ingredients and premix solutions to nutrition, bakery, beverages, confectionary and nutraceuticals industries along with our global strategic sourcing partners of repute. Currently, we are also actively working on Plant-based Proteins for 'Meat and Egg analogues'.

LIFE SCIENCE CHEMICALS

This business deals in Acetyls and Alcohol derivatives which includes product range like Acetic Anhydride, Ethyl Acetate, Acetic Acid, Anhydrous alcohol, Acetaldehyde, Formaldehyde and Propionic Anhydride. These products constitute the key value chain for JVL as these are backward integrated for feedstock and forward integrated for further value chain products of the Company. Revenues from this business stood at ₹ 17,376 million in FY 2021 vs ₹ 15,374 million in FY 2020.

Acetic Anhydride is a versatile ingredient finding its applications across all key Life Sciences industries. We are among the top two global merchant market suppliers of Acetic Anhydride and are the largest supplier in India. We cater to all the major segments such as Pharma APIs (Paracetamol, Ibuprofen, Aspirin, Prazoles etc.), Agrochemicals, Vitamins, Speciality Polymers, Food ingredients, Aromatics, Dyes and other industrial use. The global demand of Acetic Anhydride has been healthy in domestic as well as international markets owing to encouraging growth in end-uses and versatility of the molecule. Having three manufacturing sites in India, we are competitively placed to capture this growth in global markets with uninterrupted supply to our customers. Our global distribution networks along with storage hubs at Europe and USA ensure product availability to global customers. In FY 2019, we expanded our Acetic Anhydride capacity by installing a world-class plant at Bharuch, which achieved operating rates of more than 80%, within one year of its commissioning. In order to further strengthen our global position in the Acetic Anhydride market, we have announced additional expansion of Acetic Anhydride at our Bharuch Special Economic Zone (SEZ) facility and the plant is expected to complete its commissioning in Q4 FY 2023. This strengthens Jubilant Ingrevia Limited's standing among the largest merchant market suppliers of Acetic Anhydride globally and helps us capture the downstream market growth.

Since decades we have been a leading supplier of Ethyl Acetate in the domestic market with significant presence in global markets. Ethyl Acetate is an environment-friendly solvent, which is used by the Pharmaceutical, Packaging, Coating and Ink industries. Our Bio-ethanol route Ethyl Acetate provides safer operating conditions along with much lower carbon footprint (CO_2 per ton of chemical) of 2.29 as against 5.66 through Petrochemical route. Our Six Sigma efforts during FY 2021 optimised operating norms to support better product margin.

We are the world's largest producer of Bio-based Acetaldehyde which is backward integrated to our Bio-Ethanol. The manufacturing process produces 173% less CO_2 per ton of Acetaldehyde as compared to the Petro route. This product is sold both in domestic and overseas markets and finds applications in Alkyd Resins, Pharma, Flavours and Fragrances. Apart from being used as a precursor to our captively produced Pyridine, we have consistently increased our merchant sales of Bio-based Acetaldehyde to cater to the increasing demand of low carbon footprint products. This has also enabled us to increase our capacity utilisation.

We offer Formaldehyde, which is the simplest of the aldehydes, produced on a large-scale in the industry. It is used in large quantities for production of many chemical compounds such as Urea Formaldehyde resin, Phenol Formaldehyde resin, Pentaerythritol, Pyridine and Picolines. Apart from being used as a precursor to our captively produced Pyridine, we are also serving the demand of Formaldehyde in Northern India. Customers see significant value in sourcing Formaldehyde from the Company on account of consistency in supplies.

In FY 2021, our in-house RDT team developed 'Propionic Anhydride' in record time to capture the growing demand in Agrochemicals (mainly herbicides), Pharmaceuticals (APIs) and Dyes segments. Our team has successfully commissioned the global scale plant at Gajraula for supply across India and the global market. The demand for Propionic Anhydride is expected to grow on account of strong growth from Agrochemical Segment (Growth in Clethodim).

Speciality Ethanol business is supporting the Ethanol blending programme (EBP of Government of India), supplying Ethanol to six States in India. To further improve margins, we have developed Speciality Ethanol for Pharma, Agro, Personal Care applications and we have supplied superior quality Ethanol to more than 30 large corporate customers spread over the entire country. We have been able to achieve this by leveraging our relationship with the same set of customers for other offerings from Life Science Chemicals business. Business is focused on continuous improvement and operational excellence initiatives, which is expected to help us to improve our margins by improving efficiencies.

We have optimised the manufacturing process over a period, aligning with operational excellence and thereby achieved cost competitiveness in the marketplace. We have strong enablers to succeed, with competitive advantages such as backward integration, global sales and distribution networks, reliable customer base, a strong cost control from continuous capacity debottlenecking and a high commitment towards environment and safety.

Business Enablers

MANUFACTURING

We practice world-class manufacturing processes in our day-to-day operations, assuring our customers unmatched quality and timely delivery of products through innovations and cutting-edge technology. 'Transforming manufacturing for Operational Excellence and Sustainability with zero tolerance to any non-compliance' is our core focus. We have a Captive Power Generation facility at Gajraula with spare capacities and self-sustained Steam Generating Unit. We also have Chilled Water & Brine Unit with spare capacities at all our facilities. Our sites are equipped with Effluent/Waste Treatment/Management facilities like Effluent Treatment Plant (ETP), Reverse Osmosis (RO), Water Polishing Plants, Multi-effect Evaporators, Liquid Incinerators and Spray Dryers, Bio-composting, Thermal Oxidisers, Incineration facility for liquid and gaseous wastes with online Vent Gas Monitoring.

We have advanced capabilities in niche technology through research in multi complex chemistries and focus on process intensification. Our full-fledged pilot plant for all types of reactions requires different pressures, temperatures and MOCs. All products, which were developed by our R&D team, undergo the validation process to ensure the technology is scalable and robust with an end-to-end solution for commercialisation. We operate 13 multi-product plants, which give us the flexibility to produce new products in a short span of time. Jubilant Ingrevia Limited is globally one of the largest vertically integrated manufacturer in the Pyridine-based value chain.

Our emphasis on prevalent compliance, improvements through continuous assessment and review of quality systems with industry guidelines and regulatory standards enable world-class manufacturing facilities. One of our key strengths is excellence in carrying out manufacturing activities with utmost efficiency. Hence, any risk that challenges the manufacturing operations would be a cause of concern as extensive time, money and effort is expended in all areas of regulatory compliance, including manufacturing, production and quality.

We are committed to business process improvement by means of automation and providing timely training to workers, establishing clear Standard Operating Procedures (SOPs) and process guidelines which will lead to reduction in cycle time and improvement in productivity. We have real-time monitoring and review mechanism through 'Conformity tool' which helps us in tracking the existing compliances along with new regulatory requirements. We have made an effort to identify such risks and prepare to mitigate the same to avoid significant additional regulatory compliance expense and/or regulatory penalties. Most of our manufacturing facilities are operated through Distributed Control Systems (DCS); data analytics and digital platforms are our focus area for real-time monitoring, controlling and decision-making.

BUSINESS EXCELLENCE

We continuously take-up Six Sigma and Lean initiatives to focus on improved efficiency, continual upgradation and capacity and capability enhancements in order to deliver high-quality products with timely delivery.

During FY 2021, we undertook many activities and achieved sustainable success stories:

- Achieved highest belt certification, around 80 in number, through a rigorous review process. Currently, we have around 250 certified belts. The knowledge is being leveraged for solving business problems while delivering benefits as per corporate governance guidelines
- Upgraded guidelines for Lean Six Sigma Belt Certification, Toll Gate reviews and Best Project Competitions. This will further improve the rigour of methodology, enhance quality of projects, improve competencies and sustenance of results
- Conducted business lead mission assignments for achieving fast-tracked and high-impact results. Mission assignments are conducted by cross-functional teams for solving complex business problems. 'Mission Parakaram' was undertaken to improve overall business performance by alleviating bottleneck of effluent management
- As a part of the continuous improvement journey, cross-functional ideation sessions were organised for all businesses, which resulted in the generation of 215 ideas
- Total Planned Maintenance (TPM) initiative has been aligned further with business priorities. Basis priorities, model areas have been identified. Purpose-driven and sustainable TPM implementation is planned to achieve next level of Business, Workplace and People Transformation. Periodic TPM assessment system was launched for enhancing quality of implementation even further

5
Global-scale manufacturing facilities

36 MWh
Captive power capacity

250
Certified Six Sigma Belts

- Achieved successful implementation of Proof Of Concepts (POCs) in Digital Transformation. POCs laid the foundation and created opportunities for us to learn and explore. We could identify application areas of various digital tools and technologies
- Few POCs like real-time Key Performance Indicator (KPI) monitoring, Multi-parametric Analytics Dashboard, Alert and Escalation mechanism have delivered breakthrough results. This has strengthened organisational resolve and commitment for accelerating the transformation

Way Forward

We continue to focus on improving our core strengths and our efficiencies in the coming years:

- Sustenance and improvement of manufacturing competitiveness for supporting profitable growth of our businesses
- New digitalisation initiatives are planned for making the organisation future-ready
- Various initiatives are planned to develop competencies for supporting sustainable excellence journey
- Leadership-oriented and purpose-driven communication campaigns and engagements

'Excellence I Everywhere I Everyone I Every time' is the mantra that we plan to promote through leadership team.

RESEARCH & DEVELOPMENT AND TECHNOLOGY (RDT)

At Jubilant Ingrevia Limited, our competence and capabilities are built on four pillars: People, Process, Infrastructure and Technology. To strengthen our commitment, we recruit and retain high-level talent, implement robust guidelines and invent and imbibe new technologies.

In order to gear up with the changing global scenario and stay competitive, our fourth pillar, Technology, has been integrated to every aspect of R&D, which has been revamped with the changing times to Research Development and Technology (RDT). Our technology-enabled RDT is gearing up to adapt to Industry 4.0.

The COVID-19 pandemic has further catalysed our digital adoption with Digital Lab Note Books. We have introduced Flow Chemistry, Bio-catalysis and Chemical Catalysis. To expand our knowledge base, accelerate smart business innovations and create unique product solutions, we are also actively collaborating with academia, research institutions and start-ups. Nevertheless, all our operations are environmentally responsible and we are continuously striving to reduce our carbon footprint.

We have high-level expertise in Multi-step Synthesis, Chiral Chemistry, Pinner Reaction, Sugar Chemistry, Lithiation, Cyanation, Methoxyation, Condensation and Cyclo-condensation, Diazotisation, Hydrogenation, Liquid and Gas Phase Chlorination, Bromination, Fluorination, Alkylation, Grignard Reaction, Reductive Amination, Ammoxidation, Vapour Phase Heterogeneous Catalysis (Fixed/Fluidized bed), Liquid Phase Heterogeneous Catalysis. We also have in-house catalyst manufacturing facility.

> Safety of our environment and human resource is at the centre of our all operations. All our processes are validated to ensure robustness and scalability at every stage starting from route selection.

Safety of our environment and human resource is at the centre of our all operations. All our processes are validated to ensure robustness and scalability at every stage starting from route selection, development and optimisation to the pilot and commercial-scale production. We have a full-fledged kilo lab and pilot plant facility with various reactors (20-1000L, operable at -70 to 300° C) and other equipment for scale-up studies to ensure smooth operation and safety.

Our Design of Experiment (DoE) by Quality by Design(QbD) initiatives at Research Development and Technology (RDT) support the development and adoption of new technologies and enhance the efficiencies of our manufacturing facilities to provide better service to our customers. Implementation of the twelve principles of 'Green Chemistry' in order to reduce overall PMI (Process Mass Intensification) remains our top-most priority.

Speciality Chemicals

Speciality Ingredients: We improved our existing Pyridine-beta and Cyanopyridine process through an innovative approach to make it cost-effective, so as to meet business strategy. In FY 2022, we plan to develop technologies to:

- Fine-tune our existing Pyridine and Beta Picoline, Alpha-Picoline, Gamma Picoline and Cyanopyridine processes
- Introduce new Cyanopyridine and Vinyl Pyridine derivatives
- Develop value-added Oilfield chemicals

Fine Chemicals: We have forward integrated our technology to provide advanced intermediates for various APIs such as Pirfenidone, Palbociclib, Dabigratan etc. We also developed Zinc Picolinate and Chromium Picolinate for nutraceuticals.

We are continuously working on cost, yield improvement and process intensification initiatives for our existing products as well as development of new forward integrated derivatives of our existing products. We have detailed plans in place for identification and development of new products. We are also taking a step forward in 'Green Chemistry' by developing continuous Ozonolysis technology to eliminate the hazardous oxidising reagents.

The Company is venturing into Diketene Chemistry platform to develop 12-14 forward integrated products to cater to the needs of Pharma, Agro and other applications.

Crop Protection Chemicals: Leveraging on our technical and manufacturing prowess in Pyridine chemistries, the Company is embarking on Agrochemical business. We have developed six agrochemical technicals (Herbicides, Insecticides and Fungicide) in FY 2021. We have initiated a new RDT setup at the Bharuch site for development of five-six products and also coming up with two state of the art multipurpose facilities at Bharuch.

Additionally, to strengthen our Agro Intermediates portfolio, we are working on capacity expansion of few agro intermediates and introducing a new agro intermediate as well.

CDMO: Our CDMO is technically and technologically equipped to deliver a wide range of chemistry expertise to serve our customer's need of their in-phase and launched molecules. Our RDT solutions include Route Design, Process Development and Optimisation using DOE Concept for multistep synthesis for specific products as desired by customers. Dedicated Process Engineer involved during Process Optimisation to develop a safe and scalable robust process.

In FY 2021, during the COVID-19 emergency, we helped to address the demand of Remdesivir, by supplying key intermediates within stipulated time with agility, commitment and efficacy. We also introduced Electronic Lab Notebook (ELN) for real-time monitoring of our RDT Development Programmes.

In our existing technology platforms, we added and successfully commercialised new chemistry technology like Chiral Synthesis, Sugar Chemistry and Pinner Reaction.

We will continue to leverage our existing technology platforms to service our valued customers.

Biocides: Our capabilities in this segment include development of next generation single or multi-component (active) antimicrobial formulations, biocidal combinations and their formulations, along with fine particle suspensions with varied particle size and viscosity. The Company has innovative patented products in the Biocide segment and we are actively defending our patent pertaining to some of the products in Europe. In FY 2021, we swiftly geared to meet the demand for hand sanitisers and developed ethanol-based hand sanitisers under the brand 'Hands Together Hand Sanitiser' with Chlorhexidine Gluconate (CHG) and WHO grade. We also launched a surface disinfectant spray formulation.

Further, zinc pyrithione (ZPTO) based anti-dandruff (AD) composition was developed along with novel synergistic Octopirox formulation (patent pending).

Life Science Chemicals

We developed and commercialised many acetyl-based products. Other higher alkyl anhydrides are under development. In our ethanol portfolio, we upgraded our existing plant (Rectified Spirit—RS) to cater to different APIs, agro and other industrial chemical manufacturers.

In FY 2022, we are planning to expand the product portfolio of alcohols and forward integrate anhydride into a basket of value-added products to cater to the need of existing and new customers.

Nutritional and Health Solutions

We continue to maintain a globally leading position in Vitamin B3 owing to our technical expertise. To strengthen our global leadership position in Niacinamide, we are upgrading our existing Good Manufacturing Practices (GMP) facility through a Drug Master File (DMF) certification also, to meet regulated Pharma requirements. We are also improving the quality to meet cosmetic grade specifications and developing various ester and salts of Vitamin B3.

Our Animal Nutrition facility is dedicated to speciality feed additives and modern feed solutions. We have state-of-the-art Microencapsulation facility for developing and testing target specific/modified release actives. The Microencapsulation facility is based on matrix, core-shell and Multiunit Particulate System (MUPS) technology. We also developed technology for Metal Chelates and Trimethylglycine for Animal Nutrition business.

We are enhancing the efficacy of Choline Chloride commercial manufacturing process and its formulation making it a lean and efficient process. We intend on leveraging existing facility into development of amino acids, herbal/photobiotic and some therapeutic products as well.

In Human Nutrition, our encapsulated organic acid serves the bakery industry. We are also working on Plant-based alternative proteins, using ‘Protein Ultrafiltration Membrane Technology’. Our focus is on clean label, natural colours, natural antioxidants, allergen and Genetically Modified Organisms (GMO) free (IP), organic, vegan, vegetarian, fermented food, sugar alternatives, fortification premix with vitamins and minerals, botanical/herbal extracts, and the like.

Intellectual Property

We continually develop new products that provide our customers with better solutions for existing problems and new solutions for emerging problems. To preserve the value of our investment and our customer interest, we rely on the patent laws of the jurisdictions where we do business. In addition, we need to continuously improve our production efficiencies. Our technologies incorporate specialised proprietary knowhow and developed intellectual property internally and through acquisitions.

We protect our technologies by filing domestic and foreign patent applications. They are pursued and maintained as per business interest. Till FY 2021, we have 29 patents.

In addition, we have various trademarks in the Company’s name and in the names of our subsidiaries, in India and outside.

SUPPLY CHAIN

Sustainable supply chain is our biggest focus and we delivered on it fully as none of our plants suffered due to non-availability of raw material or any other input. We delivered our products to all our customers on time despite of the crisis at hand.

The year, FY 2021 started with COVID-19 effecting India as well as rest of the world. This also had a global impact on the supply chain. Being an export-driven organisation, we faced major challenges in delivering our materials to customers across the world owing to severe shortage of containers, vessels and spiralling ocean freight cost. We were able to mitigate the impact of ocean freight cost as well as availability of vessels due to our annual contract with top shipping lines.

On the commodity side, prices of most of the raw materials were soft for first the nine months. However, since January 2021, the prices of majority of raw materials have gone up dramatically. We managed to overcome this challenge by maintaining lower inventory and avoiding any long-term exposure.

The coal supply from Coal India as well as international markets were adequate and prices were soft. This helped us contain our steam and power cost. However, in Q4 FY 2021, imported coal prices have gone up significantly, thus, impacting couple of our plants.

Though the supply chain disruption were observed across the globe, our continuous efforts of the past to de-risk and reduce dependence of single source wherever possible, helped us immensely in the pandemic. Also, in order to anticipate and react quickly, we initiated Sales & Operations Planning (S&OP) meeting twice a week. This helped us to change our procurement plans dynamically as per the evolving situation and ensuring supplies to plants.

We continued to focus on digitalisation in the Supply Chain for forecasting of commodity prices, track-n-trace shipments and monitoring KPIs.

We are continuing to focus on localisation and external manufacturing of all imported products within India. This will not only de-risk us but also help us reduce price of product.

This year, the Government of India withdrew the export incentive for all companies, which has impacted us financially. Though the government plans to introduce an alternate scheme – Remission of Duties and Taxes on Exported Products (RoDTEP), it is yet to be implemented. Supply Chain was also actively involved in the execution of many brownfield expansion projects during this year.

We continue to focus on 'Responsible Care and Sustainability' initiatives in our Supply Chain management. We always encourage Micro, Small and Medium Enterprise (MSME) vendors to be part of our Supply Chain in the area of raw and packing material as well as other material sourcing. We prefer vendors who are closer to our plants and our selection process gives preference to those who are using clean sources of energy, recycling their products and reducing the carbon footprint. We are platinum member of 'Nicer Globe', a responsible care initiative of Indian Chemical Council (ICC) for safe and sustainable transportation of chemical products.

We continue our focus on Sustainable Supply Chain going beyond ensuring supply security. We are having robust Supplier Code of conduct and expect all suppliers to abide by it. We ensure that we are following all regulations and compliances related to supplies.

We would like to sincerely thank all our external partners who put extraordinary efforts in maintaining a smooth Supply Chain during these pandemic times.

Way Forward

The year 2021-22 is no different from last year in terms of challenges as the pandemic continues to disrupt Supply Chain with the second wave approaching India.

The year has started with huge volatility in prices of our key ingredient. However, we are geared up for these challenges. We will continue to address these challenges proactively with learnings of the last year.

We are actively working with all our raw material, packing material supplier, logistic service provider very closely to ensure that we continue to get their support for smooth running of Supply Chain.

We are continuing to focus on localisation and external manufacturing of all imported products within India. This will not only de-risk us but also help reduce price of product.

Going forward, we shall continue to achieve higher levels of efficiency and productivity across categories with a primary focus on input and logistics cost and digitalisation while ensuring delivery of value to our end customer.

DIGITAL INITIATIVES

We embarked on a holistic digital transformation journey in the year FY 2018 across the integrated value chain with a clear focus on:

- Cost Reduction
- Productivity and Efficiency Improvement
- Customer Engagement
- Sustainability

The new digital way of working will enable data-driven decision-making and leverage the power of real-time advanced analytics for core operations and supporting function KPIs. Reducing process variability, real-time alert mechanisms, improving Overall Equipment Effectiveness (OEE) and ensuring system generated reports will help us make more informed decisions and truly leverage the power of data. State-of-the-art digital infrastructure is currently being worked upon to ensure a strong data foundation layer and further our digital capabilities. The pandemic has only accelerated the need for digital adoption in the current scenario.

We are focused on implementing Industry 4.0 capabilities, IT/OT integrations and leveraging Industrial Internet of Things (IIOT) with focused use cases in the area of Artificial Intelligence (AI)/Machine Learning (ML), Blockchain and Advanced analytics. This includes our continuous and batch process operations across sites and horizontal functions including Supply Chain, Finance and HR. Usage of Augmented Reality/Virtual reality specially training, security and remote maintenance are being explored to ensure remote working and avoid physical setup costs.

From a governance structure perspective, a Digital Council has been setup at both the corporate and site level to ensure more focus and smoother implementation of various initiatives across functions to ensure alignment to the organisational vision and quick adoption. Value realisation and digital sustainability framework will be instrumental in ensuring better monitoring, control and horizontal deployment of key digital initiatives.

A digital platform (SANKALP) has been implemented for employees to ensure seamless flow of innovative ideas and suggestions for improvement along with holistic participation and 360^0 feedback. Some of our other digital initiatives include data lake analytics, energy forecasting, energy analytics, digital logbooks and digital storefront. We have digitalised all key process controls through the Enterprise Resource Planning (ERP) systems to maximise automated control transactions. Our 'EY' Conformity tool, a web-based automated compliance management system, tracks over 3,800 compliance items under various legislations enabling real-time MIS, review and reporting.

Cyber Security and Data Security forms the core of all our digital interventions to ensure business continuity and sustainability. The entire digital ecosystem is powered by state-of-the-art IT/OT infrastructure with strong built cyber defence systems in place.

HUMAN RESOURCES

The year started with challenges that brought the nation to a standstill. This was the year when we, as an organisation, started executing initiatives one after another to meet the urgent needs of the COVID-19 pandemic. All areas of HR quickly pivoted to develop and implement wide range of programmes and procedures to respond to how the COVID-19 crisis was impacting work and our employees. Throughout the year multiple initiatives have been taken for employee wellness and constant and regular interaction with our people to guide and support them during this challenging time. Detailed and rigorous data reporting from across the locations helped keeping track and ensuring corrective actions are taken ahead of time. This included tie-ups with hospitals, the vaccination drive, rigorous COVID-19 case monitoring, updated data recording and tie-ups with doctors, physicians and health counsellors.

To lead the way towards the business goals, we worked keeping in mind the following drivers. By rigorously and conscientiously committing ourselves to these drivers, we have been and will continue implementing necessary and measurable steps towards realising our goal.

Building People Capabilities: Focusing on learning across cadres through structured blended interventions, Jubilant Ingrevia Limited established targeted development programmes to fuel the growth ambitions of its people by honing and nurturing their potential. The strong management team in the Company fosters a culture of experimentation, agility and efficiency while empowering and enabling employees to try their hand at new things, stay relevant, set new benchmarks and chase excellence.

In line with our focus in the previous year, this year, we continued our journey towards building superior employee experience for our colleagues, especially keeping in mind their efforts and contributions. While we continued with workplace safety sessions, leadership sessions, quarterly training programmes and online courses for employee learning, engagement and development. These platforms provided our employees opportunities to learn from the best internal and external leaders and subject matter experts. Our Learning Management System (LMS), under the brand of 'Jubilant Learning Academy', underwent a revamp with launch of over 30,000 blended learning content. Through mandatory online courses on the Code of Conduct, IT Security and Policy on Prevention of Sexual Harassment at Workplace, we are continuously reinforcing our commitment towards governance and adherence to the Code of Conduct and fair business practices.

Igniting Talent: The leadership team endorses home-grown talent and is equipped with the capability to focus on performance orientation while betting on and coaching employees to enhance their potential for bigger and more challenging roles. This is done by giving them a platform to perform and learn on the job, thereby, building a talent pipeline and making the organisation future-ready and paving the way for fulfilling career growth.

The Company went the extra mile in building our talent pipeline through the identification of over 105 critical roles along with a succession plan for each position. Not only has the internal talent pool been leveraged for higher roles and positions with added responsibilities, but also external market mapping of talent against these critical positions has been initiated. The year also witnessed proposals being charted out for retention of high-potential employees. The attrition was at 9% as against 11.8% in previous year.

In the Talent Acquisition space, today we have fully digitised the process from sourcing to screening to evaluation to offer. We have been focusing on attracting the best talent from

India's leading campuses to have a steady flow of fresh talent, thereby creating a strong pool of future leaders.

Continuous Development Conversations: Performance and its evaluation is objective, transparent, meritocratic and development focused. Employees are given a chance to express their input on goals and performance through the year via metrics and achievement scores, reducing the scope for subjectivity and bias. The continued developmental feedback conversations enable a dialogue on strengths as well as focus areas to build careers based on aspirations and opportunities.

Fostering Inclusive Employment: We support the inclusion of people and strongly promote equal opportunities and respect in order to maximise future employment for as many people as possible.

To reinforce a culture of inclusion and openness to diverse opinions, the Company introduced various digital elements to build employee connect. As digitisation evolves rapidly, we are preparing for this transformation where we can utilise the big data, analyse it to draw inferences and conclusions to predict the future. We have a strong HR application to cater the need of employees and all required business processes. In FY 2020, we upgraded HRIS application that helped us enable system on mobile and various analytics data to HR and respective business heads. Talent acquisition, on-boarding process, reward and recognition, learning and development, attrition and exit formalities, performance management, talent and succession planning and compliance, all have seen the light of automation and digitisation.

Employee Recognition: The year saw reward and recognition events also going virtual with 'Rewards Club on Air' and introduction of "COVID YODHHAS" as an initiative to applaud all those employees who went the extra mile and demonstrated commendable efforts in ensuring business continuity even in tough times due to the pandemic. This year witnessed multiple townhall sessions addressed by the senior management to all its employees to maintain continuous and regular interaction keeping our people informed of each major business decision.

Standardisation and harmonisation of processes are key to the success of any organisation. Jubilant Ingrevia Limited is committed towards bringing uniformity and simplification of the processes across businesses. We implemented job evaluation across the organisation to harmonise the roles. This important step in the direction of our talent management has helped in efficient movement of talent across businesses, promotions and succession planning. We launched new 'Leave and Performance Management' policies with the same objective.

At our sites, 100% operations were ensured by our dedicated team of people who worked round the clock following all safety precautions. During the year, we enjoyed cordial relations with our employees and there have been no instances of labour unrest or disputes at any of the manufacturing sites. Long-term wage settlement at Savli has been concluded during this year.

Corporate Social Responsibility (CSR)

Jubilant Ingrevia Limited's sustainability framework reflects the strong focus on Corporate Social Responsibility. The organisation's approach towards sustainability is to work continuously on the triple bottom line of Economic, Environmental and Social performance.

CSR activities at Jubilant Ingrevia Limited are in line with the provisions of Section 135 read with Schedule VII to the Act. The CSR initiatives of the Company are implemented through 'Jubilant Bhartia Foundation (JBF)', established in the year 2007, the social development arm of Jubilant Bhartia Group.

The CSR interventions of the Company are also in accordance with the United Nations Sustainable Development Goals (SDGs), also known as 'Global Goals'. The CSR projects focus on working towards empowering the communities around the area of operations of the Company. The projects work on 4P model (Public-Private-People-Partnership). Jubilant Ingrevia Limited facilitates implementation of projects along with community participation for optimal outcomes.

JBF's detailed activities are available on its website www.jubilantbhartiafoundation.com.

The Company's vision is to bring progressive social change through strategic multi-stakeholders with knowledge generation and experiential learning in an entrepreneurial ecosystem through Jubilant Bhartia Foundation (JBF).

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HIGHLIGHTS

- CSR is at the heart of the Company's approach towards sustainable development. The Company considers community as one of its apex stakeholders and believes in inclusive growth
- It has been publishing its Corporate Sustainability Report every year from FY 2003. The report is externally verified and is in accordance with the Global Reporting Initiative (GRI) guidelines
- Achieved level A+ by GRI for our Corporate Sustainability Report since FY 2007. FY 2018 onwards, the Sustainability Report of the Company is aligned with the Global Reporting Initiatives' GRI Standards in accordance with the 'Comprehensive' option. All reports are available on the Company's website: www.jubilantingrevia.com
- During FY 2021, we geared up to support the people and community at our manufacturing locations amidst the COVID-19 pandemic. Jubilant Bhartia Foundation strategised and re-structured its development initiative for the people in marginalised and remote areas, supporting them during the pandemic. The projects were designed keeping in mind the safety and vulnerability of the community around the manufacturing locations
- Three major projects helped the Company to sustain its engagement with the community:
  - **JubiCare Tele-clinic:** A telemedicine application, conceptualised and developed by Jubilant Bhartia Foundation. This telemedicine interface provides a real-time patient-doctor consultation through text/audio/video. 'JubiCare' app uses Information and Communication Technology (ICT) for the exchange of information for the diagnosis and treatment of diseases

by a certified medical professional. The applications address the health issues of patients by connecting them with health workers without unnecessary exposure to infections. The application provides immediate support and delivery of healthcare services to the underserved communities in rural and urban areas

- **E-Muskaan**, Supporting education through Digital Literacy: Ensuring the continuity in learning of students in rural areas by promoting digital education for the last mile learners; thereby facilitating cognitive growth of a child. It has partnered with 'iDream Social Edtech Foundation' in facilitating digital education in local languages to provide e-content at zero cost for students at all projects 'Muskaan' schools across the locations through 'iDream' Learning App to help in continuity of academic learning
- **JubiFarm**, strengthening livelihood by facilitating access of farmers to modern and sustainable farming methods: 'JubiFarm' is a sustainable and multi-stakeholder initiative that is conceived to enhance the profitability and generate income opportunities in farming for the migrants returning back to their natives. The initiative recognises both men and women as equal stakeholders of the farmland. It aims to empower farmers by facilitating access to modern and sustainable farming methods

• Jubilant Ingrevia Limited endeavours to explore opportunities for enhancing the life of the local community through local sourcing of product and services. In FY 2021, a major breakthrough happened at Savli in Gujarat where neem-leaves powder is being procured through a local self-help group of women. This has the potential to create a livelihood opportunity for 200 women in the surrounding area, with the potential to reach 1,000 women in the next four to five years

• Jubilant Ingrevia Limited promotes the development of youth leaders, who are being mentored under the 'Muskaan' Fellowship project. They, in turn, will become goodwill ambassadors for the Company

• 'Jan Sanchetna' is another project that has been developed to focus on developing village level Emergency Preparedness Team(ERT) in line with Village Disaster Management Committee (VDMC) to work in coordination with plants at each location and strengthen our offsite emergency plan

The Company looks forward to continuing its CSR programmes with greater zeal and strong commitment. The organisation will continue adding value to the community, which it considers to be an apex stakeholder.

Internal Control Systems

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

INTERNAL FINANCIAL CONTROL FRAMEWORK

Our Internal Financial Controls (IFC) system has been established with policies and procedures that incorporate all the five elements:

1. Orderly and efficient conduct of business
2. Safeguarding of its assets
3. Adherence to Company's policies
4. Prevention and detection of frauds and errors
5. Accuracy and completeness of the accounting records and timely preparation of reliable financial information.

In addition, we have a transparent framework for periodic evaluation of IFC through periodic internal audits and quarterly online controls self-assessment through 'Controls Manager software'. This reinforces the Company's commitment to adopt best corporate governance practices.

IMPLEMENTATION OF INTERNAL FINANCIAL CONTROLS

To compete globally, stringent Corporate Governance and financial control over operations is essential for the Company. To ensure a robust Internal Financial Controls framework, we have worked on three lines of defence strategy:

- Build internal controls into operating processes: To this end, we have ensured that detailed Delegation of Authority and Standard Operating Procedures (SOPs) for the processes are followed, financial decision making is done through Committees, IT controls are built into processes, segregation of duties is clear, strong budgetary control framework exists, the entity level controls including Code of Conduct, Ombudsperson office etc. are established.
- Create an efficient review mechanism: We created a review mechanism under which all the businesses are reviewed for performance once in a month and functions are reviewed once in a quarter by the Chief Executive Officer & Managing Director (CEO & MD).
- Independent assurance: We have appointed a Big Four firm as our internal auditors to a perform systematic independent audit of every aspect of the business to provide independent assurance on the effectiveness of the internal controls and highlight the gaps for continuous improvement.

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

- Purchase Committee ensures high quality purchases at economical cost and maintains reliability of supplies from reputed suppliers with long-term relationships.
- Capex Committee ensures cost reduction with proper negotiation and monitors time and cost overrun.
- Credit Committee evaluates the credit risk and approves the maximum specific credit which can be provided to any particular customer. This committee approves the credit limits annually and is empowered to make changes as and when required.

Apart from these committees, we have periodic business performance reviews and functional reviews with the Executive Committee. The Audit Committee acts as a governing body to monitor the effectiveness of the Internal Financial Controls framework.

We have a transparent framework for periodic evaluation of IFC through periodic internal audits and quarterly online controls self-assessment through 'Controls Manager software'. This reinforces the Company's commitment to adopt best corporate governance practices.

Risk Management

OUR VISION ON RISK MANAGEMENT

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

RISK MANAGEMENT STRATEGY

We have a strong risk management framework that enables regular and active monitoring of business activities for identification, assessment and mitigation of potential internal or external risks. We have established processes and guidelines, along with a strong overview and monitoring system at the Board and senior management levels.

Our senior management team sets the overall tone for risk minimisation culture through defined and communicated corporate values, clearly assigned risk mitigation responsibilities and appropriately delegated authority. We have laid down procedures to inform Board members about the risk assessment and risk minimisation procedures. As an organisation, we promote strong ethical values and high levels of integrity in all our activities, which by itself significantly mitigates risk.

RISK MANAGEMENT STRUCTURE

Our risk management structure comprises the Board of Directors, Audit Committee and Risk Management Committee at the apex level, supported at operational level by CEO & MD, Business Presidents, Chief Financial Officer, Chief of Operations, Chief of Supply Chain, Chief Information Officer, Chief of Manufacturing and Functional Heads. All risk owners are entrusted with the responsibility of identification and monitoring of risks. These are then discussed and deliberated at various review forums chaired by CEO & MD and action plans are created. Progress against the risk management plan is periodically monitored.

The Risk Management Committee acts as a governing body to monitor the effectiveness of the risk management framework.

MANAGEMENT'S ASSESSMENT OF RISK

The Company identifies and evaluates several risk factors and appropriate mitigation plans are created to address these risks. Some of the key risks affecting our businesses are laid out below:

Competition, Cost Competitiveness and Pricing

A significant share of our business comes from exports and we face stiff competition in both domestic and international markets. Manufacturers in China, who gain from economies of scale, favourable policies and lower cost along with other advantages, may adversely affect our ability to maintain market leadership, achieve planned growth and generate planned margins.

Some Chinese manufacturers deliberately initiate price wars with Indian manufacturers. Sometimes new entrants also resort to low pricing to capture market share. Some of our competitors are also suppliers of core raw materials for the Life Science Ingredients business of the Company. These competition risks and excess capacity, amongst others, can result in decrease in prices and consequently affect margins.

Mitigation Plan

In order to combat the risk of rising competition and to ensure that cost competitiveness is maintained, we continue to explore all options including:

- Increasing penetration in other geographical regions and strengthening our relationship with our existing strategic customers through competitive offering to achieve a higher share of wallet of customers' business. Wherever feasible, we enter into long-term contracts with volume commitments. We also try to ensure that pricing is linked to key input material prices and foreign exchange rate variations to mitigate risks
- Penetrating into uncharted geographies/customers through an exploratory approach
- Building long-term relationships with key customers through customer-relationship management by offering improved quality and service experience. Passing-on the increase in the raw material prices to customers through strong customer relationships and sales and distribution network
- Building economies of scale in manufacturing, distribution channels and procurement to maintain cost advantage and sustained entry barrier

- Introducing cost improvement initiatives and manufacturing efficiency improvement plans at plants by undertaking projects under Business Excellence programme and by applying many tools and techniques e.g., Lean, Six Sigma and Total Productive Maintenance
- Developing economical alternatives and re-engineering costs to counter increase in input cost. Cost optimisation has enabled us to counter international competition
- Research and development to reduce consumption of raw material and utilities to increase manufacturing efficiency
- Developing external manufacturing facilities to make the products expeditiously and at lower cost
- Developing new suppliers to mitigate the risk of higher input prices and non-availability of raw material. Micro level planning is also done to reduce inventory

Dependence on Certain Key Products and Customers

We depend on certain key products and customers for a significant portion of total revenue, cash flows and earnings and any events that adversely affect the markets for key products or key contracts may adversely affect the Company's financial condition, results of operations and profitability. If the volume or pricing of our largest selling products declines in the future or the Company is unable to satisfy market demand for these products, its financial condition, results of operations and profitability could also be adversely affected. Any event that adversely affects any of these products or their markets could have a material and adverse effect on our business, financial condition and results of operations. While we are not dependent on any single customer and have a broad and diversified customer base across businesses, if any of our long-term customers terminate their contracts, delay payments or breach payment obligations, reduce the volume of business we receive under the contracts, do not renew such contracts on favourable terms or at all, our revenues and profitability may be adversely affected.

Mitigation Plan

We continue to launch new products with the help of RDT resources with forward and backward integration, which helps us in developing new cost-effective processes/ products to meet customer demand and build market share. We may also change our product mix appropriately. To reduce business dependency on the two products of the LSI business, we have launched a new product, Propionic Anhydride, to address the growing need in the Agrochemicals, Pharma and Dyes Intermediate industries in India.

Foreign Currency and Interest Rate Exposures

There has been significant movement in exchange rates over several years. We have foreign currency exposures due to our Exports and Imports and may also be exposed to credit risks in some markets. The imposition of price controls or restrictions on the conversion of foreign currencies could also have a material adverse effect on our financial results.

Developing new suppliers to mitigate the risk of higher input prices and non-availability of raw material. Micro level planning is also done to reduce inventory.

We also borrow funds from various banks and financial institutions to meet the long-term and short-term funding requirements for operations and growth initiatives at fixed and floating rates of interest and increase in borrowing cost may also adversely impact the profitability. Any increase in interest rates may increase the cost of any floating rate debt that we incur.

Mitigation Plan

We use derivative financial instruments and other hedging techniques to cover our potential exposure. During this year, the need to use these tools did not arise as we evaluated that our foreign currency rate variation risk on net foreign exchange exposure was not significant.

Capacity Planning and Optimisation

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

Mitigation Plan

We ensure that capacities are well planned and optimised to respond to market realities in the following ways:

- We have robust processes to continuously monitor plant capacities and utilisation, drive improvements aligned with good manufacturing practices such as preventive maintenance schedules and modify plant designs in case of repeated breakdown
- We periodically undertake de-bottlenecking and other initiatives to improve efficiency in terms of throughput, cost reduction and to also build additional capacities without committing significant capital outlay, thereby generating better return on investment
- We have developed a dedicated external manufacturing team which can help to outsource some capacities and

capabilities in order to ensure quicker response to sudden market demand

- To mitigate excess capacity situation or lower asset utilisation, we continuously evaluate manufacturing of new intermediates by using existing assets, thereby making the plants multi-purpose and improving flexibility.

Manufacturing Operations Compliance

Due to the nature of our business, we need to comply with multiple domestic and international regulations across our manufacturing units.

Mitigation Plan

'Transforming manufacturing for Operational Excellence and Sustainability with zero tolerance to any non-compliance' is our core focus. We practice world-class manufacturing processes in our day-to-day operations, assuring our customers of unmatched quality and timely delivery of products through innovation and cutting-edge technology.

Our manufacturing units have been certified by various third-party agencies, helping reduce our risk assessment.

Our commitment to Business Excellence also reduces our operational and execution risks.

We continuously implement Six Sigma and Lean initiatives to focus on upgradation, capacity and capability enhancements and efficiency improvements at all of our facilities. These initiatives are driven by experts certified in Six-Sigma Black Belt in order to deliver high-quality products with timely delivery.

RDT Effectiveness and Product Pipeline

Failure of RDT to provide innovative and cost-effective products with desirable quality would result in non-achievement of top line or bottom-line goals. Similarly,

an RDT function which fails to meet the expectations of the business, such as target product costs and minimising product cost deviations between RDT and operational phase, will adversely impact our ability to launch products competitively and hence, diminish market penetration and/or diminish our market share. Further, emergence of new and advanced cost-effective methods for producing core products supplied by us can pose a risk to the Company's competitive position.

Risk of failing to develop products which are compliant with accepted standards documentation will significantly dent the Company's reputation in addition to the financial loss associated with the failed launch. Risks related to the discovery and development of our product candidates and process innovation, speed-to-market and a robust and diverse product pipeline are critical factors in ensuring success for a life sciences company.

Mitigation Plan

The Speciality Chemicals Business unit is focused on developing new products. We have a separate team for new product development which closely works with the sales team, RDT and plant team to quickly develop new products and launch them in the market. There are 10-15 new products being developed continuously.

The RDT team has taken a proactive approach to introduce new products in Pyridine chemistry and also in non-Pyridine chemistry by deploying our cost effective and differentiated technological platforms and capabilities. New products continue to get developed by experienced and talented RDT teams which work in alignment with the marketing strategy by developing new cost-effective processes/products.

Further, in order to ensure that cost competitiveness is maintained along with minimal environmental impact, RDT is working on the improvement of existing processes, their carbon efficiency and atom economy. Initiatives are also being taken to develop alternative green processes involving fewer manufacturing steps with reduced consumption of utilities and increased manufacturing efficiency. RDT also has a dedicated team which works on 'Homogenous and Heterogeneous Catalysis' for process intensification and reducing the synthetic steps.

The focus is on the timely development of processes at optimum cost with effective and efficient scalability. We have institutionalised robust Quality by Design (QbD) processes and proven RDT methodologies to ensure successful commercialisation of the products for which research has been conducted to avoid any unpleasant surprises during the scale-up. The RDT function keeps itself updated with the regulations, upcoming technological changes and trends and proactively aligns with pharmacopoeia methods and industry best practices. The team has adopted an agile development process to address commercial requests rapidly and capture new opportunities. We also use various tools including Stage Gates to monitor progress and robustness of the programmes.

Supply Chain Interruptions

Any unforeseen event impacting the movement of goods around the world or delay by our suppliers can adversely impact our business. Last year, we also witnessed multiple logistics challenges caused by the occurrence of several low-probability events. The surge of COVID-19 pandemic in India and across the world resulted in restrictions and supply chain issues everywhere. We also witnessed blockage of Suez Canal for almost 2 weeks. Logistical challenges, particularly in the area of exports, were caused by the severe shortages of containers worldwide. Besides this, vessel availability became an obstacle as turnaround time of containers increased dramatically.

Mitigation Plan

Our continuous efforts in the past to de-risk and reduce dependence on a single source helped us immensely during the pandemic. Also, in order to anticipate and react quickly, we initiated Sales & Operations Planning (S&OP) meetings twice a week. This helped us change our procurement plans dynamically as per the evolving situation and ensure supplies to plants. Our proactive approach of anticipating the disruption and responding quickly helped us achieve continuous supply of raw material and packing material to all our plants and external manufacturing sites.

In terms of shipments, the Company remained unaffected due to our annual contract with one of the largest shipping lines in the world which continued to provide us space and containers. Besides this, our team worked with shipping lines and container providers closely to ensure that our requirements were met.

Our Digital Track & Trace system for trucks and vessels helped us to monitor the real-time movement of our material and update our customers on deliveries. We maintained close working relationships with all our suppliers of material through regular virtual meetings to ensure that we receive our material in time and at the right price.

We have identified the raw materials where we need to de-risk ourselves by developing alternative sources. We are planning to invest in digital projects so that we improve visibility of our materials at all stages of the supply chain and take proactive action for smooth flow of materials.

We are actively working with all our raw material and packing material suppliers and logistic service providers for their support in creating a smooth supply chain.

Jubilant Ingrevia Limited continues to focus on localisation and external manufacturing within India of all products coming from China. This will also help us to reduce the price of these products.

Acquiring and Retain Talent

An organisation's success is largely dependent on the quality and performance of its people, making HR a risk-prone function. As we seek sustainable growth, our targets have become more demanding than ever. It is therefore crucial that we pre-empt the risks in the ever-changing business dynamics.

Mitigation Plan

We are on the journey of end-to-end digitisation across our core HR processes to ensure business continuity.

These include sourcing and screening to evaluation and offer, on-boarding to induction, learning and development, performance scores, salary restructuring, rewards and recognition, recruitment and selection, leave liability, idea-sharing platforms, employee wellness, leveraging internal talent movements and development.

We have committed substantial resources and strategies to acquire, retain and develop talent, given the size, complexity and geographic reach of our businesses because of the market competition for qualified and experienced professional personnel.

Jubilant Ingrevia Limited ensures that employment contracts for employees and contractors are updated and legally sound. To mitigate such compliance risks, we regularly audit our HR processes to ensure that we comply with applicable laws and report on finances quarterly.

We keep compensation and benefits packages simple and comprehensive; build reward programmes that link performance to pay and avoid any discrimination to ensure that rewards are given based on performance and contribution to the business' goals.

We provide opportunities for our employees to grow through blended learning programmes, specific functional skill programmes targeting specific functions like Sales & Marketing, Supply Chain, and Operations. We have a

> We keep compensation and benefits packages simple and comprehensive; build reward programmes that link performance to pay and avoid any discrimination to ensure that rewards are awarded based on performance and contribution to the business' goals.

Learning Management System to promote an environment of growth and development.

Compliance and Regulatory

Our business operates within a highly regulated environment. Due to constantly increasing regulatory obligations, new requirements as well as globalisation, the responsibilities of the business in terms of regulatory readiness is becoming stringent, especially in some countries/regions, such as US, Europe and Japan. For domestic markets, we need to comply with relevant laws related to Pharma, Agro, Food and Biocide for manufacturing/storing/selling our products. Also, domestic consumption of some of our products and raw materials has come under mandatory standards from Bureau of Indian Standards (BIS). Any changes in regulations, statutes, legal interpretation or policies, when and if promulgated, enacted or adopted, may have an adverse impact on our business in future. Such changes or new legislation could increase the cost or delay or prevent sales of our products. In addition, increase in the time that is required for us to obtain required approvals could delay the commercialisation of our new products.

If we fail to comply with regulatory requirements or if allegations are made related to compliance failure, our financial condition and results of operations could be adversely affected. In addition, failure to achieve regulatory approval of new products in a timely manner or at all can mean that we do not recoup our R&D investment through sales of that product.

Mitigation Plan

We have adopted measures to address these stringent regulations by increasing the efficiency of our R&D process, reducing the impact of extended testing, timely submission of information and ensuring timely product availability. We are proactively following-up with regulatory authorities regarding pending approvals and queries raised by authorities are addressed promptly. Further, estimation of risks because of failure/delay in obtaining approvals is duly considered while designing business plans.

We have also put in place a compliance management system to ensure our adherence to all applicable laws and regulations.

Environment, Health and Safety (EHS)

We are aware of the rapid changes in the business environment such as increased global competition; more rigorous customer and societal demands; fast changing EHS regulations and extensive investor expectations. To face these challenges and ensure sustainability, excellence in cost, quality and services along with Environment, Health and Safety is of paramount importance. We require certain statutory and regulatory permits and approvals to operate our business, including environmental clearances. Any failure to procure, renew or maintain the required permits or approvals or any violations of EHS requirements may result in substantial fines or penalties, the imposition of other civil or criminal sanctions, clean-up costs, claims for personal injury or property damages, restrictions on or the suspension of our operating permits or activities.

Mitigation Plan

Over the years, EHS excellence has been extensively promoted as a part our culture. It is also clearly reflected in our policies on sustainability, EHS, responsible care, climate change and green supply chain. We take appropriate steps to ensure that our employees, the community at large, and the environment, including natural resources, are protected. Ensuring minimal environmental footprint is integral to our EHS philosophy. On the road to achieving EHS excellence, we have adopted a 'top-down approach' and have been enhancing the impact of EHS initiatives by making it a line-function responsibility through active employee consultation and participation.

Caring for the environment is a core corporate promise and as a part of this commitment, requisite capital expenditure is being incurred on process improvements as well as up-gradation of environmental management facilities using the latest technologies that have helped to reduce environmental footprint.

We are focusing on reduction of specific energy consumption, optimising fresh water consumption, enhancing the share of renewable energy sources in our existing energy mix, increasing efforts for artificial rainwater recharge to ground water aquifer and enhancing the greenbelt through community and stakeholder participations around our sites.

Investments are regularly made for the up-gradation of process safety and enhanced process controls at our sites. Safety culture in terms of safe behaviour is being actively promoted and propagated at the workplace through 'Sanchetna' – a platform for encouraging identification and 360-degree correction of unsafe acts and conditions. We have engaged an external safety expert for Process Safety Management with a roadmap of three years to achieve our safety vision.

All our manufacturing sites are equipped with an Occupational Health Centre (OHC). We run a comprehensive health assessment programme at our manufacturing sites.

In addition, the Company proactively engages with government, industry forums and academia to support creation of responsible and practicable EHS regulations.

We have a full-fledged EHS team which is continuously addressing the issues of environmental safeguards by conducting periodical safety audits and training programmes.

Information Technology (IT)

Information Technology is the backbone of any business. The Company has a robust IT strategy that includes adequate IT infrastructure, integrity, data confidentiality and data availability at all times to achieve our business objectives. Occurrence of any unforeseen threats to information technology systems could have adverse impact on data availability and continuity of business operations. Our IT processes are ISO 27001 certified and we follow National Institute of Standards and Technology (NIST) Cyber Security framework which ensures compliance to international standards and frameworks. Various components of information technology like network, operating system, firewall, software license compliance, applications controls etc., are covered under the annual audit plans and appropriate corrective and preventive actions are taken based on audit findings. Requisite redundancies have been built within the IT infrastructure to ensure availability of information at all times. There is a well-defined organisation-wide Information security governance structure with information security steering committee at the apex level which gives directions and resources to manage information security of the Company.

The Company has an incident management process which ensures that all IT security events impacting critical IT infrastructure are getting logged and monitored round the clock by our Cyber Defence Centre (CDC).

Since employee awareness is an integral part of managing information security risk and create cyber aware culture, we provide structured training to the employees through internal and external training programmes. Various initiatives are undertaken to create awareness among employees regarding current Cyber risks.

Jubilant has a well-defined Disaster Recovery (DR) process to ensure that mission critical applications are available and responsive in the event of any disruption. The DR process has been designed keeping in view global operations and business presence.

The Company adopted ‘Cloud First Strategy’, which reduced turnaround time and made it possible for businesses to expand rapidly and embrace mobility without having to worry about incidents such as downtime, and data loss without compromising the global compliances. Rapid cloud adoption also helped in building resiliency in the environment.

Implementation of new age ERP platform with improved productivity, decision making and resilience. This digital-ready ERP is capable of API based integration capabilities to communicate with other digital platforms.

The Company has embarked on a digital journey to identify and automate manual processes to improve efficient use of resources. We are in process of setting up Data Lakes with centralised repository of information from various data sources. Data Lakes collate data from enterprise IT and OT systems for online monitoring. Data Lakes augmented with Artificial Intelligence (AI) and Machine Learning (ML) technologies will be used for predictive and prescriptive analytics for efficient operations.

The Company has also deployed cloud-based customer relationship management tool for effective customer management by capturing the customer needs, identifying the business opportunities and service current customer base. CRM is agile to adopt to dynamic business environments.

The Company has also invested in state-of-the-art tools and technologies to ensure seamless collaboration and efficiently manage business operations. Project management tool has also been deployed for effective management of projects across the organisation. These collaboration tools and technologies helped the organisation amid the COVID-19 pandemic to work without any productivity loss.

Changes in Tax Legislation

The Company's activities are subject to tax at various rates in different countries computed in accordance with local legislation and practice. Actions by governments to increase tax rates or to impose additional taxes may reduce our profitability.

Mitigation Plan

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

Labour Unions

If the Company experiences labour union issues, our production capacity and overall profitability could be adversely affected. Although we generally enjoy cordial relations with our employees, the Company may experience a strike over wages and other matters.

Mitigation Plan

This may be resolved amicably through a voluntary negotiation and mediation process. However, if any such future negotiation regarding wages with our employees or any of the labour unions is not concluded quickly, our relations with employees could suffer, which may adversely affect our financial condition, results of operations and profitability.

Managing Impact of Black Swan Event—COVID-19

The current worldwide spread of COVID-19 is expected to result in a global slowdown of economic activity, which could impact demand for a wide variety of products and services, including from our customers, while also disrupting supply channels for an unknown period until the spread is contained.

Mitigation Plan

In the midst of the unprecedented COVID-19 crisis faced by the entire world, we have taken measures to increase awareness and ensured the safety and health of our employees as well as neighbouring communities. Some of the steps taken by the Company are as follows:

- Issuing and monitoring the guidelines for enhanced COVID Preventive Measures for health and safety of the employees
- Rapid Response Team created at the Corporate Office, manufacturing and research facilities. Within a short span of time, teams were able to organise company-aided isolation centres, hospitalisation support, ambulance on-call service, online consultation with doctors, oxygen concentrators and cylinders, medicine supplies on request as well as sessions with wellness and yoga experts to help employees remain stress-free during these tough times
- Continuous sanitisation and fumigation of all offices and manufacturing facilities
- Sanitisation of vehicles entering Company's premises
- Introduction of Work from Home (WFH)
- Maintaining social distance at the work place including at manufacturing sites
- Introduced a vaccination drive to ensure vaccination of all employees, their dependents and contract workers

Directors' Report

Your Directors are pleased to present the Second Annual Report together with the Audited Standalone and Consolidated Financial Statements for the year ended March 31, 2021.

OVERVIEW

Jubilant Ingrevia Limited (the 'Company' or 'Jubilant Ingrevia') is a global integrated Life Science products and Innovative Solutions provider serving Pharmaceutical, Nutrition, Agrochemical, Consumer and Industrial customers with customised products and solutions that are innovative, cost-effective and conforming to excellent quality standards.

The Company offers a broad portfolio of high quality ingredients that find application in a wide range of industries. The Company has 2,064 employees and serves more than 1,400 customers in more than 60 countries across the world. The Company's portfolio also extends to custom research and manufacturing for pharmaceutical and agrochemical customers on an exclusive basis.

Jubilant Ingrevia is a Responsible Care certified Company, driven by the motive to add value to millions of lives through innovations and cutting-edge technology. As a leader in key products that the Company manufactures, it takes pride in being a partner of choice for its valued customers.

COMPOSITE SCHEME OF ARRANGEMENT

With the view to create separate and focussed entities for Pharmaceuticals and Life Science Ingredients ('LSI') businesses, for unlocking the shareholders' value and for capturing attractive growth opportunities, the Board of Directors, at its meeting held on October 24, 2019, approved the Composite Scheme of Arrangement amongst HSB Corporate Consultants Private Limited, Jubilant Stock Holding Private Limited, SSB Consultants & Management Services Private Limited, JCPL Life Science Ventures and Holdings Private Limited, JSPL Life Science Services and Holdings Private Limited (collectively 'Transferor Companies'), Jubilant Pharmova Limited (name of Jubilant Life Sciences Limited changed to Jubilant Pharmova Limited - 'Transferee Company'/ 'Demerged Company') and Jubilant Ingrevia Limited (name of Jubilant LSI Limited changed to Jubilant Ingrevia Limited - 'Resulting Company') and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the 'Scheme') which was approved by the Hon'ble National Company Law Tribunal, Allahabad Bench vide order dated December 23, 2020.

Demerger of the LSI business of Jubilant Pharmova Limited pursuant to the Scheme became effective from February 1, 2021. Consequently, the LSI business has been demerged into the Company.

RESULTS OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS

FINANCIAL RESULTS

The Company has prepared Financial Statements for the Financial Year ended March 31, 2021 by incorporating financials of the LSI business from February 1, 2021 to March 31, 2021.

Pursuant to the Composite Scheme of Arrangement, five subsidiary companies of Jubilant Pharmova Limited namely, Jubilant Infrastructure Limited, Jubilant Life Sciences (USA) Inc., Jubilant Life Sciences International Pte. Limited, Jubilant Life Sciences (Shanghai) Limited and Jubilant Life Sciences NV became subsidiaries of the Company effective from February 1, 2021. Accordingly, the Company has prepared Consolidated Financial Statements for the Financial Year ended March 31, 2021 by incorporating financials of the subsidiaries from February 1, 2021 to March 31, 2021.

(₹ / Million)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	6,689	-	6,841	-
Total operating expenditure	5,721	2	5,670	2
EBITDA (before other income)	**968**	**(2)**	**1,171**	**(2)**
Other income	25	-	26	-
EBITDA	**993**	**(2)**	**1,197**	**(2)**
Depreciation and amortisation expense	214	-	221	-
Finance costs	95	-	73	-
Exceptional items	129	-	129	-
Share of loss of an associate	-	-	-	-
Profit before tax	**555**	**(2)**	**774**	**(2)**
Total tax expense	**169**	**-**	**230**	**-**
Profit for the year	386	(2)	544	(2)
Attributable to:				
- Owners of the company	386	(2)	544	(2)

(₹ / Million)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
- Non-controlling interests	-	-	-	-
Other comprehensive income	(2)	-	50	-
Total comprehensive income for the period	**384**	**(2)**	**594**	**(2)**
Balance in retained earnings at the beginning of the year	**(2)**	**-**	**(2)**	**-**
Profit for the year (attributable to owners of the Company)	386	-	544	-
Remeasurement of defined benefits obligations	(2)	-	(2)	-
Transfer pursuant to the Composite scheme	2,122	-	3,625	-
Balance in Retained earnings at the end of the year	**2,504**	**(2)**	**4,165**	**(2)**

(i) Standalone Financials

The Standalone Financials comprise financials of the demerged LSI business for the two months starting from February 1, 2021, being the date when the LSI business of Jubilant Pharmova Limited demerged into the Company.

Revenue from Operations

In the Financial Year 2020-21, on a standalone basis, the Company recorded total revenue from operations of ₹ 6,689 million.

EBITDA

For the Financial Year ended March 31, 2021, Earnings before Interest, Taxes, Depreciation and Amortisation ('EBITDA') stood at ₹ 993 million with EBITDA margins at 14.8%.

Reported Net Profit after Tax

Reported Net Profit after Tax ('PAT') was ₹ 386 million in the Financial Year 2020-21.

(ii) Consolidated Financials

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

The Company has prepared Consolidated Financial Statements for the Financial Year ended March 31, 2021 by incorporating financials of the subsidiaries for two months starting from February 1, 2021, being the date when the subsidiaries of Jubilant Pharmova Limited became subsidiaries of the Company pursuant to the Demerger.

Performance Review

We are glad to announce that we had a robust performance during the Financial Year 2020-21. Despite the COVID-19 related challenges, we reported revenue of ₹ 6,841 million, EBITDA of ₹ 1,197 million and PAT of ₹ 544 million, on a consolidated basis, in the Financial Year 2020-21.

During the Financial Year 2020-21, the segment revenue from the Speciality Chemicals was ₹ 2,083 million, Nutrition and Health Solutions was ₹1,280 million and Life Sciences Chemicals revenue was ₹3,479 million. The overall EBITDA in the Financial Year 2020-21 was ₹ 1,197 million translating to EBITDA margin of 17.5%.

Further, in the Financial Year 2020-21, the net profit attributable to the owners of the Company was ₹ 544 million and the basic EPS stood at ₹ 20.78.

The Company has envisaged opportunity based growth plans through new investments along with strengthening of its capacity through optimization and operating leverage.

Under its three business segments, the Company is working towards the following expansions:

Speciality Chemicals:

Under its Speciality Chemicals business segment, the Company will undertake capital expenditure to launch new platform of Diketene and its value-added derivatives. The Company will also invest in a world class manufacturing facilities for manufacturing of insecticides, fungicides and herbicides in the coming years. This will be in line with Company's strategy to move up the value chain to produce agro-actives.

The Company is also planning to invest in GMP and Non-GMP multi-product facility for its CDMO project, which will cater to its , Pharma and Crop Protection customers in the coming years, as we are witnessing a large number of opportunities from global customers who are looking at developing alternate supply chains for themselves.

Nutrition and Health Solutions:

Under the Nutrition and Health Solutions business segment, we are expanding our existing capacity of Vitamin B3 and continue to be one of the market leaders by launching new branded animal as well as human nutrition products.

Keeping in mind the growing demand of Speciality Animal Nutrition products from our customers, the Company plans to enhance our portfolio with value-added premixes and therefore, we will carry out investments towards our premix plant expansion.

Our plan is to invest in value-added Vitamin B3 in Pharma, cosmetic, etc., for which we are planning to upgrade our facility to US DMF & European CEP compliant and to enter regulated pharma market of Niacinamide.

Life Science Chemicals:

In its Life Science Chemicals business segment, we are expanding our existing acetic anhydride capacity, along with addition of value added acetic acid and aldehydes, as we are planning to develop and enhance our value added products in the Speciality Ethanol.

We also plan to invest in a green Acetic Acid plant to cater to the bio route acetyls chain market.

Overall, our three business segments hold an optimistic outlook for the coming years as it continues to stay invested in the long-term projects to drive growth.

DIVIDEND

The Board is pleased to recommend a dividend of 35% i.e. ₹ 0.35 per fully paid up equity share of ₹ 1 each amounting to ₹ 55.80 million for the year ended March 31, 2021. The payment of dividend is subject to approval of the shareholders at the forthcoming Annual General Meeting ('AGM') of the Company and shall be subject to deduction of income tax at source.

CAPITAL STRUCTURE

(a) Share Capital

During the year, there has been no change in the authorised share capital of the Company.

Pursuant to the Composite Scheme of Arrangement, the issued, subscribed and paid-up equity share capital of the Company comprising 5,00,000 equity shares of ₹1 each aggregating to ₹ 5,00,000 were cancelled on February 15, 2021 and the Company issued and allotted 15,92,81,139 equity shares of Re. 1 each, to the eligible Shareholders of Jubilant Pharmova Limited, whose names appear in the Register of Members or in the respective beneficiary accounts with the Depository Participants as on the Record Date i.e. February 5, 2021, in the ratio of 1:1 i.e. 1 equity share of the Company for every 1 fully paid up equity share of ₹ 1 each held by the shareholders of the Demerged Company.

Thereafter, on receipt of the relaxation granted by the Securities and Exchange Board of India ('SEBI') from the applicability of Rule 19(2)(b) of the Securities Contract (Regulation) Rules 1957, the Company received trading approval for the equity shares from BSE Limited and National Stock Exchange of India Limited effective from March 19, 2021.

As on March 31, 2021, the subscribed, issued and paid-up share capital of the Company stood at ₹ 15,92,81,139 comprising 15,92,81,139 equity shares of ₹ 1 each.

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

During the year, the shareholders of the Company, at the Extra-Ordinary General Meeting held on January 18, 2021, approved a General Employee Benefits Scheme namely Jubilant Ingrevia General Employee Benefits Scheme-2021 ('JIGEBS-2021') for the employees of the Company and its subsidiary companies.

On May 24, 2021, the shareholders, through Postal Ballot, have also approved an Employee Stock Option Plan namely 'Jubilant Ingrevia Employees Stock Option Plan 2021' ('ESOP-2021') for the employees of the Company and its subsidiary companies.

The ESOP-2021 and JIGEBS-2021 are in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 (the 'SEBI ESOP Regulations'). During the year, there was no material change in JIGEBS-2021.

The details of JIGEBS-2021 and ESOP-2021 pursuant to the SEBI ESOP Regulations have been placed on the website of the Company and web-link of the same is https://www.jubilantingrevia.com/investors/financials/annual-reports.

(c) Debentures

Pursuant to the Composite Scheme of Arrangement, all the liabilities and charges related to LSI business of the Demerged Company was transferred to and vested in the Company from the Demerger Appointed Date i.e. February 1, 2021. Accordingly, Secured Redeemable Non-Convertible Debentures of ₹ 1,000 Million issued by Jubilant Pharmova Limited, the Demerged Company, were transferred to the Company and are listed on the Whole-sale Debt Market Segment of National Stock Exchange of India Limited.

CHANGE OF NAME

The Company was incorporated on October 23, 2019. The name of the Company was changed from Jubilant LSI Limited' to 'Jubilant Ingrevia Limited' effective from October 16, 2020.

SUBSIDIARIES

Brief particulars of the subsidiaries of the Company on a stand-alone basis are given below:

1. Jubilant Infrastructure Limited

This wholly-owned subsidiary of the Company has developed a Sector Specific Special Economic Zone ('SEZ') for Chemicals in Gujarat with the best in class infrastructure facilities and utility plants like Boiler, Gas Turbine, Effluent Treatment, Incinerator and DM Water.

The Company has three units in the SEZ. The finished products of Unit-1 and Unit-2 are fully backward integrated and are using innovative technologies developed in-house. Unit-4 has become operational in August, 2019 with the world class manufacturing facilities.

The global scale plants of Vitamin B3 and 3-Cyanopyridine at the SEZ make your Company the largest producer of Vitamin B3 in India and the second largest globally. Unit-4 deals in Acetyl and manufacturing of Acetic Anhydride products. The Company is a market leader in India and enjoying a substantial share in global markets in this product.

Total income of the company during the period from February 1, 2021 to March 31, 2021 was ₹ 195.80 million.

2. **Jubilant Life Sciences (USA) Inc.**
This corporation incorporated in Delaware, USA is a wholly-owned subsidiary of the Company. It undertakes sales and distribution of specialty ingredients, nutrition and health ingredients, life science ingredients and fine chemicals in North America. Total income of the company during the period from February 1, 2021 to March 31, 2021was ₹ 353.02 million.

3. **Jubilant Life Sciences NV**
This is a wholly-owned subsidiary of the Company. 99.99% of its shares are held by the Company and the balance by Jubilant Infrastructure Limited. It is engaged in the supply of life science ingredients such as ethyl acetate, acetic anhydride, etc. and nutrition and health ingredients (feed and food grade) to the European markets. Total income of the company during the period from February 1, 2021 to March 31, 2021 was ₹ 652.47 million.

4. **Jubilant Life Sciences International Pte. Limited**
This corporation incorporated in Singapore, is a wholly-owned subsidiary of the Company. Total income of the company during the period from February 1, 2021 to March 31, 2021 was ₹ 0.66 million.

5. **Jubilant Life Sciences (Shanghai) Limited**
This wholly-owned subsidiary of the Company is held through Jubilant Life Sciences International Pte. Limited. It undertakes sales and distribution of products in China. This company is engaged in trading of specialty ingredients (pyridine and its derivatives), fine chemicals and nutrition & health ingredients. It is catering to pharmaceutical, animal feed and agrochemical industries in China. Total income of the company during the period from February 1, 2021 to March 31, 2021 was ₹ 279.18 million.

6. **Jubilant Crop Protection Limited**
On June 2, 2021, Jubilant Crop Protection Limited was incorporated as a wholly-owned subsidiary of the Company, inter-alia, to carry on the business of manufacturing of Pesticides/plant protection chemicals.

The company intends to be in the business of Pesticides/plant protection chemicals and wishes to capture the complete value chain in the field of pesticides/plant protection chemicals.

ASSOCIATE COMPANY

During the year, Jubilant Ingrevia has acquired 2,657 0.01% Convertible Preference Shares ('CPS') of ₹10 each of Mister Veg Foods Private Limited, India ("MVFPL"), for a consideration of ₹ 21.64 million, representing potential 20.99% shareholding in MVFPL, once converted. CPS are convertible into equity shares of MVFPL at a defined conversion ratio as per the terms of the underlying contract.

MVFPL is engaged in the manufacture of Meat Analogues from plant based proteins and mainly catering its products in north India. This is a new trend that is catching up in Human Nutrition segment and the Company is looking into this for scale up.

PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

The performance and financial position of the subsidiaries are given in Form AOC-1 attached to the Financial Statements for the year ended March 31, 2021.

STATUTORY AUDITORS

In terms of provisions of Section 139 of the Act and the Rules made thereunder, the Shareholders of the Company have at the 1st AGM, approved the appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Registration Number 001076N/N500013 with the Institute of Chartered Accountants of India) as Statutory Auditors of the Company for a term of 5 years from conclusion of the 1st AGM of the Company till conclusion of the 6th AGM of the Company to be held in the year 2025.

The Auditors' Reports for the Financial Year 2020-21 do not contain any qualification, reservation, adverse remark or disclaimer.

COST AUDIT

Pursuant to Section 148(1) of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Central Government has prescribed the maintenance of cost records for certain products. During the financial year 2020-21, the Company was not required to maintain the cost records.

From the Financial Year 2021-22, the Company would need to maintain cost records and conduct audit of such records. Based on the recommendations of the Audit Committee, the Board of Directors has appointed M/s J. K. Kabra & Co., Cost Accountants as Cost Auditors of the Company to conduct cost audit for the Financial Year 2021-22.

SECRETARIAL AUDIT

The Board had appointed M/s Sanjay Grover & Associates, Company Secretaries to conduct Secretarial Audit pursuant to the provisions of Section 204 of the Act for the Financial Year 2020-21. The Report of the Secretarial Auditors is attached as **Annexure-1** to this Report and does not contain any qualification, reservation, adverse remark or disclaimer.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company was restructured effective from February 6, 2021 as mentioned below:

- Appointment of Mr. Shyam S. Bhartia as Chairman
- Appointment of Mr. Hari S. Bhartia as Co-Chairman
- Appointment of Mr. Sushil Kumar Roongta, Ms. Sudha Pillai, Mr. Arun Seth, Mr. Pradeep Banerjee and Mr. Siraj Azmat Chaudhry as Independent Directors for a term of 5 consecutive years
- Appointment of Mr. Priyavrat Bhartia as Non-Executive Director
- Re-designation of Mr. Rajesh Kumar Srivastava as CEO and Managing Director in the category of Key Managerial Personnel for a period of 5 years
- Re-designation of Mr. Anant Pande as Whole-time Director for a period of 5 years
- Resignation of Mr. Arun Kumar Sharma as Director

The shareholders have, at the Extra Ordinary General Meeting held on February 6, 2021, approved the above appointments and re-designation of Directors. Effective from April 17, 2021, Ms. Ameeta Chatterjee was appointed as an Additional Director in the category of Independent Director for a period of 5 years and Mr. Arjun Shanker Bhartia was appointed as an Additional Director in the category of Non-Executive Director, subject to approval of the shareholders at the next Annual General Meeting. The Board recommends their appointment at the ensuing Annual General Meeting of the Company.

In the opinion of the Board, the Independent Directors possess the requisite expertise, integrity, experience and proficiency for appointment as Independent Directors of the Company.

Mr. Rajesh Kumar Srivastava and Mr. Anant Pande retire by rotation at the ensuing AGM and being eligible, offer themselves for re-appointment.

Further, Mr. Prakash Chandra Bisht was appointed as Chief Financial Officer in the category of Key Managerial Personnel effective from February 16, 2021. Also, Ms. Deepanjali Gulati was appointed as Company Secretary in the category of Key Managerial Personnel effective from August 4, 2020.

MEETINGS OF THE BOARD

Eleven meetings of the Board of Directors of the Company were held during the Financial Year 2020-21.

DECLARATION OF INDEPENDENT DIRECTORS

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

APPOINTMENT AND REMUNERATION POLICY

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

ANNUAL PERFORMANCE EVALUATION OF THE BOARD

The annual evaluation of the performance of the Board, its Committees and of individual Director was not required, as the Board of the Company was re-constituted on February 6, 2021.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

(ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2021 and of the profits of the Company for the year ended March 31, 2021;

(iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the Directors have prepared the annual accounts on a going concern basis;

(v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

Based on the framework of internal financial controls including the Controls Manager for financial reporting and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews performed by the management, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2020-21; and

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

COMPOSITION OF AUDIT COMMITTEE

As on date, the Audit Committee comprises Mr. Sushil Kumar Roongta, Chairman, Mr. Arun Seth, Mr. Pradeep Banerjee, Mr. Siraj Azmat Chaudhry and Mr. Priyavrat Bhartia. No meeting of the Audit Committee was held during the Financial Year 2020-21.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required to be disclosed pursuant to Section 134 of the Act read with the Companies (Accounts) Rules, 2014 is given as **Annexure-2** and forms part of this Report.

EMPLOYEES

Particulars of Directors and Employees as required under Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given as **Annexure-3** and form part of this Report.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

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

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

- Competition, Cost Competitiveness and Pricing
- Dependence on Certain Key Products and Customers
- Foreign Currency and Interest Rate Exposures
- Capacity Planning and Optimisation
- Manufacturing Operations Compliance
- Research, Development & Technology (RDT) Effectiveness and Product Pipeline
- Supply Chain Interruptions
- Acquiring and Retaining Talent
- Compliance and Regulatory
- Environment, Health and Safety (EHS)
- Robust Information Technology (IT)
- Changes in Tax Legislation
- Labour Unions
- Managing Impact of Black Swan Events - COVID-19

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

IMPLEMENTATION OF INTERNAL FINANCIAL CONTROLS

To compete globally, stringent Corporate Governance and financial control over operations is essential for the Company. To ensure a robust Internal Financial Controls framework, we have worked on three lines of defence strategy which is as under:

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

– **Create an efficient review mechanism** - We have created a review mechanism under which all the businesses are reviewed for performance once in a month and functions are reviewed once in a quarter by the CEO and Managing Director (CEO & MD).

– **Independent assurance** - We have appointed a Big Four firm as our internal auditors to perform systematic independent audit of every aspect of the business to provide independent assurance on the effectiveness of the internal controls and highlight the gaps for continuous improvement.

We have a transparent framework for periodic evaluation of the IFC through annual effectiveness testing, periodic internal audits and quarterly online controls self-assessment through Controls Manager software. In addition to the Financial Controls, we also have a web-based automated compliance management system named 'Conformity' which, tracks 3,800+ compliance items under various legislations enabling real-time MIS, review and reporting. This reinforces the Company's commitment to adopt the best corporate governance practices.

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

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

CERTIFICATIONS

Responsible Care Management System (RCMS) & Integrated Management System (IMS)

- Jubilant Ingrevia demonstrates its commitment towards Environment, Health, Safety and Security of its Employees, Work places, Surroundings including Communities by implementing Responsible Care Management System (RCMS) under American Chemistry Council's (ACC) Responsible Care® program. Jubilant Ingrevia is certified by DNV-GL for RC 14001:2015 (Responsible Care®14001:2015) system at its Corporate office in Noida and Manufacturing sites in Gajraula, Uttar Pradesh, Bharuch in Gujarat and Nira in Maharashtra.

  Jubilant Ingrevia Corporate Office in Noida and Manufacturing facilities at Gajraula, Bharuch, Nira, Savli & Ambernath have been awarded Responsible Care Logo (RC Logo) by Indian Chemistry Council (ICC).

  Responsible Care initiative encompasses comprehensive environmental management system, occupational health and safety, product stewardship, security, community outreach and transportation safety and aims at achieving and sustaining high standards of performance.

  Gajraula, Nira, Bharuch and Savli Manufacturing facilities are certified under Integrated Management System program for ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System) and ISO 45001:2018 (Occupational Health and Safety Management system).

  The Corporate Office in Noida and Branch offices Mumbai and Hyderabad are certified for Quality Management System ISO 9001:2015.

  The Corporate Office in Noida is certified for Information Security Management System ISO/IEC 27001:2013.

- **Gajraula** manufacturing facility has been certified for American Chemistry Council Technical Specification standard RC 14001:2015, Energy Management System (ISO 50001:2018), Food Safety System Certification Standard (FSSC 22000 Version 5) Certification Scheme for Food Safety Management System (ISO 22000:2018) for FSSAI products and Good Manufacturing Practice (GMP). Quality Control Laboratory has been accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) for chemical testing in accordance with the ISO/IEC 17025:2017. This manufacturing facility has Kosher and Halal certification for several products.

- **Bharuch** manufacturing facility has been certified for American Chemistry Council Technical Specification standard RC 14001:2015 and Energy Management System (ISO 50001:2018). Niacinamide Manufacturing facility has been certified for WHO GMP, Food Safety System Certification Standard (FSSC 22000 Version 5) Certification Scheme for Food Safety Management System (ISO 22000:2018) for Manufacturing and sale of Niacinamide for food application. We have also got GMP certification by SGS, GMP in compliance with FAMI-QS Code (version 6) for Production of relevant food/feed ingredients and other ingredient. Quality Control Laboratory has been accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) for chemical testing in accordance with the ISO/IEC 17025:2017. The facility is certified for Kosher, Halal-India, Halal Indonesia and FSSAI from Food Safety and Standards Authority of India.

- **Nira** manufacturing facility has been certified for American Chemistry Council Technical Specification standard RC 14001:2015. This facility has been certified for Food Safety System Certification Standard (FSSC 22000 Version 5) Certification Scheme for Food Safety Management System (ISO 22000:2018) for relevant food application. This facility is certified to Kosher, Halal-India and FSSAI from Food Safety and Standards Authority of India.

- **Savli** manufacturing facility has been certified for Feed Safety Management System including GMP in compliance with FAMI-QS Code (version 6) for Production of specialty feed ingredients.

- **Ambernath** manufacturing facility is ISO 9001:2015 certified for Quality Management System.

HUMAN RESOURCES

The year started with a challenge that brought the nation to standstill. This was the year when we as organization started executing initiatives one after the another to meet the urgent needs of the COVID-19 pandemic. All areas of HR quickly pivoted to develop and implement a wide range of programs, and procedures to respond to how the COVID-19 crisis was impacting work, and our employees across Jubilant Ingrevia. Throughout the year, multiple initiatives have been taken for employee wellness and constant and regular interaction with our people to guide and support them during this challenging time. Detailed and rigorous data reporting from all across the locations helped in keeping a track and ensuring corrective actions to be taken ahead of time. This included tie-ups with hospitals, the vaccination drive, rigorous COVID cases monitoring, up to date data recording, tie up with doctors, physicians and health counsellors.

To lead the way towards the business goals, we worked keeping in mind the following drivers. By rigorously and conscientiously committing ourselves to these drivers, we have been and will continue necessary, and measurable steps towards realizing our goal.

1. **Building people capabilities -** Focusing on learning across cadres through structured blended interventions, Jubilant Ingrevia established targeted development programs to fuel the growth ambitions of its people by honing and nurturing their potential. The strong management team in the Company fosters a culture of

experimentation, agility and efficiency while empowering and enabling employees to try their hand at new things, stay relevant, set new benchmarks and chase excellence.

As last year this year too, we continued our journey towards building superior employee experience for our colleagues, especially keeping in mind their efforts and contribution in the challenging year. While we continued with workplace safety sessions, leader speak sessions, quarterly training programs calendar and online learning for employee learning, engagement and development. These platforms provided our employees opportunities to learn from the best internal and external leaders and subject matter experts. Our Learning Management System (LMS) under the brand of Jubilant Learning Academy underwent a revamp with launch of over 30,000 blended learning content. Through mandatory online courses on the Code of Conduct, IT Security and Policy on Prevention of Sexual Harassment at Workplace, we are continuously reinforcing our commitment towards governance and adherence to the code of conduct and fair business practices. The Company has constituted Internal Complaints Committee in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

2. **Igniting Talent -** The leadership team in Jubilant Ingrevia endorses home grown talent and is equipped with the capability to focus on performance orientation while betting on and coaching employees to enhance their potential for bigger and more challenging roles. This is done by giving them a platform to perform and learn on the job, thereby building talent pipeline and making the organization future ready, while paving way for enriching careers.

   This year we went a step ahead in building our talent pipeline by identification of critical roles across Jubilant Ingrevia and identification of subsequent internal successors against each position. Not only the internal talent pool has been leveraged for taking up vacant higher roles and positions and higher added responsibilities but external market mapping of talent against these critical positions has been initiated. The year also witnessed proposal being charted out for retention of high-potential employees. The attrition was arrested at 9.0 % as against 11.8 % in previous year.

   In Talent Acquisition space, today we have fully digitised Talent Acquisition process from sourcing to screening to evaluation to offer. We have been focusing on attracting the best talent from India's leading campuses to have a steady flow of fresh talent, thereby creating a strong pool of future leaders.

3. **Continuous Development Conversations -** Performance and its evaluation is objective, transparent, meritocratic and development focused. Employees are given a chance to express their input on goals and performance through the year via metrics and achievement scores, reducing the scope for subjectivity and bias. The continued developmental feedback conversations enable a dialogue on strengths as well as focus areas to build careers based on aspirations and opportunities.

4. **Fostering inclusive employment -** We support the inclusion of people and strongly promote equal opportunities and respect in order to maximize future employment for as many people as possible.

   To reinforce a culture of inclusion and openness to diverse opinions, the Company introduced various digital elements to employee connects. As digitization evolves rapidly, we at Jubilant, are preparing for this transformation where we can utilise the big data, analyse it to draw inferences and conclusion to predict the future. We have very strong HR application to cater the need of employees and all required business processes. In 2020, we upgraded HRIS application that helped us enable system on mobile and various analytics data to HR and respective business heads. Talent Acquisition, On-boarding process, Rewards & Recognition, Learning & Development, Attrition & Exit Formalities, Performance Management, Talent & Succession Planning, and Compliance all have seen the ight of automation and digitization.

5. **Employee Recognition -** The year saw reward & recognition events also going virtual with 'Rewards Club on Air' and introduction of COVID YODHHAS as an initiative to applaud all those employees who went extra mile and demonstrated commendable efforts in ensuring business continuity even in tough times due to the pandemic. This year witnessed multiple townhall sessions addressed by the senior management to all its employees to maintain continuous & regular interaction and keeping our people informed of each major business decision.

   Standardisation and harmonisation of the processes are key to the success of any organisation. Jubilant Ingrevia is committed towards bringing uniformity and simplification of the processes across businesses. We implemented Job evaluation across organisation to harmonise the roles. This important step in the direction of our Talent Management has helped in efficient movement of talent across businesses, promotions and succession planning. We launched new Leave Policy and Performance Management Policy with the same objective.

   At sites, 100% operations were ensured by our dedicated people who worked round the clock following all safety precautions. During the year, we enjoyed cordial relations with our employees and there have been no instances of labour unrest or disputes at any of the manufacturing sites. Long term wage settlement at Savli has been concluded in this year.

INVESTOR SERVICES

With a view to keep the investors well informed of its activities, the Company is taking the following initiatives:

- E-mailing quarterly results and press releases to the shareholders soon after they are sent to the stock exchanges. Maintaining user friendly Investor Section on the website of the Company www.jubilantingrevia.com;

- A dedicated e-mail address viz. investors.ingrevia@jubl.com for interacting on various matters with respect to share transfer, transmission, dividends and other related issues with the Company Secretary and Compliance Officer;

- The Company has placed an Investor Feedback form on its website www.jubilantingrevia.com under the head 'Investor Feedback Form' to obtain valuable feedback and suggestions of the investors;

- Earnings Presentation and Release detailing the quarterly results are uploaded on the website of the Company www.jubilantingrevia.com. Earnings call is typically conducted post announcement of the results to the stock exchanges as per the schedule mentioned in the Concall Invite which is also uploaded on the website of the Company. Earnings call playback is made available on the Dial-in numbers shared in the Concall Invite and transcripts are uploaded on the website of the Company;

- The presentation and meeting schedule of Road shows attended by the Company are uploaded on its website after intimating the same to the Stock Exchanges; and

- Disclosures made to the Stock Exchanges are promptly uploaded on the website of the Company for information of the Investors.

VIGIL MECHANISM

The details of Vigil Mechanism adopted by the Company have been disclosed in the Corporate Governance Report, which is attached to and forms an integral part of this Report.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is an imperative part of Jubilant's paradigm for sustainability. CSR activities at Jubilant are in line with the provisions of Section 135 read with Schedule VII to the Act. The CSR initiatives of Jubilant are implemented through Jubilant Bhatia Foundation ('JBF'), established in the year 2007, a not-for-profit arm of the Jubilant Bhartia Group. The CSR interventions of Jubilant are structured in line with the United Nations Sustainable Development Goals (SDGs), also known as Global Goals. Jubilant's sustainability framework reflects the strong focus on CSR. Jubilant's approach towards sustainability is to work continuously on triple bottom line of Economic, Environmental and Social performance. The CSR projects are well crafted to empower the communities around the area of operations of Jubilant. The projects work on 4P model (Public-Private-People-Partnership). Jubilant's role is to act as a catalyst, facilitating the process and ensuring participation of the community in each program for optimal outcomes. JBF's detailed activities are available on its website www.jubilantbhartiafoundation.com.

Jubilant's CSR vision is to bring progressive social change through strategic multi-stakeholders and bring about a 'social change' involving "knowledge generation & sharing, experiential learning and entrepreneurial ecosystem" through JBF.

During the Financial Year 2020-21, Jubilant geared up to be with the people and community around its manufacturing locations amidst COVID-19 pandemic. JBF strategized and re-structured its development initiative for the people in marginalized and remote areas, supporting them to continue their life during the pandemic. The projects were designed keeping in the safety and vulnerability of the community around the manufacturing locations. To reach out as a support during the trying times, Jubilant allocated its CSR funds towards health project for the community around and PM CARES Fund as a contribution towards COVID-19 pandemic. Jubilant transformed its approach towards reaching out the community amidst pandemic by working on 3 essential parameters of Safety, Support and Sustainability. CSR Policy of the Company is available on the weblink https://www.jubilantingrevia.com/investors/corporate-governance/policies-and-codes/corporate-social-responsibility-policy.

Saving Lives & Ensuring Safety by

- creating a safe workplace

- facilitated sanitization of the workplace as well as surrounding community and government institutions like hospitals

- launching Remdesivir under 'JUBI-R' and making it available to over 1,000 hospitals providing COVID-19 treatment in India through its distribution network. In order to increase accessibility of 'JUBI-R' to patients below the poverty line and to front line paramedical staff, JBF has launched unique programs aimed at distribution of the drug.

Supporting Community & other stakeholders

- Making a contribution towards PMCARES Fund.

- Communication Outreach with Community, Schools and Society through awareness camps at each manufacturing location and distribution of essential items like groceries, medicines, masks and sanitizers, etc. in the community.

Sustaining Lives

- An effort was made to sustain the lives of people in the community realm of education, health and livelihood. JBF strategized and restructured its development initiative so that people in marginalized and remote areas can continue their life during the pandemic.

- The projects were designed keeping in the safety and vulnerability of the community around the manufacturing locations. The 3 key projects are given below:

i. **JubiCare Tele-clinic**-a telemedicine application, conceptualized and developed by JBF. This telemedicine interface provides a real-time Patient - Doctor consultation through text/audio/video. JubiCare app uses ICT for exchange of information for the diagnosis and treatment of diseases by a certified medical professional. The application aims at addressing the health issues of patients by health workers without unnecessary exposure to infections. The application provides immediate support and delivery of healthcare services to the underserved communities in rural and urban areas without travel.

ii. **E-Muskaan, Supporting Education through Digital Literacy-** ensuring the continuity in learning of students in rural areas by promoting the digital education inclusion of the last mile learners thereby facilitating cognitive growth of a child. Jubilant has partnered with iDream Social Edtech Foundation engaged in facilitating digital education in local languages to provide e-content absolutely for no cost to students at all project 'Muskaan' schools across the locations through iDream Learning App to help in continuity of academic learning.

iii. **JubiFarm, strengthening livelihood by facilitating access of farmers to modern and sustainable farming methods-** JubiFarm is a sustainable and multi-stakeholder initiative that is conceived to enhance the profitability and generate income opportunities in farming for the migrants returning back to their natives. The initiative is recognising both the male and female as equal stakeholders of the farmland. It shall empower farmers by facilitating access to modern and sustainable farming methods.

Pursuant to the Composite Scheme of Arrangement, the LSI business of Jubilant Pharmova Limited was demerged and vested into the Company effective from February 1, 2021. The Company being a new entity, was not required to spend on CSR activities during the Financial Year 2020-21. However, Jubilant Bhartia Foundation continued its activities around the manufacturing locations of the Company.

Before demerger became effective, the Comprehensive Sustainability Report following the Global Reporting Initiative ('GRI') Sustainability Reporting Standards covering the LSI business was annually published by Jubilant Pharmova Limited and it has already completed 16 years of association with GRI. The Company is publishing its first Sustainability Report effective from the year under review.

Annual Report on CSR for the Financial Year 2020-21 including contents of the CSR Policy is attached as **Annexure-4.**

OTHER DISCLOSURES

i. **Annual Return:** Pursuant to the provisions of Section 134(3)(a) of the Act, the Annual Return for the Financial Year 2020-21 has been uploaded on the Company's website and can be accessed at https://www.jubilantingrevia.com/investors/financials/annual-reports.

ii. **Public Deposits:** The Company has not accepted any deposits from the public during the year. The Company had no outstanding, overdue, unpaid or unclaimed deposits at the beginning and end of the Financial Year 2020-21.

iii. **Loans, Guarantees and Investments:** Details of loans, guarantees/ securities and investments along with the purpose for which the loans, guarantees or securities are proposed to be utilised by the recipient have been disclosed in Note no. 5 and 6 to the Standalone Financial Statements, as applicable.

iv. **Particulars of Contracts or Arrangements with the Related Parties:** The Company has formulated a policy on Related Party Transactions ('RPTs'), dealing with the review and approval of RPTs. Prior omnibus approval is obtained for RPTs which are of repetitive nature. All RPTs are placed before the Audit Committee for review and approval.

All RPTs entered into during the Financial Year 2020-21 were in the ordinary course of business and on arm's length basis. No material RPTs were entered into during the Financial Year 2020-21 by the Company as defined in the Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions. Accordingly, the disclosure of RPTs as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable. Your Directors draw attention of the members to Note no. 38 to the Standalone Financial Statements which sets out the Related Party disclosures.

v. **Material Changes in Financial Position:** No material change or commitment has occurred after the close of the Financial Year 2020-21 till the date of this Report, which affects the financial position of the Company.

vi. **Orders passed by Courts/ Regulators:** No significant or material order has been passed by the regulators or courts or tribunals impacting the going concern status of the Company or its future operations.

vii. **Secretarial Standards:** The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

CORPORATE GOVERNANCE

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

A detailed Report on Corporate Governance is attached as **Annexure-5** and forms part of this Report. A certificate from a Practising Company Secretary confirming compliance with the conditions of Corporate Governance, as stipulated in Clause E of Schedule V to the Listing Regulations is attached to the Corporate Governance Report.

The Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management for the year ended March 31, 2021. A certificate from the CEO and Managing Director confirming the same is attached to the Corporate Governance Report.

A certificate from the CEO and CFO confirming correctness of the financial statements, adequacy of internal control measures, etc. is also attached to the Corporate Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

ACKNOWLEDGMENTS

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

For and on behalf of the Board

	Shyam S. Bhartia	**Hari S. Bhartia**
Place: Noida	*Chairman*	*Co-Chairman*
Date: June 7, 2021	(DIN: 00010484)	(DIN: 00010499)

Annexure-1

Secretarial Audit Report

For The Financial Year Ended March 31, 2021

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

To,
The Members,
Jubilant Ingrevia Limited
CIN: L24299UP2019PLC122657
Bhartiagram, Gajraula, District
Amroha, Uttar Pradesh-244223

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

We report that-

a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Wherever required, we have obtained the Management representation about the compliances of laws, rules, regulations and standards and happening of events etc.

e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

g) Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:-

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, where applicable;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)** and

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

We have also examined compliance with the applicable clauses of the Secretarial Standards on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India which has been generally complied with. Further, the Company was generally regular in filing of e-forms with the Registrar of Companies.

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

(vi) Jubilant Ingrevia, a global integrated Life Science products and Innovative Solutions provider and is engaged in the business of serving, Pharmaceutical, Nutrition, Agrochemical, Consumer and Industrial customers with customized products and solutions that are innovative, cost effective and conforming to premium quality standards. As informed by the management, following are some of the laws specifically applicable to the Company:-

- Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
- Hazardous Wastes (Management Handling and Transboundary Movement) Rules, 2008
- The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1966
- Special Economic Zone Act, 2005
- The Food Safety Standards Act, 2006
- Drugs and Cosmetics Act, 1940
- The Drugs Prices Control Order, 2013
- Narcotic Drugs and Psychotropic Substances Act, 1985
- Poisons Act, 1919
- The Explosives Act, 1884

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company seems adequate to ensure compliance of laws specifically applicable to the Company.

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

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

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

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

We further report that during the audit period

➢ the shareholders at their extra-ordinary general meeting held on October 3, 2020, have given their consent by way of Special resolution to change the name of the Company from 'Jubilant LSI Limited' to 'Jubilant Ingrevia Limited'.

➢ the shareholders at their extra-ordinary general meeting held on January 18, 2021, have, *inter alia*, given their consent by way of Special resolution:

i. to borrow any sum or sums of money (including money raised/ to be raised through issue of debentures or through other instrument) as they may deem appropriate, for the business and purpose of the Company from Bank(s) and/ or other Financial Institution(s) and/or foreign lender(s) and/or any body corporate/ entity/ entities and/or authority/authorities or such other person upto ₹ 3000 crores (Rupees three thousand crores only).

ii. to create such pledge, mortgage, hypothecation, charge, transfer, sell and/ or otherwise dispose of all or any part of the moveable or immovable properties of the Company where ever situated, present and future, in favour of Bank(s), Financial Institution(s), NBFC(s), Mutual Funds, Insurance Companies or any other category of lenders to secure amount borrowed by the Company or its subsidiary, associate and/or joint venture companies from one or more of the aforesaid Lender(s), upto an aggregate amount not exceeding ₹ 3,000 crores (Rupees three thousand crores only).

iii. to adopt and implement 'Jubilant Ingrevia General Employees Benefit Scheme – 2021' (JIGEBS).

➢ the shareholders at their extra-ordinary general meeting held on February 04, 2021, have given their consent by way of Special resolution to adopt the new set of Articles of Association of the Company in place of existing Articles of Association.

➢ pursuant to the Composite Scheme of Arrangement amongst HSB Corporate Consultants Private Limited ('Transferor Company 1'), Jubilant Stock Holding Private Limited ('Transferor Company 2'), SSB Consultants & Management Services Private Limited ('Transferor Company 3'), JCPL Life Science Ventures and Holdings Private Limited ('Transferor Company 4') and JSPL Life Science Services and Holdings Private Limited ('Transferor Company 5'), Jubilant Pharmova Limited (name of Jubilant Life Sciences Limited changed to Jubilant Pharmova Limited effective from February 1, 2021- 'Transferee Company/ Demerged Company') and Jubilant Ingrevia Limited (name of Jubilant LSI Limited changed to Jubilant Ingrevia Limited effective from October 16, 2020- 'Resulting Company') and their respective Shareholders and Creditors (the 'Scheme') pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 as sanctioned by the Hon'ble National Company Law Tribunal, Allahabad Bench by its Order dated December 23, 2020 (formal order received on January 6, 2021) and upon effectiveness of demerger of the 'LSI Undertaking' of the Demerged Company into the Resulting Company, in terms of Clause 11.2 of Part C of the Scheme, the listing compliance committee at its meeting held on 15th February, 2021 has accorded its approval to cancel the entire paid-up share capital of the Resulting Company held by the Demerged Company.

➢ the listing compliance committee at its meeting held on 15th February, 2021 has accorded its approval for issue and allotment of 15,92,81,139 Equity Shares in terms Clause 11 of Part C of the Scheme, to the eligible Shareholders of Jubilant Pharmova Limited (the 'Demerged Company'), in the following manner:

'For every 1 (One) fully paid up equity share of Re. 1 (Rupee One Only) each held by the Shareholders of the Demerged Company as on the Record Date, 1 (One) Demerger share of ₹ 1 (Rupee One only) each to be issued and allotted by the Resulting Company to the shareholders of the Demerged Company'.

➢ the Company received trading approval for dealing in shares from BSE Limited and National Stock Exchange of India Limited effective from March 19, 2021.

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No.: P2001DE052900
Devesh Kumar Vasisht
Partner
CP No.: 13700
FCS No. F8488
UDIN: F008488C000427588

Place: New Delhi
Date: June 7, 2021

Annexure-2

Disclosures under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

The Company is committed in conserving energy in its various operations. Energy efficiency improvement, Waste heat recovery, Process optimization and Energy substitution are the major focus area identified for energy conservation. Dedicated energy conservation team is consistently working with structured approach to reduce energy consumption across site.

Gajraula and Bharuch Sites have successfully upgraded Energy management System to ISO: 50001:2018.

(i) Steps taken or impact on conservation of energy

- Energy reduction at power plant by improving power generation cycle with the introduction of high pressure heater in boiler at Gajraula.
- Energy reduction in acetyl plants through column reflux, efficient tray, auxiliary column optimization and feed preheating at Nira Site.
- Waste heat recovery system installation at incinerator to preheat DM water and raffinate at Bharuch Site.
- Installation of air preheater for recovery of waste heat from incinerator flue gas at Gajraula Site.
- Waste heat recovery boiler installation at Gajraula site to generate steam from process waste heat at Gajraula.
- Energy efficiency improvement in centralized instrument air system by replacement of old air compressor with energy efficient new air compressor at Gajraula.
- Combustion efficiency of process furnace improved with better combustion control at Bharuch.
- Energy reduction in various products by Process re-engineering, waste heat recovery and heat integration projects.
- Steam norm reduction in process plant by utilization of flash steam at Nira.
- Runtime optimization of utility equipment like nitrogen compressor, chilled water compressor, Cooling Tower pump.
- Reduction in harmonics and power loss at Bharuch.
- Reduced energy consumption in plant lighting with the use of LED lighting.
- Leveraging digitalization for improving energy efficiency in chilling system

The above steps have resulted into savings of ₹ 84.5 Million from February 1, 2021 to March 31, 2021.

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

The Company recognizes the reality of climate change and its impact. To bring down the carbon foot print, the Company continuously strives to use renewable energy;

Biogas remains the major renewable energy generated and consumed at the Company. With consistent monitoring and various improvement projects the Company is enhancing biogas generation and its effective utilization.

Agro waste (Ground nut shell and saw dust) are being used to meet thermal energy requirement of Savli Site.

Solar panels are used for remote lighting at Nira & Gajraula, also for canteen energy requirement at Bharuch.

iii) Capital investment on energy conservation equipment

Capital investment on energy conservation equipment from February 1, 2021 to March 31, 2021 was ₹ 48.1 Million.

B. TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption

At Jubilant Ingrevia, we believe that our competence and capabilities lies in our four pillars, i.e. People, Process, Infrastructure and Technology. To strengthen these pillars we recruit and retain high level talent, implement robust guidelines and invent & imbibe new technologies.

In order to gear up with the changing global scenario and stay competitive, our fourth pillar, Technology, has been integrated to every aspect of R&D and we have now revamped it as Research Development and Technology (RDT).

Our technology enabled RDT is gearing up to adapt Industry 4.0. The COVID-19 pandemic catalysed the digital adoption and we adopted to Digital Lab Note Books. We have also adopted flow chemistry, bio-catalysis and chemical catalysis. To expand our knowledge base, accelerate smart business innovations and create unique product solutions, we are also actively collaborating with academia, research institutions and start-ups. Nevertheless all our operations are environmentally responsible and we are continuously striving to reduce our carbon footprints.

We have high level expertise in Multi-step synthesis, Chiral Chemistry, Pinner reaction, Sugar Chemistry, Lithiation, Cyanation, Methoxyation, Condensation and Cyclo-condensation, Diazotization, Hydrogenation, Liquid and Gas phase Chlorination, Bromination, Fluorination, Alkylation, Grignard reaction, Reductive amination, ammoxidation, Vapour phase heterogenous catalysis (fixed/fluidized bed), Liquid phase heterogeneous catalysis. We also have in-house catalyst manufacturing facility.

Safety of our environment and human resource is at the centre of our all operations. All our processes are validated to ensure robustness and scalability at every stage starting from route selection, development & optimization to the pilot and commercial scale production. We have full-fledged kilo lab and pilot plant facility having various reactors (20-1000L, operable at -70 to 300° C) and other equipment for scale-up studies ensuring smooth operation and safety.

DoE by QbD initiatives at RDT support the development and adoption of new technologies and enhance the efficiencies of our manufacturing facilities to provide better service to our customers. Implementation of twelve principles of Green Chemistry in order to reduce overall PMI (process mass intensification) are our top-most priority.

Key points of operations in individual RDT arms can be summarized as below:

I) Speciality Chemicals:

Speciality Ingredients: We improved our existing Pyridine-Beta and Cyanopyridine process through an innovative approach to make the process further cost effective to meet business strategy as well as to reduce our inventories. In FY 2022, we will develop technologies to (a) Fine-tune our existing Pyridine & Beta Picoline, Alpha-Picoline & Gamma picoline & Cyanopyridine processes (b) Ammoxidation process for 2-Cyanopyridine, (c) Introduce new cyanopyridines and vinyl pyridine derivatives (d) Develop high value oil field chemicals.

Fine chemicals: We forward integrated our technology to provide intermediate for various API and agrochemicals such as Cefixime, Cefotaxime, Indinavir, Pymetrozin and some Phenylpropenamide derivatives (anti-hepatitis B virus). We also developed zinc picolinate and chromium picolinate for nutraceuticals. Continuing our philosophy of integrated solutions, in the coming years we are looking forward to commercialise nine products and provide 4-6 novel pyridine based molecules. We are also taking a step ahead in green chemistry by developing continuous ozonolysis technology to eliminate the hazardous oxidizing reagents.

We are also venturing into diketene chemistry platform to develop 10-12 forward integrated products to cater the needs of pharma, agro and other ingredients.

Crop protection Chemicals: We developed six agrochemical technical (herbicides, Insecticides and Fungicide). We have initiated new RDT set up at Bharuch site for development of 5-6 products.

CDMO: Our CDMO is technically and technologically equipped to deliver a wide range of chemistry expertise. During the COVID 19 Pandemic we helped to address the demand of Remdesivir, by supplying key intermediates within stipulated time with agility, commitment and efficacy. We also worked on continuous commercialization of pyrithiones and hydrazones.

We continue to leverage our existing expertise to develop piperidines, Nitriles, Hydrazones, Acetophenones, Benzamides and other products for our valued customers.

Biocides: Our capabilities of this arm includes (a) Development of next generation single or multi component (active) antimicrobial formulations biocidal combinations and their formulations, (b) Development of fine particle suspensions with varied particle size & viscosity. We have fully equipped microbiology lab with its own microbial culture storage facility for performing microbial analyses and evaluation studies related to biocides, preservatives and product prototypes as per AOAC, ASTM, EN and BIS standards. We have innovative patented products in the biocide segment and we are actively defending our patent pertaining to some of the products in Europe. We can offer complete formulation development in order to assist customers to develop, formulate and test products with our ingredients as per end use (Hair-shampoo, conditioner, skin-cream, lotion, shower gel, liquid hand- soap & sanitizer, home care-disinfectant & floor cleaner, paint & coating formulations etc.).

We swiftly geared to the demand of hand sanitizers and developed Ethanol based hand sanitizer of Chlorhexidine gluconate (CHG) and WHO Grade. Both were also developed in fragrance free and non-gel version. Hand sanitizers were distributed free of cost under CSR activity and consumer product "Hands Together Hand Sanitizer" was developed in less than a month's time. We have also developed Surface Disinfectant Spray Formulation.

Further, ZPTO based anti-dandruff (AD) compositions were developed. We have also developed novel synergistic octopirox based anti-dandruff composition for transparent shampoo formulations (patent pending).

In FY 2022, we are aiming the (a) Top position globally in Zinc Pyrithione (ZPTO) and develop pyridine based technology for synthesis of Octopirox, (b) Broaden the scope of our existing product into master-batches, lubricants, water treatment, antimicrobial fabrics, hygienic coatings and non-hazardous eco-friendly biocides for anti-algal exterior coatings.

Life Science Chemicals: We developed and commercialized many acetyl based products. Other higher alkyl anhydrides are under development. In our ethanol portfolio, we upgraded our existing plant (Rectified spirit, RS) to cater different API, Agro and other industrial chemical manufacturer. In FY2022, we are planning to expand the product portfolio of alcohols and forward integrate anhydride into a basket of value added products to cater to the need of existing and new customers.

Nutritional & Health Ingredients: We continue to remain at globally leading position (2nd position) in Vitamin B3 owing to our technical expertise. To maintain and strengthen our global leadership position in Niacinamide, we are upgrading our existing GMP facility by DMF certification also. We are continuously improving the quality to meet cosmetic grade specifications and developing various ester and salts of Vitamin B3 and B2.

Our nutrition facility is dedicated to provide speciality feed additives and modern age food solutions. We have state of the art microencapsulation facility for developing and testing target specific/ modified release actives. The microencapsulation facility is based on matrix, core-shell and MUPS (multiunit particulate system) technology. We also developed technology for metal chelates and trimethylglcyine for animal nutrition business. Our encapsulated organic acid is serving the bakery industry.

We are enhancing the efficacy of choline chloride commercial manufacturing process and its formulation making it lean and efficient process. We intent to leverage existing facility into development of amino acids, herbal/phytobiotics and some therapeutics products as well.

We are also working on plant based alternative protein, such as soy, pea, rice, mung bean, fava, chickpea using "Protein Ultrafiltration membrane technology". Our focus is on clean label, natural colours, natural antioxidants, allergen & GMO-free (IP), organic, vegan, vegetarian, fermented food, sugar alternatives, fortification premix with vitamins and minerals, Botanical/herbal extracts and the like.

Intellectual property: We continually develop new products that provide our customers with better solutions for existing problems and new solutions for emerging problems. To preserve the value of our investment and our customer interest, we rely on the patent laws of the jurisdictions where we do business. In addition, we need to continuously improve our production efficiencies. Our production technologies typically incorporate specialized proprietary know-how and developed intellectual property internally and acquired intellectual property through acquisitions.

From time to time, we may grant licenses to third parties to use our patents and know-how, and may obtain licenses from others to manufacture and sell products using their technology and know-how. We also take all reasonable steps to ensure that our products do not infringe valid third-party IPRs.

We protect our technologies by filing domestic and foreign patent applications. They are pursued and maintained as per business interest. We have 29 patents and in addition, we have various trademarks in our Company's name and in the names of our subsidiaries, in India and outside.

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

Our RDT processes ensure that the developed products are compliant with respect to quality and standards. We have dedicated strategy to ensure the development of cost effective, new and improved environment friendly technologies, which in turn create value for our customers.

iii) Imported Technology: Not Applicable.

iv) Expenditure incurred on Research and Development

(₹/ million)

Sr. No.	Particulars	2020-21	2019-20
(a)	Capital	4.90	-
(b)	Recurring	31.81	-
Total		36.71	-

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹/ million)

Particulars	2020-21	2019-20
Foreign exchange outgo in terms of actual out flows	2,119	-
Foreign exchange earned in terms of actual inflows	2,511	-

Annexure-3

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

PART A:

i) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2020-21 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary, in the Financial Year 2020-21 are as under:

Sr. No.	Name and Designation of Director/ Key Managerial Personnel	Remuneration during FY 2021 (In ₹)	% increase in Remuneration	Ratio of Remuneration of each Director to Median Remuneration of Employees for FY 2021
1	Mr. Rajesh Kumar Srivastava, CEO and Managing Director*	5,085,813	N.A.	76.40
2	Mr. Anant Pande, Whole-time Director**	3,235,018	N.A.	40.91
3	Mr. Prakash Chandra Bisht, Chief Financial Officer ^	1,969,741	N.A.	-
4	Ms. Deepanjali Gulati, Company Secretary#	663,201	N.A.	-

*Appointed as Non-Executive Director on October 23, 2019. Re-designated as CEO and Managing Director effective from February 6, 2021.

**Appointed as Non-Executive Director on October 23, 2019. Re-designated as Whole-time Director effective from February 6, 2021.

^Appointed with effect from February 16, 2021.

Remuneration is with effect from February 1, 2021.

Notes:

1. During the Financial Year 2020-21, the Company has not paid any remuneration/ sitting fees to Non-Executive Directors including Independent Directors.
2. Pursuant to the Composite Scheme of Arrangement, the employees were transferred in the Company from February 1, 2021.
3. The remuneration paid to Executive Directors, Key Managerial Personnel and employees was only for part of the year due to demerger, hence increase in remuneration is not stated.
4. Median of Total Cost to Company (CTC) on payable basis has been taken for all on-roll employees as on March 31, 2021. Median salary of all on-roll employees is ₹ 6,90,490 (estimated on per annum basis).
5. The percentage increase in the median remuneration of employees in the Financial Year 2020-21: N.A.
6. 2064 permanent employees were on the rolls of the Company as on March 31, 2021.
7. Average percentage increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: N.A.
8. Affirmation that the remuneration is as per the remuneration policy of the Company:

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

Sr. No.	Employee Name	Designation & Nature of Duties	Qualification	Total Work Experience (Years)	Date of Commencement of Employment (Refer note 2)	Age	Remuneration (₹)	Previous Employment held	
								Designation	Name of the Company
A. Top Ten Employees in terms of remuneration drawn during the FY 2021									
1	Rajesh Kumar Srivastava	CEO and Managing Director	B. Tech, MMM	33	August 19, 2000	56	5,085,813	Marketing Manager	Ranbaxy Fine Chemicals Limited
2	Chandan Singh Sengar	President-Life Science Chemicals	B.Sc., MBA	35	July 13, 1988	57	3,906,612	Assistant Officer	J.K.Synthetics Limited
3	Anant Pande	Whole-time Director	B.E, M.Sc.	35	July 25, 2018	58	3,235,018	President Tech & Manufacturing	Atul Limited

Sr. No.	Employee Name	Designation & Nature of Duties	Qualification	Total Work Experience (Years)	Date of Commencement of Employment (Refer note 2)	Age	Remuneration (₹)	Previous Employment held	
								Designation	Name of the Company
4	Vimal Deep Kulshrestha	Senior Vice President & SBU Head - Speciality Ethanol	B.Tech (Chemical Engineering)	34	June 28, 1995	56	2,964,724	Assistant Manager- Poly	Modipon Fibers Company
5	Satish Bhat	Site Head- Nira	B.E, MBA	23	June 16, 2017	55	2,695,306	AVP	United Beweries Limited
6	Anil Khubchandani	President- Specialty Chemicals	B.Tech, Mgmnt	29	July 19, 2002	51	2,604,737	Plant Manager- Technical	Duncans Industries Limited
7	Neeraj Katare	Executive Vice President & Head Nutritional Products Business	DIPL, BEG	26	November 25, 2019	50	2,110,665	CEO	Drstore.in
8	R. Kumar	President – Nutrition & Health Solutions	B.Com, M.B.A	35	February 3, 2014	57	2,038,669	Director	Management Consultant
9	Prakash Chandra Bisht	President & Chief Financial Officer	CA, B.Com	32	February 16, 2021 (Refer Note 3)	57	1,969,741	EVP & CFO	Jubilant Foodworks Limited
10	Suresh Kumar Sirohi	Senior Vice President- Commercial	MBA, MMM	36	October 2, 1998	58	1,913,977	Assistant Manager- Commercial	Bhor IND Limited
B. Employed for full year and in receipt of remuneration for the year which in aggregate was not less than ₹ 10,200,000 per annum (other than those mentioned in Para A above)									
1	Chandra Bose Bhardwaj	Chief of Manufacturing (LSI)	B.E, M. E	25	October 15, 2010	56	1,885,942	V.P Operations	Bhansali Engineering Polymers Limited
2	Prasad Vasant Joglekar	Executive Vice President - Supply Chain	B.E, M.B.A	28	August 20, 2014	52	1,765,496	Senior GM- Procurement	Jindal Films Limited
3	Neeraj Tiwari	Senior Vice President- Design & Engineering	B Tech.	34	December 7, 1989	56	1,700,267	Engineer	Hindustan Aluminium Corporation
C.Employed for part of the year and in receipt of remuneration which in aggregate was not less than ₹ 850,000 per month (other than those mentioned in Para A above) (Refer Note 7)									
1	Dhileep Krishnamurthy	Executive Vice President & CSO	PHD., MSC	23	September 4, 2020	55	2,815,773	CSO	NHU
2	Radheshyam Singh	Site Head - Gajraula	B.E, PGD	33	February 22, 2006	55	5,343,263	Production Manager	Duncans Industries Limited

Notes:

1. Employment of Mr. Rajesh Kumar Srivastava and Mr. Anant Pande is contractual. Employment of other officials is governed by the rules and regulations of the Company from time to time.
2. The date of commencement of employment is the original date of employment with the Demerged Company where the employees were hired pre-demerger. All above employees are/ were full time employees of the Company and transferred from the Demerged Company pursuant to the Composite Scheme of Arrangement and therefore their remuneration has been considered from February 1, 2021.
3. Mr. Prakash Chandra Bisht was appointed effective from February 16, 2021 (later than the Demerger Appointed Date).
4. None of the employee mentioned above is related to any Director of the Company.
5. None of the above employees are covered under Rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
6. Remuneration comprises salary, allowances, perquisites/ taxable value of perquisites, etc.
7. Employment of employees mentioned in Para C is considered from the original date of employment with the Demerged Company where these employees were hired pre-demerger. These employees were associated with the Company for part of Financial Year 2020-21.
8. Abbreviations: CEO - Chief Executive Officer; CFO - Chief Financial Officer; CSO – Chief Scientific Officer, EVP - Executive Vice President; VP - Vice President, AVP- Assistant Vice President and GM - General Manager.

Annexure-4

Annual Report on Corporate Social Responsibility Activities-Financial Year 2020-21

1. **Brief outline on CSR Policy of the Company:** Recognizing companies are part of society, Jubilant conducts activities with a holistic approach to not only create but also sustain corporate value.

   At Jubilant, CSR is rooted in putting the society at the center. Its strength lies in its unique offerings of Life Sciences Ingredients and services across the value chain. In addition, we strive to maintain and improve sound business processes, and to engage in activities to promote a sustainable society as a good corporate citizen.

   By creating and preserving value through CSR, we build trust with society, reinforce our reputation, and further develop the business. In conducting our activities, we refer to national and internationally recognized guidelines, such as CSR provisions of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014, the United Nations Global Compact (UNGC)'s ten principles, and long-term international targets, such as the Sustainable Development Goals (SDGs).

   Being a newly formed company, the Company was not required to spend on CSR activities during the Financial Year 2020-21, but Jubilant Bhartia Foundation continued its activities around manufacturing locations of the Company.

   In this regard, the Company has taken the following steps:

   ➢ Formulation of CSR Policy and uploading of the same on the Company's website www.jubilantingrevia.com.

   ➢ Approval by the Sustainability & CSR Committee (the 'Committee') to implement CSR activities through JBF, a not-for-profit organisation, registered under Section 25 of the Companies Act, 1956 (corresponding to Section 8 of the Act)

   ➢ While implementing CSR projects, the Company shall give priority to the area around its manufacturing locations in India

   ➢ The Committee approved the following CSR activities which are in line with Schedule VII to the Act:

   - **Project Arogya and Swasthya Prahari:** Improving health indices through innovative services and promoting health seeking behavior;
   - **Project Muskaan:** Universalising elementary education and improving quality parameters for primary education through community involvement;
   - **Nayee Disha:** Enhancing employability through vocational training; and
   - **Rural Development:** supporting local infrastructure development.

2. **Composition of Sustainability & CSR Committee as on March 31, 2021:**

Sr. No.	Name of Director	Designation in CSR Committee	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Sudha Pillai	Chairperson	-	-
2	Mr. Shyam S. Bhartia	Member	-	-
3	Mr. Hari S. Bhartia	Member	-	-
4	Mr. Arun Seth	Member	-	-
5	Mr. Sushil Kumar Roongta	Member	-	-
6	Mr. Pradeep Banerjee	Member	-	-
7	Mr. Priyavrat Bhartia	Member	-	-
8	Mr. Rajesh Kumar Srivastava	Member	-	-

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

   https://www.jubilantingrevia.com/investors/corporate-governance/policies-and-codes/corporate-social-responsibility-policy

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): N.A.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
N.A.			

6. Average net profit of the Company as per section 135(5): ₹ (1.66) millon

7. (a) Two percent of average net profit of the Company as per section 135(5): Nil

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

   (c) Amount required to be set off for the financial year, if any: Nil

   (d) Total CSR obligation for the financial year (7a+7b-7c): Nil

8. (a) CSR amount spent or unspent for the financial year:

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

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Project Duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per section 135(6) (in ₹)	Mode of Implementation-Direct	Mode of Implementation-Through Implementing Agency	
				State	District					(Yes/No)	Name	CSR Registration number
Nil												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the project ₹ in million	Mode of Implementation-Direct (Yes/No)	Mode of Implementation- Through Implementing Agency	
				State	District			Name	CSR Registration number
Nil									

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Nil

(g) Excess amount for set off, if any:

Sr. No.	Particulars	Amount
(i)	Two percent of average net profit of the Company as per section 135(5)	N.A.
(ii)	Total amount spent for the Financial Year	NIL
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	N.A.
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	N.A.

9. (a) Details of unspent CSR amount for the preceding three financial years:

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

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s)

Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project-Completed/ Ongoing
N.A.								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

(a) Date of creation or acquisition of the capital asset(s): N.A.

(b) Amount of CSR spent for creation or acquisition of capital asset: Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Nil

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : N.A.

For Jubilant Ingrevia Limited

Rajesh Kumar Srivastava
(CEO and Managing Director)
DIN: 02215055

Sudha Pillai
(Chairperson of CSR Committee)
DIN: 02263950

Report on Corporate Governance

Annexure-5

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') became applicable to the Company effective from March 19, 2021, i.e. the date when the equity shares of the Company were listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). A report on compliances with the Corporate Governance provisions as prescribed under the Listing Regulations, as amended from time to time, is given hereunder.

A) COMPANY'S PHILOSOPHY

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

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

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

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

Highlights of the Company's Corporate Governance regime are:

- Appropriate mix of Executive and Non-Executive Directors on the Board;
- Constitution of several committees for focused attention and proactive flow of information;
- Emphasis on ethical business conduct by the Board, management and employees;
- Employees Stock Option Plans - to attract, reward and retain key senior executives;
- Active employee participation in place; two top executives on the Board of Directors;
- The Company is certified by DNV-GL for RC 14001:2015 (Responsible Care®14001:2015) system at its Corporate Office in Noida and Manufacturing Sites at Gajraula, Uttar Pradesh, Bharuch, Gujarat and Nira, Maharashtra;
- The Company's Corporate Office in Noida and Manufacturing Facilities at Gajraula, Bharuch, Nira, Savli & Ambernath have been awarded Responsible Care Logo (RC Logo) by Indian Chemical Council (ICC);
- Most of our manufacturing sites are certified under ISO 14001 and ISO 45001 and all our manufacturing sites are ISO 9001 certified. In addition, several of our plants are certified under ISO 50001, ISO 22000, FSCC 22000, FAMI-QS, HALAL, KOSHER and many others to meet our stakeholder's requirement, our customers in particular.
- The Company engaged with an external expert agency for strengthening safety management system as part of the OHS Strategy. The two years project includes implementation of global OHS Standards, competency building of the people, development of safety KPIs and driving safety governance across all the levels of the organization till top management level.
- From current year separate consolidated Sustainability Report is prepared and published for the Company covering Life Science Ingredients ('LSI') business and other subsidiaries of the Company. Sustainability efforts of LSI business are being reported through Corporate Sustainability Report of Jubilant Pharmova Limited since 2003. Sustainability Report for the FY 20 covering the LSI business was prepared for Jubilant Pharmova Limited following the latest GRI Standards in accordance with the 'Comprehensive' option and was assured by Ernst & Young Associates LLP.
- Established Sustainability Goals 2024 inspired from Sustainable Development Goals ('SDGs'), India's Intended Nationally Determined Contributors (IINDC) and NITI Aayog.
- Online monitoring of internal controls spanning more than 1,500 control assertions through a specially designed software to institutionalise a quarterly system of certification to enable CEO/CFO certification of internal controls as per Regulation 17(8) of the Listing Regulations;

- Robust Risk Management and Controls Mapping for each of the businesses and for the Company as a whole;
- Timely, transparent and regular disclosures;
- Effective control on statutory compliances by online reporting and quarterly presentations;
- Paperless meetings of Board and Committees;
- Comprehensive Corporate Sustainability Management System;
- Established Code of Conduct for Directors and Senior Management as also for other employees;
- Robust Vigil Mechanism and Ombudsperson Process;
- Detailed Policy for Disclosure of Material Events and Information;
- Code of Conduct for Prevention of Insider Trading;
- Focus on hiring, retaining and nurturing best talent and to promote a culture of excellence across the organisation. Exhaustive HR policies cover succession planning, training and development, employee grievance handling, etc.; and
- Regular communication with shareholders including e-mailing of quarterly results and press releases just after release to the Stock Exchanges, e-mailing of Annual Reports and Corporate Sustainability Reports and obtaining online feedback from the shareholders.

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

B) BOARD OF DIRECTORS

(i) Composition

The Board of the Company presently comprises twelve members of which six are Non-Executive Independent Directors, including two Independent Women Directors, four Non-Executive Non-Independent Directors and one CEO and Managing Director and one Whole-time Director.

The tenure of Independent Directors is five consecutive years from the date of their appointment. The dates of appointment and tenure of the Independent Directors are given below:

Sr. No.	Name of Independent Director	Date of Appointment	Date of Completion of Tenure
1	Mr. Sushil Kumar Roongta	February 6, 2021	February 5, 2026
2	Ms. Sudha Pillai	February 6, 2021	February 5, 2026
3	Mr. Arun Seth	February 6, 2021	February 5, 2026
4	Mr. Pradeep Banerjee	February 6, 2021	February 5, 2026
5	Mr. Siraj Azmat Chaudhry	February 6, 2021	February 5, 2026
6	Ms. Ameeta Chatterjee	April 17, 2021	April 16, 2026

Note:

1. Shareholders have, at the Extra-Ordinary General Meeting held on February 6, 2021, approved the appointment of Mr. Sushil Kumar Roongta, Ms. Sudha Pillai, Mr. Arun Seth, Mr. Pradeep Banerjee and Mr. Siraj Azmat Chaudhry as Independent Directors for a term of five consecutive years effective from February 6, 2021.
2. Ms. Ameeta Chatterjee was appointed as an Additional Director in the category of Independent Director, for a term of five consecutive years effective from April 17, 2021. The Board has recommended her appointment at the ensuing Annual General Meeting of the Company.

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

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

(ii) Key functions of the Board

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

a. Reviewing and guiding corporate strategy, major plans of action, annual budgets and business plans, setting performance objectives, monitoring corporate performance and overseeing major capital expenditures, acquisitions and divestments.

b. Monitoring effectiveness of the Company's governance practices and making changes as needed.

c. Selecting, compensating, monitoring and when necessary, replacing Key Managerial Personnel and overseeing succession planning.

d. Aligning remuneration of the Key Managerial Personnel and the Board with long term interests of the Company and its shareholders.

e. Ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.

f. Monitoring and managing potential conflicts of interest of management, Board members and shareholders, including misuse of corporate assets and abuse in related party transactions.

g. Ensuring integrity of the Company's accounting and financial reporting systems, including the independent audit and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational controls and compliance with the law and relevant standards.

h. Overseeing the process of disclosure and communications.

i. Monitoring and reviewing Board Evaluation framework.

(iii) Meetings of the Board

Meetings of the Board are normally held at the Corporate Office of the Company at 1A, Sector 16A, Noida - 201 301, Uttar Pradesh, India. During the year, the Company's Board met eleven times i.e. on May 27, 2020, August 4, 2020, September 30, 2020, November 2, 2020, November 23, 2020, December 3, 2020, January 4, 2021, January 18, 2021, February 3, 2021, February 5, 2021 and February 6, 2021.

The Company has held a minimum of one Board Meeting in each quarter and maximum gap between two consecutive meetings did not exceed 120 days which is in compliance with the Listing Regulations and provisions of the Companies Act, 2013 (the 'Act').

An annual calendar of meetings is prepared well in advance and shared with the Directors before commencement of the year to enable them to plan their attendance at the meetings. Directors are expected to attend the Board and Committee meetings, spend necessary time and meet as frequently as the situation warrants to properly discharge their responsibilities.

Concerned executives of the Company communicate to the Company Secretary matters requiring approval of the Board, well in advance, so that these can be included in the agenda for the scheduled Board/ Committee meetings.

Agenda papers are sent electronically to the Directors, well in advance, before the meetings. Draft minutes of the Board and Committee meetings are circulated to the Directors of the Company for their comments and thereafter, noted by the Board/Committees at the next meeting.

Composition of the Board of Directors as on March 31, 2021 and attendance at the Board meetings held during the Financial Year March 31, 2021 and at the last Annual General Meeting ('AGM') are given below:

Name and Designation	Category	No. of Board Meetings		Last AGM Attended
		Held During Tenure	Attended	
Mr. Shyam S. Bhartia *Chairman*	Non-Executive and Promoter	1	1	N.A.
Mr. Hari S. Bhartia *Co-Chairman*	Non-Executive and Promoter	1	1	N.A.
Mr. Sushil Kumar Roongta *Director*	Non-Executive Independent	1	-	N.A.
Ms. Sudha Pillai *Director*	Non-Executive Independent	1	-	N.A.
Mr. Arun Seth *Director*	Non-Executive Independent	1	-	N.A.

Name and Designation	Category	No. of Board Meetings		Last AGM Attended
		Held During Tenure	Attended	
Mr. Pradeep Banerjee *Director*	Non-Executive Independent	1	-	N.A.
Mr. Siraj Azmat Chaudhry *Director*	Non-Executive Independent	1	-	N.A.
Mr. Priyavrat Bhartia *Director*	Non-Executive and Promoter	1	1	N.A.
Mr. Rajesh Kumar Srivastava *CEO and Managing Director*	Executive	11	11	Yes
Mr. Anant Pande *Whole-time Director*	Executive	11	11	Yes
Mr. Arun Kumar Sharma *Director*	Non-Executive	11	11	Yes

Notes:

1. Mr. Shyam S. Bhartia and Mr. Hari S. Bhartia are related to each other, being brothers. Further, Mr. Priyavrat Bhartia is son of Mr. Shyam S. Bhartia.
2. Mr. Shyam S. Bhartia, has been appointed as Non-Executive Chairman effective from February 6, 2021.
3. Mr. Hari S. Bhartia has been appointed as Non-Executive Co-Chairman effective from February 6, 2021.
4. Mr. Priyavrat Bhartia has been appointed as Non-Executive Director effective from February 6, 2021.
5. Mr. Sushil Kumar Roongta, Ms. Sudha Pillai, Mr. Arun Seth, Mr. Pradeep Banerjee and Mr. Siraj Azmat Chaudhry have been appointed as Independent Directors effective from February 6, 2021.
6. Mr. Rajesh Kumar Srivastava has been re-designated as CEO and Managing Director and Mr. Anant Pande has been re-designated as Whole-time Director effective from February 6, 2021, for a period of 5 years.
7. Mr. Arun Kumar Sharma has resigned as Director from the close of business hours of February 6, 2021.

(iv) Other Directorships

Details of directorships in other bodies corporate and chairmanship/ membership of the Board Committees held by the Directors as on March 31, 2021 are given below:

Name of Director	No. of Directorships in Other Bodies Corporate				No. of Chairmanships/ Memberships of Committees		Directorships in other listed companies and Category of Directorships
	Public Listed	Public Unlisted	Private	Foreign	Chairmanship	Membership	
Mr. Shyam S. Bhartia	3	2	10	12	0	2	a. Jubilant FoodWorks Limited (Non-Executive Director) b. Chambal Fertilisers and Chemicals Limited (Non-Executive Director) c. Jubilant Pharmova Limited (Non-Executive Director)
Mr. Hari S. Bhartia	3	1	10	2	0	0	a. Jubilant FoodWorks Limited (Non-Executive Director) b. Shriram Pistons and Rings Limited (Independent Director) c. Jubilant Pharmova Limited (Co-Chairman and Managing Director)
Mr. Sushil Kumar Roongta	4	5	0	0	2	5	a. Titagarh Wagons Limited (Independent Director) b. ACC Limited (Independent Director) c. JK Paper Limited (Non-Executive Director) d. Jubilant Pharmova Limited (Independent Director)

Name of Director	No. of Directorships in Other Bodies Corporate				No. of Chairmanships/ Memberships of Committees		Directorships in other listed companies and Category of Directorships
	Public Listed	Public Unlisted	Private	Foreign	Chairmanship	Membership	
Ms. Sudha Pillai	5	4	1	0	3	10	a. Dalmia Bharat Limited (Formerly Odisha Cement Limited) (Independent Director) b. Amber Enterprises India Limited (Independent Director) c. International Travel House Limited (Independent Director) d. Indian Energy Exchange Limited (Independent Director) e. Jubilant Pharmova Limited (Independent Director)
Mr. Arun Seth	3	4	8	0	0	5	a. Narayana Hrudayalaya Limited (Independent Director) b. Jubilant Pharmova Limited (Independent Director) c. Cyber Media (India) Limited (Independent Director)
Mr. Pradeep Banerjee	3	0	1	0	0	5	a. Gabriel India Limited (Independent Director) b. Whirlpool of India Limited (Independent Director) c. Chambal Fertilisers and Chemicals Limited (Independent Director)
Mr. Siraj Azmat Chaudhry	3	1	3	0	1	5	a. Tata Coffee Limited (Independent Director) b. Tata Consumer Products Limited (Independent Director) c. Dhanuka Agritech Limited (Independent Director)
Mr. Priyavrat Bhartia	5	1	9	0	0	7	a. Jubilant Industries Limited (Non-Executive Director) b. HT Media Limited (Non-Executive Director) c. Hindustan Media Ventures Limited (Non-Executive Director) d. Digicontent Limited (Non-Executive Director) e. Jubilant Pharmova Limited (Non-Executive Director)
Mr. Rajesh Kumar Srivastava	0	5	0	0	0	1	-
Mr. Anant Pande	0	3	0	0	0	1	-

Notes:

1. Directorships include Directorships in Section 8 companies.

2. Pursuant to Regulation 26 of the Listing Regulations, Chairmanship/ Membership of the Audit Committee and the Stakeholders Relationship Committee of Indian Public Companies (excluding Section 8 companies), whether listed or not, have been considered. Chairmanship/Membership of the Audit Committee and Stakeholders Relationship Committee held by the Directors in the Company are also included.

(v) Information given to the Board

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

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

(vi) Independent Directors' Meeting

As per the Code of Independent Directors under Schedule IV of the Act and the Regulation 25(3) of the Listing Regulations, a separate meeting of the Independent Directors is required to be held during the year to review the performance of the Non-Independent Directors, the Board as a whole and the Chairman of the Company and to assess the quality, quantity and timeliness of flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform their duties.

The Independent Directors have been appointed on the Board of the Company effective from February 6, 2021. Therefore, during the year, no separate meeting of the Independent Directors was held.

(vii) Familiarisation Programme for Independent Directors

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

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

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

Skills and Expertise of the Board	Mr. Shyam S. Bhartia	Mr. Hari S. Bhartia	Mr. Sushil Kumar Roongta	Ms. Sudha Pillai	Mr. Arun Seth	Mr. Pradeep Banerjee	Mr. Siraj Azmat Chaudhry	Ms. Ameeta Chatterjee	Mr. Priyavrat Bhartia	Mr. Arjun Shanker Bhartia	Mr. Rajesh Kumar Srivastava	Mr. Anant Pande
Deep understanding of Company's business/ strategy and structure	√	√	√	√	√	√	√	√	√	√	√	√
Financial acumen	√	√	√	√	√	√	√	√	√	√	√	√
Knowledge in Accounting and Auditing Standards and tax matters	√	√	√	√				√	√			
Knowledge of the Companies Act, applicable SEBI and Stock Exchange Regulations	√	√	√	√		√	√	√	√	√	√	
Knowledge of Employee Benefit Schemes and matters related to employee hiring / skill development, gender diversity, etc.	√	√	√	√	√	√	√	√	√	√	√	√
Entrepreneurial skills to evaluate risk and rewards and perform advisory role	√	√	√	√	√	√	√	√	√	√		√
Focus on compliance	√	√	√	√	√	√	√	√	√	√	√	√
Understanding of the processes and systems for defining high corporate governance standards	√	√	√	√	√	√	√	√	√	√	√	√
Understanding rights of Shareholders and obligations of the Management	√	√	√	√	√	√	√	√	√	√	√	
Knowledge in global standards on Corporate Sustainability and Sustainability Reporting based on Global Reporting Initiatives (GRI) Standards	√	√	√	√	√	√	√	√	√	√	√	√

Notes:

1. Mr. Arjun Shanker Bhartia has been appointed as Non-Executive Director effective from April 17, 2021.
2. Mr. Ameeta Chatterjee has been appointed as Independent Director effective from April 17, 2021.

(ix) Confirmation of Independence

In the opinion of the Board, Independent Directors fulfil the conditions of independence specified in the Listing Regulations and are independent of the Management of the Company.

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

The Company has obtained a certificate from the Practicing Company Secretary, Mr. Tanuj Vohra, Partner, TVA & Co. LLP, Company Secretaries confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority. The Certificate is attached as **Annexure-A**.

C) COMMITTEES OF THE BOARD

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

The Committees of the Board are:

- Audit Committee
- Nomination, Remuneration and Compensation Committee
- Stakeholders Relationship Committee
- Sustainability & CSR Committee
- Risk Management Committee
- Listing Compliance Committee
- Finance Committee

The Company Secretary officiates as the Secretary of these Committees. Terms of reference, composition, quorum, meetings, attendance and other relevant details of these Committees are as under:

Audit Committee

The Audit Committee primarily constitutes a formal and transparent arrangement for accurate financial reporting and strong internal controls.

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

(i) Terms of Reference

The Audit Committee functions according to its terms of reference that define its authority, responsibility and reporting functions in accordance with the provisions of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations. The terms of reference of the Committee, *inter alia*, include the following:

1. Oversight of the Company's financial reporting process and disclosure of the financial information to ensure that the financial statements are correct, sufficient and credible.

2. Recommendation for appointment, remuneration and terms of appointment of cost auditors and statutory auditors including their replacement or removal.

3. Approval for payment to statutory auditors for any other permitted services rendered by statutory auditors.

4. Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:

    a. Matters required to be included in the Directors' Responsibility Statement forming part of the Board's report;

    b. Changes, if any, in accounting policies and practices and reasons for the same.

    c. Major accounting entries involving estimates based on the exercise of judgement by management.

    d. Significant adjustments made in the financial statements arising out of audit findings.

    e. Compliance with listing and other legal requirements relating to financial statements.

    f. Disclosure of any related party transactions.

    g. Draft auditors' reports including modified opinion(s), if any.

5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

6. Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take steps in this matter.

7. Reviewing and monitoring with the management, independence and performance of statutory and internal auditors, adequacy of internal control systems and effectiveness of the audit processes.

8. Reviewing adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

9. Discussion with internal auditors on any significant findings and follow up thereon.

10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

12. To look into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

13. To review functioning of the Whistle Blower Policy (Vigil Mechanism).

14. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.

15. Approval or any subsequent modification of transactions of the Company with related parties.

16. Scrutiny of inter-corporate loans and investments.

17. Valuation of undertakings or assets of the Company, wherever it is necessary.

18. Evaluation of internal financial controls and risk management system.

19. Review of management discussion and analysis of financial condition and results of operations.

20. Review of management letters/ letters of internal control weaknesses issued by the statutory auditors.

21. Review of internal audit reports relating to internal control weaknesses.

22. Review of financial statements, in particular, investments made by the subsidiary company(ies).

23. Reviewing the utilisation of loans and/ or advances from / investment by the Company in any subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

24. Review compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and verify that the systems for internal controls are adequate and are operating effectively.

25. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

26. Discharge any other duties or responsibilities as may be prescribed by law or as may be delegated by the Board from time to time.

(ii) Composition

As on date, the Audit Committee comprises Mr. Sushil Kumar Roongta, Chairman, Mr. Arun Seth, Mr. Pradeep Banerjee, Mr. Siraj Azmat Chaudhry and Mr. Priyavrat Bhartia.

Invitees

Mr. Rajesh Kumar Srivastava, CEO and Managing Director, Mr. Anant Pande, Whole-time Director, Mr. Arvind Chokhany, Group Chief Financial Officer and Whole-time Director, Jubilant Pharmova Limited, Mr. Prakash Chandra Bisht, Chief Financial Officer and Mr. Rajiv Shah, Company Secretary, Jubilant Pharmova Limited are permanent invitees to the Audit Committee meetings.

The Statutory Auditors, representatives of the Internal Audit firm and Head of the Management Assurance Services Department attend the Committee meetings. The Cost Auditors and other executives, as desired by the Committee, attend the Committee meetings as invitees.

(iii) Meetings, Quorum and Attendance

The Audit Committee has been constituted on February 6, 2021. During the year, no meeting of the Audit Committee was held. The quorum for the meetings is two members or one-third of members whichever is higher including atleast two Independent Directors.

Nomination, Remuneration and Compensation Committee

The Nomination, Remuneration and Compensation ('NRC') Committee functions according to its terms of reference that define its authority, responsibility and reporting functions in accordance with the provisions of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations.

(i) Terms of Reference

The role of the NRC Committee is:

1. To identify persons who are qualified to become directors in accordance with the criteria laid down and recommend to the Board, their appointment/ removal.

2. To identify persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board, their appointment/ removal.

3. Specify manner for effective evaluation of performance of the Board, its committees and Directors and review its implementation and compliance.

4. To formulate the criteria for determining qualifications, positive attributes and independence of a director.

5. Devising a policy on Board diversity.

6. To formulate and recommend to the Board, policies relating to the remuneration of Directors, Key Managerial Personnel and other employees of the Company.

7. To discharge the role envisaged under the SEBI (Share Based Employee Benefits) Regulations, 2014.

8. Recommend to the board, all remuneration, in whatever form, payable to the senior management.

9. Extend or continue the term of appointment of the independent director on the basis of report of the performance evaluation.

10. Discharge any other duties or responsibilities as may be prescribed by law or as may be delegated by the Board from time to time.

(ii) Composition

As on date, the Committee comprises Mr. Pradeep Banerjee, Chairman, Mr. Shyam

S. Bhartia, Mr. Hari S. Bhartia, Ms. Sudha Pillai and Mr. Siraj Azmat Chaudhry.

Invitees

Mr. Arvind Chokhany, Group Chief Financial Officer and Whole-time Director, Jubilant Pharmova Limited and Mr. Rajiv Shah, Company Secretary, Jubilant Pharmova Limited are permanent invitees to the NRC meetings.

(iii) Meetings, Quorum and Attendance

The Nomination, Remuneration and Compensation Committee has been constituted on February 6, 2021. During the year, no meeting of the Nomination, Remuneration and Compensation Committee was held. The quorum for the meetings is two members or one-third of members whichever is higher including atleast one Independent Director.

Stakeholders Relationship Committee

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

(i) Terms of Reference

The role of the Committee is:

1. Resolving grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.

2. Review of measures taken for effective exercise of voting rights by the shareholders.

3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

4. Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company.

5. To discharge any other duties or responsibilities as may be prescribed by law or as may be delegated by the Board from time to time.

(ii) Composition

As on date, the Committee comprises Mr. Siraj Azmat Chaudhry, Chairman, Mr. Sushil Kumar Roongta, Mr. Arun Seth and Mr. Rajesh Kumar Srivastava.

Invitee

Mr. Arvind Chokhany, Group Chief Financial Officer and Whole-time Director, Jubilant Pharmova Limited, Mr. Prakash Chandra Bisht, Chief Financial Officer and Mr. Rajiv Shah, Company Secretary, Jubilant Pharmova Limited are permanent invitees to the meetings of the Committee.

Compliance Officer

Ms. Deepanjali Gulati, Company Secretary and Compliance Officer, officiates as the Secretary to the Committee.

(iii) Meetings, Quorum and Attendance

The Stakeholders Relationship Committee has been constituted on February 6, 2021. During the year, no meeting of the Stakeholders Relationship Committee was held. The quorum for the meetings is two members or one-third of members, whichever is higher.

(iv) Investor Complaints

The Company has not received any complaints during the Financial Year 2020-21.

(v) Transfer/Transmission of shares

The equity shares of the Company got listed on March 19, 2021 on BSE and NSE. No request for transfer/transmission of shares was received by the Company till March 31, 2021.

The Company had 64,860 shareholders as on March 31, 2021

Sustainability & CSR Committee

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

(i) Terms of Reference

The role of the Committee is:

i. **Sustainability:**

To take all steps and decide all matters relating to triple bottom line indicators viz. Economic, Environmental and Social factors.

ii. **CSR:**

- To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013;

- To recommend the Annual Action Plan including amount of expenditure to be incurred on the activities referred to in the CSR Policy and review the same;

- To monitor the CSR Policy including CSR projects/ programmes.

iii. **Business Responsibility Policies:**
To review and implement Business Responsibility policies; and

iv. **Any other role as may be decided by the Board from time to time.**

(ii) Composition

As on date, the Committee comprises Ms. Sudha Pillai, Chairperson, Mr. Shyam S. Bhartia, Mr. Hari S. Bhartia, Mr. Arun Seth, Mr. Sushil Kumar Roongta, Mr. Pradeep Banerjee, Mr. Priyavrat Bhartia and Mr. Rajesh Kumar Srivastava.

Invitees

Mr. Arvind Chokhany, Group Chief Financial Officer and Whole-time Director, Jubilant Pharmova Limited, Mr. Anant Pande, Whole-time Director, Mr. Prakash Chandra Bisht, Chief Financial Officer and Mr. Rajiv Shah, Company Secretary, Jubilant Pharmova Limited are permanent invitees to the meetings of the Committee.

(iii) Meetings, Quorum and Attendance

The Sustainability & CSR Committee has been constituted on February 6, 2021. During the year, no meeting of the Sustainability & CSR Committee was held. The quorum for the meetings is two members or one-third of members, whichever is higher.

Risk Management Committee

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

(i) Terms of Reference

The role of the Committee is:

1. To formulate a Risk Management Policy which shall include:

   i. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

   ii. Measures for risk mitigation including systems and processes for internal control of identified risks.

   iii. Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.

6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

7. To safeguard the shareholders' interests and the Company's assets, and assist the Board in determining the nature and extent of the significant risks, including credit risk, liquidity and funding risk, market risk, product risk and reputational risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks.

8. To receive and review, as and when appropriate, reports from the Company's internal audit function on the results of risk management reviews and assessments as well as all relevant risk reports of the Company.

9. Review the Company's procedures for detection and resolution of the fraud. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

10. To discharge other duties or responsibilities as may be prescribed by law or as may be delegated by the Board from time to time.

(ii) Composition

As on date, the Committee comprises Mr. Arun Seth, Chairman, Mr. Hari S. Bhartia, Ms. Sudha Pillai, Mr. Sushil Kumar Roongta, Mr. Pradeep Banerjee, Mr. Siraj Azmat Chaudhry, Mr. Rajesh Kumar Srivastava and Mr. Prakash Chandra Bisht.

Invitee

Mr. Shyam S. Bhartia, Chairman of the Company, Mr. Arvind Chokhany, Group Chief Financial Officer and Whole-time Director, Jubilant Pharmova Limited, Mr. Anant Pande, Whole-time Director and Mr. Rajiv Shah, Company Secretary, Jubilant Pharmova Limited are permanent invitees to the meetings of the Committee.

(iii) Meetings, Quorum and Attendance

The Risk Management Committee has been constituted on February 6, 2021. During the year, no meeting of the Risk Management Committee was held. The quorum for the meetings is two members or one-third of members whichever is higher including atleast one Independent Directors.

Listing Compliance Committee

The Board has constituted the Listing Compliance Committee which functions according to its terms of reference that define its authority and responsibility which, *inter alia*, include the following:

(i) Terms of Reference

The role of the Committee is:

1. To approve the Information Memorandum and its execution and submission to Stock Exchanges and SEBI.

2. Approval of the Listing and Trading Applications and related documents for submission to Stock Exchanges/ SEBI.

3. Approval for signing of the Listing Agreement with the Stock Exchanges.

4. Approving cancellation of present share capital of ₹ 5 Lac (held by Jubilant Pharmova Limited) and allotment of shares pursuant to the demerger.

5. Approval of newspaper advertisement prescribed under the SEBI Regulations on receipt of SEBI approval for listing of the Company.

6. To authorise such other actions as may be required for listing and facilitating the trading on the Stock Exchanges including authorisation to the Directors, officers or representatives of the Company for completing any of the above actions and for completing listing and trading of shares of the Company on the Stock Exchanges.

(ii) Composition

As on date, the Committee comprises Mr. Shyam S. Bhartia, Chairman, Mr. Hari S. Bhartia, Mr. Rajesh Kumar Srivastava and Mr. Anant Pande.

Invitee

Mr. Rajiv Shah, Company Secretary, Jubilant Pharmova Limited is the permanent invitee to the meeting of the Committee.

(iii) Meetings, Quorum and Attendance

The Committee meets as frequently as circumstances necessitate. The quorum for the meetings is two members. During the year, the Committee met twice i.e. on February 15, 2021 and March 15, 2021.

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

Name of the Committee Member	Meetings held during tenure	Meetings attended
Mr. Shyam S. Bhartia	2	2
Mr. Hari S. Bhartia	2	2
Mr. Rajesh Kumar Srivastava	2	2
Mr. Anant Pande	2	2

Finance Committee

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

(i) Terms of Reference

1. Financial assistance from the Consortium Banks including apply, accept, renew, review and avail and finalise with Consortium of Banks and/or such other Banks the fund based and non-fund based facilities in terms of the working capital cash credit facilities, FCNR(DL), EPC etc. within the WCDL enjoyed from the said Consortium Banks and revise the terms and conditions from time to time in terms of Reserve Bank of India's guidelines.

2. Financial assistance by way of Term Loans, NCD's and under various Schemes viz. Asset Credit Scheme, Equipment Finance Scheme, Suppliers Credit Scheme, Buyers Credit Scheme, FCNR, Working Capital Term Loans, Factoring of Receivables, Discounting of Bills, Equipment Credit Scheme, any other funding methods/ schemes etc with Financial Institutions, Banks, NBFC, Mutual Funds, Insurance Company, Body Corporate, Trust or any other Lender, in India or abroad in Indian Rupees or Foreign Currency.

3. Renewal/Roll over of Financial facilities availed by the Company from SIDBI/Financial Institutions /Banks /Mutual Funds and/or or such other institutions including apply, accept, renew, review, avail and finalise with them the terms and conditions of renewal of facilities, Short term Loans/Deposits etc. and revise the terms and conditions from time to time.

4. Finalise with other Bodies Corporate to accept and place intercorporate deposits and other matters related thereto.

5. Short Term Loans/Deposits/ Intercorporate Deposits, any other short term Financial Assistance from Financial Institutions/ Banks and other Bodies Corporate/ NBFCs, Mutual Funds, Insurance Company or any other Lender, in India or abroad in Indian Rupees or Foreign Currency.

6. To negotiate, finalise and settle with Financial Institutions, Banks, NBFC, Mutual Funds, Insurance Company, Body Corporate, Trust or any other Lender, in India or abroad in Indian Rupees or Foreign Currency and to execute all deeds and documents for creating the mortgage(s) and/ or charges in their favour and to do all such acts, deeds and things, in the manner as may be necessary or proper.

7. To give corporate guarantees to banks/ financial institutions for financial assistance availed by wholly-owned subsidiaries.

8. To give loans to, make investments in and provide guarantee/ security to wholly-owned subsidiaries or any other person/ body corporate up till the limit authorised under Section 186 of the Companies Act, 2013.

9. To issue commercial papers.

10. Any other power delegated to the Committee by the Board from time to time.

(ii) Composition

As on date, the Committee comprises Mr. Shyam S. Bhartia, Chairman, Mr. Hari S. Bhartia, Mr. Priyavrat Bhartia and Mr. Rajesh Kumar Srivastava.

Invitee

Mr. Arvind Chokhany, Group Chief Financial Officer, and Whole-time Director, Jubilant Pharmova Limited, Mr. Prakash Chandra Bisht, Chief Financial Officer and Mr. Rajiv Shah, Company Secretary, Jubilant Pharmova Limited, are the permanent invitees to the meetings of the Committee.

(iii) Meetings, Quorum and Attendance

The Committee meets as frequently as circumstances necessitate. The quorum for the meetings is two members. During the year, the Committee met once i.e. on February 6, 2021. All members attended the meeting.

D) PERFORMANCE EVALUATION AND ITS CRITERIA

Pursuant to the provisions of the Act, the Listing Regulations and the Performance Evaluation Policy of the Company, the Board needs to carry out the annual evaluation of the performance of the Board, its Committees, Chairman and Individual directors.

The Board has been re-constituted effective from February 6, 2021. The annual evaluation of Board's performance, its Committees, Chairman and Directors will be carried out effective from the Financial Year 2021-22.

E) REMUNERATION OF DIRECTORS

The details of remuneration paid to Executive and Non-Executive Directors during the Financial Year 2020-21 are given below:

(i) Remuneration to CEO and Managing Director/ Whole-time Director

(Amount in ₹)

Sr. No.	Particulars	Mr. Rajesh Kumar Srivastava, CEO and Managing Director (February 6, 2021 to March 31, 2021)	Mr. Anant Pande, Whole-time Director (February 6, 2021 to March 31, 2021)
1	Salary	22,01,342	13,61,026
2	Commission Payable (as a % of profit)	-	-
3	House Rent Allowance	13,20,805	8,16,616
4	Contribution to Provident Fund	2,64,161	1,63,323
5	Gratuity	-	-
6	Leave Encashment	-	-
7	Perquisite Value of Stock Options	-	-
8	Allowances/ Perquisites	12,99,505	8,94,053
9	Variable pay	-	-
	Total	**50,85,813**	**32,35,018**

Note: Remuneration comprises salary, allowances, commission, perquisites/ taxable value of perquisites, etc.

Service Contracts, Notice Period and Severance Fees

Appointments of CEO and Managing Director and Whole-time Director are contractual. Appointment of CEO and Managing Director and Whole-time Director are terminable on 3 months' notice or by payment of Basic Salary in lieu thereof. No severance fee is payable to CEO and Managing Director and Whole-time Director.

(ii) Remuneration to Non-Executive Directors

During the year, no commission and sitting fees was paid to the Non-Executive Directors.

Details of Equity Shares held by the Non-Executive Directors in the Company as on March 31, 2021 are given in the table below:

Name of Director	No. of Equity Shares of ₹ 1 held
Mr. Shyam S. Bhartia	13,99,925
Mr. Hari S. Bhartia	3,60,885
Mr. Sushil Kumar Roongta	Nil
Ms. Sudha Pillai	Nil
Mr. Arun Seth	2,000
Mr. Pradeep Banerjee	Nil
Mr. Siraj Azmat Chaudhry	Nil
Mr. Priyavrat Bhartia	3,085

Other than holding shares indicated above, the Non-Executive Directors did not have any pecuniary relationship or transactions with the Company during the year.

F) GENERAL BODY MEETINGS

(i) Date, time and location of the Annual General Meetings (AGM) held since incorporation.

Financial Year	Date	Time	Location
2019-20 (1st AGM)	December 1, 2020	05:00 p.m	Registered Office: Bhartiagram, Gajraula, District Amroha – 244 223, Uttar Pradesh

No Special Resolution was passed at the 1st Annual General Meeting of the Company.

(ii) Special Resolutions passed through Postal Ballot in Financial Year 2020-21

No Special Resolution has been passed through Postal Ballot during the Financial Year 2020-21.

(iii) Whether any Special Resolution is proposed to be passed through Postal Ballot

Special Resolution(s) as may be necessary under the Act and/ or the Listing Regulations would be passed through Postal Ballot.

(iv) Procedure for Postal Ballot

- In accordance with the MCA Circular No. 14/2020 dated April 8, 2020 read with General Circular Nos.17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020 and 39/2020 dated December 31, 2020 and applicable provisions of the Act and the Listing Regulations, during the COVID-19 pandemic, the notices containing the proposed resolutions and explanatory statement are sent in electronic mode to the shareholders whose e-mail address is registered with the Company or the Depository Participant(s).
- The communication of assent / dissent by the Shareholders through the remote e-voting received within 30 days of sending the notice are considered by the Scrutiniser;
- The Scrutiniser submits his report to the Chairman/ Co-Chairman of the Company or a person authorised by them, who on the basis of the report, announces the results; and
- The Company has entered into an agreement with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') for providing e-voting facility to its shareholders. Under this facility, shareholders are provided an electronic platform to participate and vote on the resolutions to be passed through Postal Ballot.

G) CODES AND POLICIES

The Company has established a robust framework of Codes and Policies that facilitates and reflects adoption of good governance practices. The salient Codes and Policies adopted by the Company are mentioned below:

i. Code of Conduct for Directors and Senior Management

The Company has formulated and implemented a Code of Conduct for the Board members and Senior Management. Requisite annual affirmations of compliance with the Code of Conduct have been received from the Directors and Senior Management of the Company. A declaration to this effect signed by Mr. Rajesh Kumar Srivastava CEO and Managing Director is enclosed as **Annexure-B**. The Code of Conduct is posted on the Company's website www.jubilantingrevia.com.

ii. Code of Conduct for Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities of the Company by the Designated Persons. During the year, the Code of Conduct has been adopted by the Board, pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 (the 'SEBI Insider Trading Regulations'), as amended. The Company has also implemented the Policy and Procedure for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information ('UPSI'), pursuant to the SEBI Insider Trading Regulations.

Dealing in the shares of the Company by the Designated Persons is effectively monitored for ensuring compliance with the Code. Report on dealing in the shares of the Company by the Designated Persons is placed before the Chairman of the Audit Committee and the Board on a quarterly basis. Pursuant to the SEBI Insider Trading Regulations, the Company has established a Structured Digital Database with adequate internal controls and checks such as time stamp and audit trails. The Company has also established effective internal controls to ensure compliance with the SEBI Insider Trading Regulations. These internal controls are reviewed annually by the Audit committee and the Board of Directors to ensure effectiveness of such controls.

iii. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

The Company has adopted a Code of Practices and Procedures for Fair Disclosure of UPSI with a view to facilitate prompt, uniform and universal dissemination of UPSI. The Code also includes the Policy for Determination of Legitimate Purposes. The Code is posted on the Company's website www.jubilantingrevia.com.

iv. Policy for Determining Materiality of Events and Information

The Company has adopted the Policy for Determining Materiality of Events and Information. This policy aims to ensure timely and adequate disclosure of all material and price sensitive information to the Stock Exchanges. The Policy is displayed on the Company's website www.jubilantingrevia.com.

v. Whistle Blower Policy

Jubilant has a robust Whistle Blower Policy and Ombudsman Process to make the workplace at Jubilant conducive to open communication regarding business practices. It enables the Directors and full time employees to voice their concerns or disclose or report fraud, unethical behaviour, violation of the Code of Conduct, questionable accounting practices, grave misconduct, etc. without fear of retaliation/ unlawful victimisation/ discrimination which is a sine qua non for an ethical organisation.

The Whistle Blower Policy has been posted on the Company's website www.jubilantingrevia.com. The Audit Committee periodically reviews the functioning of the Policy and the Ombudsperson Process. During the year, no Director or full time employee was denied access to the Chairman of the Audit Committee.

vi. Appointment and Remuneration Policy

The Company has a Policy on appointment and remuneration of Directors, Key Managerial Personnel ('KMP') and Senior Management/ other employees ('Employees') of the Company. The Policy aims to ensure that the persons appointed as Directors, KMPs and Employees possess the requisite qualifications, experience, expertise and attributes commensurate to their positions and level and that the remuneration of such persons is fair, reasonable and sufficient to attract, retain and motivate the personnel to manage the Company successfully. The Policy contains, *inter alia*, provisions pertaining to qualification, attributes and process of their appointment and removal as well as remuneration. The Policy is displayed on the Company's website and web-link for the same is: https://jubilantingrevia.com/investors/corporate-governance/policies-and-codes/appointment-and-remuneration-policy

vii. Policy for Determining Material Subsidiaries

Policy for Determining Material Subsidiaries is displayed on the Company's website. The web-link for the same is: https://jubilantingrevia.com/investors/corporate-governance/policies-and-codes/policy-for-determining-material-subsidiaries.

viii. Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions

Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions is displayed on the Company's website. The web-link for the same is: https://jubilantingrevia.com/investors/corporate-governance/policies-and-codes/policy-on-rpts.

ix. Dividend Distribution Policy

The Company has formulated and implemented the Dividend Distribution Policy in accordance with the Listing Regulations. The Policy is displayed on the Company's website. The web-link for the same is: https://www.jubilantingrevia.com/investors/corporate-governance/policies-and-codes/dividend-distribution-policy.

x. Policy for Preservation of Documents

The Company has a Policy for Preservation of Documents. The Policy facilitates preservation of documents in compliance with the laws applicable to various functions and departments of the Company.

xi. Archival Policy

The Company has an Archival Policy that lays down the process and manner of archiving the disclosures made to the Stock Exchanges under the Listing Regulations. The Policy provides that such disclosures shall be hosted on the website of the Company for a period of five years from the date of disclosure to the Stock Exchanges. The Policy also lays down the manner of archiving these disclosures after the period of 5 years. The Policy has been posted on the Company's website www.jubilantingrevia.com.

xii. Corporate Social Responsibility Policy is displayed on the Company's website www.jubilantingrevia.com.

xiii. Risk Management Policy.

xiv. Policy on Board Diversity.

xv. Succession Plan for Board Members and Senior Management.

xvi. Performance Evaluation Policy.

xvii. Code of Conduct for Employees.

xviii. Policy for Prevention of Sexual Harassment.

H) DISCLOSURES

(i) There are no materially significant transactions with the related parties viz. promoters, directors, their relatives or the management, subsidiaries, etc. that may have a potential conflict with the interests of the Company at large. Related Party Transactions are given at Note No. 38 to the Standalone Financial Statements;

(ii) The Company has complied with various Rules and Regulations on matters relating to capital markets prescribed by the Stock exchanges, SEBI and other statutory authorities. Since incorporation of the Company, no penalties or strictures have been imposed by them on the Company.

(iii) Listing fees for the Financial Year 2021-22 have been paid to the Stock Exchanges on which securities of the Company are listed;

(iv) Detailed note on the risk management is included in the Management Discussion and Analysis section;

(v) Commodity Price Risks/ Foreign Exchange Risk and Hedging Activities: Your Company was exposed to foreign exchange risks on its import of raw materials/ trading goods/ capital items, export receivables and borrowings denominated in foreign exchange during the Financial Year 2020-21.

The Company did not use any derivative financial instruments or other hedging techniques to cover the potential exposure, as the net foreign currency exposure is not significant Structurally and current exposure is caused by substantial increase in imported Raw Material prices.

As per the Company's Policy for Determination of Materiality of Events and Information, your Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

(vi) Fees paid to Statutory Auditors: The Company and its subsidiaries have paid aggregate fees of ₹ 4.6 Million to the Statutory Auditors and its network firms/ entities for audit and non-audit services availed during the Financial Year 2020-21;

(vii) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under:

Sr. No.	Particulars	Details
1	Number of complaints filed during the Financial Year 2020-21	Nil
2	Number of complaints disposed of during the Financial Year 2020-21	Nil
3	Number of complaints pending as on end of the Financial Year 2020-21	Nil

(viii) The Company has complied with the requirements pertaining to Corporate Governance specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

I) MEANS OF COMMUNICATION

(i) The quarterly results are regularly submitted to the Stock Exchanges and are published in leading business newspaper of the country 'Mint' and regional newspaper 'Hindustan' in compliance with the Listing Regulations.

(ii) The official news releases including the quarterly, half yearly and annual results and presentations are posted on the Company's website www.jubilantingrevia.com.

(iii) Various sections of the Company's website www.jubilantingrevia.com keep the investors updated on material developments of the Company by providing key and timely information like details of Directors, financial information, press releases, presentations, stock information, etc.

(iv) Regular communications are sent to shareholders including e-mailing of quarterly results and press release just after release to the Stock Exchanges, e-mailing of Annual Reports and Corporate Sustainability Reports.

(v) Online feedback form is placed on the website of the Company to enable the shareholders to provide feedback about shareholder services.

(vi) The Company diligently works towards excellence in stakeholder communication. It believes in sharing all material information that may directly or indirectly affect the financial and operational performance of the Company and consequently the share price.

A detailed docket on the financials and business highlights is released to the stock exchanges after the Board approves the results every quarter. The Company also hosts a quarterly conference call to share the financial results of the Company along with discussion on the performance of the businesses by the leadership team. This is followed by question and answer session such that whosoever has a question for the management can raise it in the forum. Post Demerger of the LSI business of Jubilant Pharmova Limited into the Company, we conducted

1 conference call during the Financial year 2020-21, wherein there were substantial participants from leading brokerage houses, foreign and domestic institutional investors, banks, insurance, portfolio management companies and rating agencies, besides media and others logged into the conference to listen to the management's discussion and analysis. Transcripts of the conference calls are also made available on the Company's website. The Company, as a process, disseminates material information on specific business updates through business or press releases, as appropriate.

J) GENERAL SHAREHOLDER INFORMATION

(i) Date, time and venue of 2nd Annual General Meeting

As per the notice of 2nd Annual General Meeting.

(ii) Financial Year and Financial Calendar

The Company observes April 1 to March 31 as its Financial Year. The Financial Calendar for the year 2021-22 is as follows:

Item	Tentative Dates*
First Quarter Results	Tuesday, July 20, 2021
Second Quarter Results	Tuesday, October 19, 2021
Third Quarter Results	Tuesday, February 1, 2022
Audited Annual Results for the year	Tuesday, May 17, 2022

*As approved by the Board. These dates are subject to change.

(iii) Dividend Payment Dates

As per the notice convening the 2nd Annual General Meeting, the Dividend, if declared, will be paid within 30 days from the date of the Annual General Meeting.

(iv) Listing

The names of the Stock Exchanges at which the securities of the Company are listed and the respective stock codes are as under:

Sr. No.	Name and Address of the Stock Exchange	Security Listed	Stock Code
1.	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	Equity Shares	543271
2.	National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	Equity Shares	JUBLINGREA

(v) Market Information

The trading in the shares of the Company commenced on the Stock Exchanges effective from March 19, 2021.

During the period of March 19, 2021 to March 31, 2021, the highest and lowest share price on BSE was ₹ 299.00 and ₹ 243.60, respectively per share of ₹ 1 each. The highest and lowest share price on NSE during the said period was ₹ 296.20 and ₹ 241.30, respectively.

(vi) As trading on equity shares of the Company commenced on the Stock exchanges effective from March 19, 2021, monthly graph pertaining to performance of the Company's equity shares vis-à-vis BSE Sensex for FY 2021 is not applicable.

(vii) Compliance Officer

Ms. Deepanjali Gulati, Company Secretary, is the Compliance Officer. She can be contacted for any investor related matter relating to the Company. Her contact no. is +91-120-4361000; Fax no. +91-120-4234895 and e-mail ID is investors.ingrevia@jubl.com.

(viii) Debenture Trustee

Axis Trustee Services Limited is the debenture Trustee for the 1,000 Secured, Rated, Listed, Redeemable, Non-Convertible Debentures aggregating to ₹ 100 crores. The details of Debenture Trustee are given below:

Registered office: Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai-400025

Branch office: 2nd Floor, Plot No 25, Pusa Road, Karol Bagh, New Delhi–110005

Email: kamal.paul@axistrustee.com

(ix) Registrar and Transfer Agent

For securities related matters, investors are requested to correspond with the Company's Registrar and Transfer Agent - Alankit Assignments Limited quoting their Folio No. / DP ID & Client ID at the following address: Alankit Assignments Limited (Unit: Jubilant Ingrevia Limited), 205-208 Anar Kali Complex, Jhandewalan Extension, New Delhi-110055; Tel: +91-11-42541234; E-mail: rta@alankit.com.

(x) Share Transfer System

Trading in equity shares of the Company is permitted only in dematerialised form. The dematerialised shares are directly transferred by the depositories to the beneficiaries. Members holding shares in physical form are, therefore, advised to convert their shares in dematerialised form.

(xi) Shareholder Satisfaction Survey

The Company offers the facility of online survey to assess the shareholders' satisfaction level for the investor services rendered by the Company. The shareholders can submit their feedback for investor services on the following parameters by accessing the web-link: https://jubilantingrevia.com/investors/investor-feedback-form

1. Timely receipt of Annual Report, Dividend & other documents/ correspondence
2. Quality & contents of Annual Report
3. Dissemination of information about the Company
4. Response time & satisfaction level experienced
5. Interaction with the Company officials
6. Interaction with Registrar & Transfer Agent
7. Investor service section of the Company's website
8. Overall rating of our investor services

The Shareholders are asked to give one of the following four possible ratings to each of the above criteria:

- Outstanding
- Very Good
- Good
- Poor

(xii) Distribution of Shareholding as on March 31, 2021

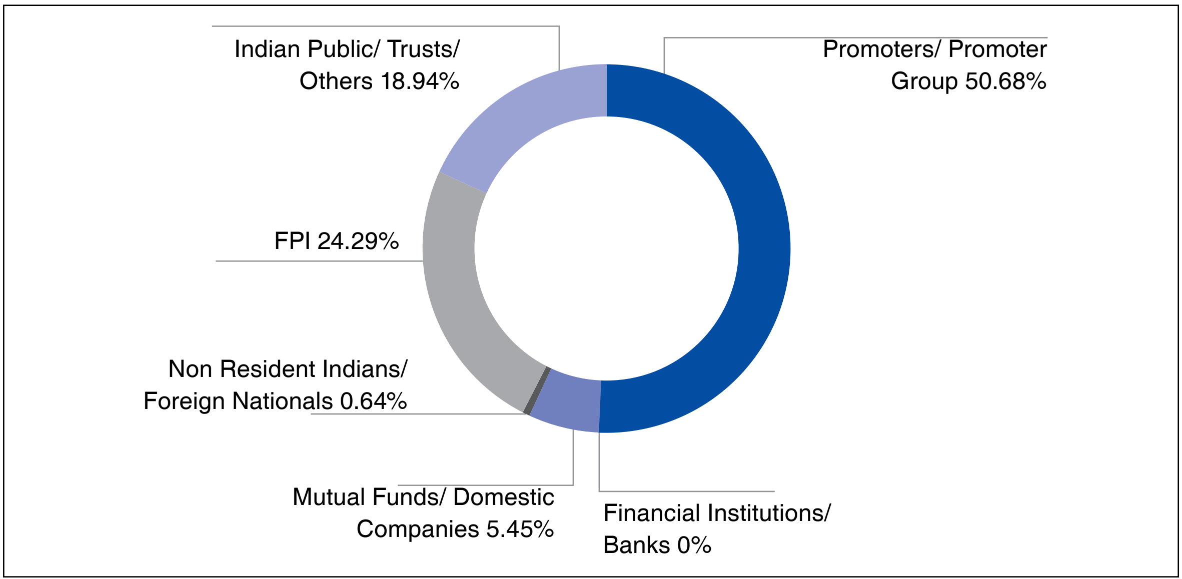
(a) Value wise

Shareholding of Nominal Value in ₹	Shareholders		Shareholding	
	Number	% of Total	Number	% of Total
Upto 5,000	64,217	99.00	12,590,542	7.91
5,001 to 10,000	272	0.42	2,024,881	1.27
10,001 to 20,000	134	0.21	1,919,117	1.20
20,001 to 30,000	55	0.09	1,360,766	0.85
30,001 to 40,000	24	0.04	824,180	0.52
40,001 to 50,000	23	0.03	1,064,667	0.67
50,001 to 100,000	44	0.07	2,995,589	1.88
100,001 and above	91	0.14	136,501,397	85.70
Total	**64,860**	**100.00**	**159,281,139**	**100.00**

(b) Category wise

Sr. No.	Category	No. of Shares	Shareholding as a Percentage of Total Number of Shares
A	Promoters & Promoter Group	80,717,056	50.68
B	Public Shareholding:		
	1. Financial Institutions/ Banks	3,115	0.00
	2. Mutual Funds/ Domestic Companies	8,684,862	5.45
	3. Non Resident Indians/ Foreign Nationals	1,026,236	0.64
	4. FPI	38,681,384	24.29
	5. Indian Public/ Trusts/ Others	30,168,486	18.94
Grand Total		**159,281,139**	**100.00**

Graphic depiction of the shareholding:



(xiii) Unclaimed Dividends

No amount is due to be transferred to the Unclaimed Dividend Account.

(xiv) Compliance Certificate of Practicing Company Secretary

The Company has obtained a certificate from the Practicing Company Secretary, Mr. Tanuj Vohra, Partner, TVA & Co. LLP, Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated in Schedule V(E) of the Listing Regulations. The Certificate is attached as **Annexure-C**.

(xv) (a) Dematerialisation of Shares

The equity shares of the Company fall under the category of compulsory delivery in dematerialised mode by all categories of investors. The Company has signed agreements with NSDL and CDSL for dematerialisation connectivity. As on March 31, 2021, 158,555,587 Equity Shares of the Company (99.54% of the Paid-up capital) were in dematerialised form.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's equity shares is INE0BY001018.

(b) Liquidity

The equity shares of the Company are frequently traded on the NSE as well as on BSE and are, presently, in the category of Group B scrips on BSE.

(xvi) Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity

(a) As on March 31, 2021, no FCCBs / GDRs / ADRs / Warrants or convertible instruments were outstanding.

(b) Paid-up Share Capital

The Paid-up Share Capital as on March 31, 2021 stands at ₹159,281,139 comprising of 159,281,139 equity shares of ₹ 1 each.

(xvii) Location of the Manufacturing Facilities

Uttar Pradesh
Bhartiagram, Gajraula, District Amroha - 244 223
Gujarat
Block 133, Village Samlaya, Taluka Savli, District Vadodara – 391 520
Plot No. P1-L1, P1-L13 to L16, P1-L19 (Jubilant SEZ, Plot No-5), Vilayat GIDC, Taluka Vagra, District Bharuch - 392 012
Maharashtra
Village Nimbut, Railway Station Nira, Taluka - Baramati, District Pune - 412 102
B-34, Vadolgaon, MIDC, Behind Reliance Petrol Pump, Ambernath(W) - 421 501, District Thane
N-34, MIDC Anand Nagar, Addl. Ambernath, Ambernath (E) - 421 506, District Thane

(xviii) R&D Centre

Bhartiagram, Gajraula, District Amroha - 244 223, Uttar Pradesh

(xix) Address for Correspondence

Jubilant Ingrevia Limited
1A, Sector 16A
Noida - 201 301, Uttar Pradesh
Tel: +91-120-4361000
Fax: +91-120-4234895
E-mail: investors.ingrevia@jubl.com
Website: www.jubilantingrevia.com

(xx) Corporate Identification Number (CIN)

L24299UP2019PLC122657

(xxi) Details of Credit Ratings obtained by the Company alongwith revisions thereof during the year are mentioned below:

No Credit Rating was obtained during the Financial Year 2020-21.

(xxii) Equity Shares in Suspense Account

Details of outstanding shares in the Unclaimed Suspense Account:

Particulars	Number of Shareholders	Number of
EQUITY SHARES		
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on April 1, 2020	Nil	Nil
Number of shareholders who approached the Company for claiming shares from the Unclaimed Suspense Account during 2020-21	Nil	Nil
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during 2020-21	Nil	Nil
Number of shares transferred to Investors Education and Protection Fund during 2020-21	261	2,19,730
Aggregate number of shareholders and outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2021	261	2,19,730

Notes:

1 The voting rights on the shares lying in Jubilant Ingrevia Limited-Unclaimed Suspense Account shall remain frozen till the rightful owners of such shares claim the shares.

2. These shares were transferred in Jubilant Ingrevia Limited- Unclaimed Suspense Account pursuant to the Composite Scheme of Arrangement

K) COMPLIANCE WITH THE REGULATIONS RELATED TO CORPORATE GOVERNANCE IN THE LISTING REGULATIONS

(a) Mandatory Requirements

The Company is complying with the mandatory requirements relating to Corporate Governance as prescribed in the Listing Regulations.

(b) Extent to which Non-Mandatory requirements have been adopted

The status of adoption of non-mandatory requirements as specified in Regulation 27(1) read with Part E of Schedule II to the Listing Regulations is given below:

1. The Board

Non-Executive Chairman's Office

The Chairman is Non-Executive Promoter Director.

2. Shareholders' Rights

Quarterly and year to date results along with press releases are sent to those shareholders whose e-mail addresses are available with the Company.

3. Modified opinion(s) in the audit reports

Audit Reports on the Financial Statements of the Company do not contain any modified opinion.

4. Reporting of Internal Auditors

Internal Auditors report to the Audit Committee.

(c) CEO/CFO Certification

In compliance with Regulation 17(8) read with Schedule II(B) of the Listing Regulations, a declaration by CEO and Managing Director and Chief Financial Officer ('CEO-CFO'), is enclosed as **Annexure-D** which, *inter alia*, certifies to the Board about accuracy of the financial statements and adequacy of internal controls for the financial reporting purpose.

For and on behalf of the Board

	Shyam S. Bhartia	**Hari S. Bhartia**
Place: Noida	*Chairman*	*Co-Chairman*
Date: June 7, 2021	(DIN: 00010484)	(DIN: 00010499)

Annexure-A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
JUBILANT INGREVIA LIMITED
CIN: L24299UP2019PLC122657
Bhartiagram, Gajraula,
District Amroha – 244223,
Uttar Pradesh, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Jubilant Ingrevia Limited (CIN: L24299UP2019PLC122657) having registered office at Bhartiagram, Gajraula, District Amroha - 244223, Uttar Pradesh, India (hereinafter referred to as 'the Company') and produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers and the representations made by the management, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

S. No.	Name of Director	DIN	Date of appointment
1.	Mr. Shyam S. Bhartia	00010484	06/02/2021
2.	Mr. Hari S. Bhartia	00010499	06/02/2021
3.	Ms. Sudha Pillai	02263950	06/02/2021
4.	Mr. Sushil Kumar Roongta	00309302	06/02/2021
5.	Mr. Arun Seth	00204434	06/02/2021
6.	Mr. Pradeep Banerjee	02985965	06/02/2021
7.	Mr. Siraj Azmat Chaudhry	00161853	06/02/2021
8.	Mr. Priyavrat Bhartia	00020603	06/02/2021
9.	Mr. Rajesh Kumar Srivastava	02215055	23/10/2019 Re-designated as CEO and Managing Director effective from February 6, 2021 for a period of 5 years
10.	Mr. Anant Pande	08186854	23/10/2019 Re-designated as Whole-time Director effective from February 6, 2021 for a period of 5 years

It is solemnly the responsibility of Directors to submit relevant declarations and disclosures with complete and accurate information in compliance with the relevant provisions. Further, ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **TVA & Co. LLP**
Company Secretaries

Tanuj Vohra
Partner
M. No.: F5621
C.P. No.: 5253
UDIN: F005621C000421432
RP L2015UP000900

Date: June 7, 2021
Place: Delhi

Annexure-B

TO WHOMSOEVER IT MAY CONCERN

This is to confirm that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company for the year ended March 31, 2021.

For **Jubilant Ingrevia Limited**

Rajesh Kumar Srivastava
CEO and Managing Director

Place: Noida
Date: June 7, 2021

Annexure-C

CERTIFICATE BY PRACTICING COMPANY SECRETARY ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER SCHEDULE V(E) OF THE LISTING REGULATIONS

To,
The Members of
Jubilant Ingrevia Limited
CIN: L24299UP2019PLC122657
Bhartiagram, Gajraula,
District Amroha – 244223,
Uttar Pradesh, India

1. We have examined the compliance of the conditions of Corporate Governance by Jubilant Ingrevia Limited (the 'Company') for the Financial Year ended on March 31, 2021, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to the review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. In our opinion and to the best of our information and according to the explanations given to us and the representation made by the directors and the management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **TVA & Co. LLP**
Company Secretaries

Tanuj Vohra
Partner
M. No.: F5621
C.P. No.: 5253
UDIN: F005621C000419100
RP L2015UP000900

Date: June 7, 2021
Place: Delhi

Annexure-D

CERTIFICATE OF CEO - CFO

This is to certify that:

A. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2021 and that to the best of our knowledge and belief:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit Committee:

1. significant changes in internal control over financial reporting during the year;

2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Jubilant Ingrevia Limited**

Place: Noida
Date : June 7, 2021

Rajesh Kumar Srivastava
CEO and Managing Director

Prakash Chandra Bisht
Chief Financial Officer

Business Responsibility Report

The Directors are pleased to present the 1st Business Responsibility ('BR') Report of Jubilant Ingrevia Limited (the 'Company' or 'Jubilant Ingrevia') for the Financial Year ended March 31, 2021. Pursuant to the Composite Scheme of Arrangement (the 'Scheme'), the Life Science Ingredients (the 'LSI') business of Jubilant Pharmova Limited (name of Jubilant Life Sciences Limited changed to Jubilant Pharmova Limited effective from February 1, 2021-'Transferee Company'/ 'Demerged Company') was demerged and vested with the Company effective from February 1, 2021 on going concern basis.

Before the Scheme became effective, a comprehensive Sustainability Report following Global Reporting Initiative ('GRI') Sustainability Reporting Standards covering the LSI business was annually published by the Demerged Company following the latest GRI Standards.

The details on the aspects discussed in this Report are available in the Company's Sustainability Report for the FY 2021. The Sustainability Report of the Company is available on the Company's website www.jubilantingrevia.com.

COMMITMENT TO SUSTAINABLE AND INCLUSIVE GROWTH

Jubilant Ingrevia's continued focus on sustainability aims at improving stakeholders' value through optimum use of capital and natural resources. Our Promise of Caring, Sharing, Growing is the essence of our activities that are directed towards sustainable growth. Jubilant Ingrevia's approach to sustainable development focuses on the triple bottom line of Economic, Environment and Social performance. We are committed and working on various areas of energy conservation, climate change mitigation and water conservation measures. Before demerger of the LSI business into the Company, the sustainability performance of the LSI business was covered under Sustainability Report of Jubilant Pharmova Limited. From current year separate consolidated Sustainability Report is prepared & published for the Company covering the LSI business and other subsidiaries of the Company. Sustainability efforts of the LSI business are being reported through Corporate Sustainability Report of Jubilant Pharmova Limited since 2003. Sustainability Report for the FY 20 covering the LSI business was prepared for Jubilant Pharmova Limited following the latest GRI Standards in accordance with the 'Comprehensive' option and was assured by Ernst & Young Associates LLP. We additionally received the Content Index Services logo from GRI making our report more credible and transparent. The Sustainability Report of the Company for the FY 21 is prepared on the similar lines. This reflects our commitment towards sustainable development and continued efforts directed towards protecting the environment wherever we operate.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L24299UP2019PLC122657
2. Name of the Company	Jubilant Ingrevia Limited
3. Registered Address	Bhartiagram, Gajraula, District Amroha-244 223, Uttar Pradesh, India
4. Website	www.jubilantingrevia.com
5. E-mail Address	anant.pande@jubl.com
6. Financial Year Reported	2020-21
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Basic Organic Chemicals (2011)
8. List three key products / services that the Company manufactures / provides (as in balance sheet)	(i) Organic Chemicals including specialty chemicals and its intermediates (ii) Dry and aqueous choline chloride (iii) Feed Premixes
9. Total number of locations where business activity is undertaken by the Company	
(a) Number of International Locations (Provide details of major 5)	The Company's businesses and operations are spread across the Country. Details of plant locations of the Company are provided in the section 'General Shareholder Information' in the Corporate Governance Report forming part of the Annual Report.
(b) Number of National Locations	
10 Markets served by the Company – Local/State/National/International	The Company's products have both national and international presence.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (in ₹)	159.28 million
2. Total Turnover (in ₹)	6,689 million
3. Total profit after taxes (in ₹)	386 million
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Nil
5. List of activities in which expenditure in 4 above has been incurred:	N.A

SECTION C: OTHER DETAILS

1. Does the Company has any Subsidiary Company/ Companies?

Yes, the Company has 5 Subsidiaries as on March 31, 2021.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, indicate the number of such subsidiary company(s).

BR Report includes sustainability performance of Jubilant Infrastructure Limited, the subsidiary of the Company which have impact on the sustainability performance of the organisation.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Jubilant Ingrevia does engage with all its key stakeholders (e.g. suppliers, employees, investors, community, etc.) and take note of their concerns while designing its business strategy. The Company also communicates its BR policies and approaches to the concerned stakeholders from time to time. For example, holding Suppliers' Meet, publication of Annual Sustainability Report, Customer CSR Assessment, etc. The Green Supply Chain Policy is an example of engaging our suppliers in Jubilant Ingrevia's business responsibility journey. The percentage of such stakeholders is < 30%.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

The Board has assigned implementation of the BR Policies to the Sustainability & CSR Committee of the Board.

(b) Details of the BR Head

Name	Mr. Anant Pande
Designation	Whole-time Director
Director Identification Number	08186854
Phone Number	+91-120-4361000
Email ID	anant.pande@jubl.com

2. (a) Principle-wise (as per NVGs) BR Policy/ Policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs have adopted nine areas of BR. These are as follows:

Principle 1: (P1)	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2: (P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3: (P3)	Businesses should promote the well-being of all employees
Principle 4: (P4)	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
Principle 5: (P5)	Businesses should respect and promote human rights
Principle 6: (P6)	Businesses should respect, protect and make efforts to restore the environment
Principle 7: (P7)	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8: (P8)	Businesses should support inclusive growth and equitable development
Principle 9: (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner

(b) Details of compliance (Reply in Y/N)

	Principle-wise Policies	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The relevant policies have evolved over a period of time by taking inputs from the concerned internal stakeholders. The Company engages with the key external stakeholders on a regular basis and their concerns are noted and discussed internally which help in shaping our policies.								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All applicable national and international laws as well as international conventions are captured in the policies articulated by the Company. In addition, they reflect the purpose and intent of the United Nations Global Compact (UNGC) principles and Sustainable Development Goals (SDGs), GRI standards and international standards such as ISO 14001, ISO 9001, ISO 22000, ISO 50001, RC 14001, ISO 45001 and others.								

	Principle-wise Policies	P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies are approved by the Board/Competent Authority to which the requisite authority has been delegated by the Board.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Company has set-up various Committees of the Board or of Senior Executives to oversee implementation of these policies. Sustainability & CSR Committee is one such committee which will review Sustainability and CSR performance of the Company on a half-yearly basis.								
6	Indicate the link for the policy to be viewed online?	All employee related policies are uploaded on the intranet portal of the Company for communication and implementation. Other policies are uploaded on the Company's website www.jubilantingrevia.com.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Policies are communicated to the relevant stakeholders through Company website, meetings, emails, annual report, etc.								
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

List of Existing Policies

Following are the key policies which provide broad guidelines for smooth and transparent functioning of the Board	Approved by	On-line view
Code of Conduct for Directors and Senior Management	Board	www.jubilantingrevia.com
Code of Conduct for Prevention of Insider Trading	Board	Intranet portal of the Company
Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions	Board	www.jubilantingrevia.com
Corporate Social Responsibility Policy	Board	www.jubilantingrevia.com
Policy for Determination of Materiality of Events and Information	Board	www.jubilantingrevia.com
Policy on Board Diversity	Board	-
Succession Plan for Board Members and Senior Management	Board	-
Performance Evaluation Policy	Board	-
Appointment and Remuneration Policy	Board	www.jubilantingrevia.com
Whistle Blower Policy	Board	www.jubilantingrevia.com and Intranet portal of the Company.
Policy for Determining Material Subsidiaries	Board	www.jubilantingrevia.com
Archival Policy	Board	www.jubilantingrevia.com
Policy for Preservation of Documents	Board	-
Dividend Distribution Policy	Board	www.jubilantingrevia.com
Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('UPSI')	Board	www.jubilantingrevia.com
Policy and Procedure for inquiry in case of leak or suspected leak of UPSI	Board	Intranet portal of the Company
Code of Conduct for Employees	Board	Intranet portal of the Company
Policy for Prevention of Sexual Harassment	Board	Intranet portal of the Company
Risk Management Policy	Board	-

Other policies adopted by the Company for ensuring effective governance in regular operations	Approved by	On-line view
Sustainability Policy	Chairman and Co-Chairman	www.jubilantingrevia.com
Climate Change Mitigation Policy	Chairman and Co-Chairman	www.jubilantingrevia.com
Environment, Occupational Health and Safety Policy	Chairman and Co-Chairman	www.jubilantingrevia.com
Responsible Care Policy	Chairman and Co-Chairman	www.jubilantingrevia.com
Green Supply Chain Policy	Chairman and Co-Chairman	www.jubilantingrevia.com
Quality Policy	Chairman and Co-Chairman	www.jubilantingrevia.com
Energy Policy	Chairman and Co-Chairman	www.jubilantingrevia.com

3. Governance related to BR

(a) Indicate the frequency with which the Board, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

There are several committees of the Board and of Senior Executives that meet at regular frequency to review the BR performance of the Company. Sustainability & CSR Committee of the Board reviews the Sustainability and CSR performance of the Company on a half-yearly basis. This Committee comprises Executive, Non-Executive and Independent Directors.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Before demerger of LSI business into the Company, the sustainability performance of LSI business was covered under Sustainability Report of Jubilant Pharmova Limited. From current year separate consolidated Sustainability Report is prepared & published for the Company covering business and other subsidiaries of the Company. Sustainability efforts of the LSI business are being reported through Corporate Sustainability Report of Jubilant Pharmova Limited since 2003. Sustainability Report for the FY 20 covering the LSI business was prepared for Jubilant Pharmova Limited following the latest GRI Standards in accordance with the 'Comprehensive' option and was assured by Ernst & Young Associates LLP. The Report for the FY 21 is published on similar lines along with the Annual Report of the Company for the FY 21. Sustainability Report of the Company is available on the Company's website https://www.jubilantingrevia.com/about-us/sustainability/sustainability-report.

Business Responsibility Report Index on Social, Environmental and Economic Issues

BRR Principle	Section in BR Report	Page	Details in Company's Sustainability Report
P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Corporate Governance - Ethics, Transparency & Accountability	110	√
P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	Sustainability of Products and Services across Life-Cycle	111	√
P3 Businesses should promote the well-being of all employees	Employee well being	113	√
P4 Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised	Stakeholder Prioritisation and Engagement	113	√
P5 Businesses should respect and promote human rights	Promote Human Rights	114	√
P6 Businesses should respect, protect and make efforts to restore the environment	Respect, Protect and Restore the Environment	114	√
P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	Public Policy Advocacy	114	√
P8 Businesses should support inclusive growth and equitable development	Corporate Social Responsibility	114	√
P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner	Customer Satisfaction	115	√

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Corporate Governance – Ethics, Transparency & Accountability:

Composition of the Board: The Board is the apex and highest governing body in the Company. The Board along with its Committees provides leadership and strategic guidance to the Company's management while discharging its fiduciary responsibilities thereby ensuring that the management adheres to high standards of ethics, transparency and disclosures.

The Board's objective is to create sustainable value for all stakeholders, provide vision to the Company and oversee implementation of the Board's decisions.

The Company is led by a team of eminent professionals who inspire, lead and contribute to the growth of the Company. The Board of the Company has an optimal mix of Executive, Non-Executive, Independent and Non-Independent Directors. As on June 7, 2021, the Board comprises 2 Executive Directors and 10 Non-Executive Directors. The Board has 6 Independent Directors including 2 Women Directors. All members of the Board are well experienced and bring expertise in the fields of Pharmaceuticals, Chemical, Banking, Accounts, Taxation, Administration, etc. to the table.

The Independent Directors are not associated with the Company in any executive capacity. The Independent Directors, by furnishing a Certificate of Independence to the Board, affirm their independence on an annual basis.

Senior Leadership Team: CEO and Managing Director is the highest Executive Officer of the Company and responsible for smooth functioning of the business. This also includes development of business strategies as well as due consideration of interests of all the stakeholders. The business strategies and plans are reviewed during the Annual Strategy Meet by the Chairman, Co-Chairman, CEO and Managing Director, Group Chief Financial Officer and Chief Financial Officer.

Board Committees for effective governance: To focus effectively on the issues and to ensure expedient resolution of diverse matters, the Board has constituted several Committees with clearly defined terms of reference and scope. The Committee members are appointed by the Board with the consent of the individual Directors. The Committees of the Board are:

- Audit Committee
- Nomination, Remuneration and Compensation Committee
- Stakeholders Relationship Committee
- Sustainability & CSR Committee
- Risk Management Committee
- Finance Committee

Codes and Policies: The Company has a detailed framework of codes and policies framed by the Board in compliance with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'). Following are the salient codes and policies which provide broad guidelines for smooth and transparent functioning of the Board and the Company:

- Code of Conduct for Directors and Senior Management
- Code of Conduct for Prevention of Insider Trading
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('UPSI')
- Policy and Procedure for inquiry in case of leak or suspected leak of UPSI
- Policy for Determining Materiality of Events and Information
- Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions
- Corporate Social Responsibility Policy
- Policy on Board Diversity
- Succession Plan for Board Members and Senior Management
- Performance Evaluation Policy
- Appointment and Remuneration Policy
- Whistle Blower Policy
- Policy for Determining Material Subsidiaries
- Dividend Distribution Policy
- Policy for Preservation of Documents
- Archival Policy
- Risk Management Policy
- Policy on Prevention of Sexual Harassment at workplace
- Code of Conduct for Employees on issues like prohibition of child labour, forced & compulsory labour, non-discrimination, anti-bribery & corruption, preventing money laundering and others.

At Jubilant Ingrevia, good governance is a tradition and a way of life and 'Our Promise' and 'Our Vision' set the overall direction for corporate governance of the Company. The Vision, Values and Promise statements of the Company are adopted by the businesses and all other functions of the Company. In addition to the above mentioned policies framed by the Board, there are several other policies adopted by the Company for ensuring effective corporate governance in regular operations. These include:

- Sustainability Policy
- Climate Change Mitigation Policy
- Environment, Occupational Health and Safety Policy
- Responsible Care Policy
- Green Supply Chain Policy
- Quality Policy
- Energy Policy

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Sustainability of Products and Services across Life-Cycle

Ingrevia is born out of a union of 'Ingredients' and 'Life' ('Vie' in French). Jubilant Ingrevia is committed to offer high quality and innovative LSI to enrich all forms of life. Jubilant Ingrevia, a global integrated Life Science products and Innovative Solutions provider is focused on bringing value to its stakeholders in a sustainable manner. A science active Company with five state-of-the-art manufacturing facilities and R&D centres in India. Through its businesses of Specialty Chemicals, Nutrition & Health Solutions and Life Science Chemicals, it is serving fast-growing and diverse industries such as Pharmaceuticals, Agrochemicals, Nutrition, Consumer and Industrial applications.

Jubilant Ingrevia's progress in diverse businesses has been made possible through the contribution of R&D which is focused on products development and cost reduction through process innovation. Innovation at Jubilant Ingrevia is backed by strong chemistry, bio science expertise and the knowledge bank created over the years. We have harnessed our strengths - a strong R&D team, modern R&D facilities, command over cost effective technologies and economies of scale into a synergistic organic entity, continuously creating and nurturing high quality products and technologies.

Material in Use

The Company sources its materials, machinery, spares, stores, etc. from across the globe without compromising on quality and value. In value terms 25.62% of the material was sourced domestically whereas 74.38% was sourced from other countries for Indian operations in the FY 21.

On the Road to 'Green Chemistry'

The Company manufactures Pyridine using alcohol produced from agricultural feedstock (molasses) instead of using alcohol produced by conventional petro route. As per the Life Cycle based carbon footprint study in the FY 12, it was evident that Pyridine manufactured by the Company through ethanol (biogenic source) route has a much lesser carbon footprint than similar products which are manufactured through conventional petro route. The Company has also decided to revisit LCA based product carbon footprint assurance of 26 products by third party this year to address its commitment towards climate change through regular monitoring of its carbon performance.

Energy Consumption and Conservation

Cost of energy and its linkage with climate change impact is a major business concern at Jubilant Ingrevia like any other industry. To optimise its energy consumption and decouple climate change impact from energy usage, the Company has decided to focus on improving process energy efficiency, find alternate sources of uninterrupted low cost energy and increasing the percentage of renewable energy in the present energy mix. In the FY 16, Jubilant Pharmova Limited first inducted solar energy in its existing renewable energy mix of bio-gas and biomass. Gradually, Jubilant Ingrevia is trying to incorporate more solar power in its facilities considering its techno economic viability.

In line with the established practice, the Company took up several resource saving initiatives at its manufacturing facilities. During the year under review, 43 energy saving projects of the Company led to an estimated saving of ₹ 242.5 million.

Water and Waste Water Management

Jubilant Ingrevia is aware of the growing conflict for water usage between industry and public at large across the globe. In its bid to become water sustainable, Jubilant Ingrevia is continuously striving to follow zero discharge strategy. Majority of its plants have already achieved zero discharge and all the plants try to optimise water consumption and maximise effluent recycle and reuse. In addition to process modification, the site management has also put in place the best available effluent treatment technologies for its better recycling and reuse. Further, the Company has also implemented rainwater harvesting structures at several locations to support its commitment in water conservation. Please refer the Sustainability Report of the Company for details of water and waste-water performance.

Waste Management

Waste minimisation, waste recovery and reuse and scientific disposal of waste are the three approaches adopted by Jubilant Ingrevia for all types of wastes, whether hazardous or non-hazardous. Jubilant Ingrevia while continuing the waste treatment, is laying emphasis on waste minimisation. At Jubilant Ingrevia, the non-hazardous wastes are either recycled or reused by the third parties. Fly ash, metal scrap, plastic scrap, paper and wooden material scraps are a few major contributors of non-hazardous waste. For hazardous waste generated at its facilities, the Company follows the methods stated below for its proper disposal depending on their nature and local regulations:

- Recycle and reuse through authorised third party
- Co-processing at cement kiln
- Secured land fill
- Incineration (both solid & liquid)

Co-processing of hazardous waste with high calorific value in cement kilns result in reducing the carbon footprint which would have otherwise generated during treatment of the waste through Multi Effect Evaporator (MEE) and incinerator.

Sustainable Supply Chain

The principal goal of supply chain management (SCM) function at Jubilant Ingrevia is to provide a substantial and sustainable value contribution for the success of our businesses. In line with our vision to do business sustainably, Jubilant Ingrevia is keen to take its partners along in this sustainability journey. We have processes and systems in place to engage with them on a continuous basis. Various categories of suppliers include raw material and packaging vendors, engineering item suppliers, transporters, contractors and other service providers. Considering the growing demand for a sustainable supply chain globally, Jubilant Ingrevia has already developed and communicated its Green Supply Chain Policy to its suppliers.

We also regularly update our suppliers on the latest sustainable procurement requirements. Suppliers' concerns are addressed through various interactions on a continual basis. To fulfill our Green Supply Chain commitments, we have been engaging extensively with its suppliers since 2014 to ensure compliance of applicable laws pertaining to Environment, Health and Safety, Human Rights and Social Requirements. The standard terms and conditions of contracts with the suppliers cover clauses for ensuring compliance with laws pertaining to EHS, Human Rights and Social requirements since 2014. Supplier sustainability audits are conducted annually to cover critical vendors and at least 10% of critical suppliers are to be evaluated every year. All external manufacturers are audited at least annually for their environmental & social performance. However due to pandemic scenario last year, only 5 contract manufacturers could be audited against their environmental & social performances.

Principle 3: Businesses should promote the well-being of all employees

Employee Well-Being

Engaged and committed workforce is key to our success. It onsets from recruiting qualified professionals, designed on-boarding and regular training, periodic performance discussions and rewarding meritocracy. Our Business Principles commit us to provide our people with a safe working environment, respecting their human rights, promoting their professional development and creating an inclusive work environment.

Employee Benefits

To improve employee satisfaction and retention, the Company has put in place several employee benefit schemes. These include maternity leave for female employees, (disability and invalidity coverage) as per the Maternity Benefit Act, 1961, as amended, Industrial Disputes Act, 1947, the Employee's Compensation Act, 1923 and Group Medical Insurance for employees and their dependents. All female employees in Indian units and all employees in North American units are entitled to parental leave. Long term employee benefits include Pension, Provident Fund, Super-annuation and Gratuity. These constitute the key elements of employee's post-retirement benefits in India.

Head Count and Break-up

All permanent employee records are maintained in our PeopleSoft database in HRIS system. Details of category-wise head count, attrition and new joinees of the Company are available in the Sustainability Report of the Company.

As Chemical manufacturing sites of the LSI business are hazardous in nature, the Company does not encourage employment of differently abled persons on these sites. However, in line with local regulatory requirements, our two Indian manufacturing facilities at Bharuch & Samlaya have employed 6 differently abled persons (with more than 40% physical disability).

Employee Association

288 employees of the Company were covered by Collective Bargaining Agreements with Trade Unions and Worker Committees as on March 31, 2021. During the year, we enjoyed cordial relations with our employees and there have been no instances of labour unrest or disputes at any of the manufacturing sites.

Safety and Skill Upgradation Training

Imparting periodic quality training to employees is fundamental to improve the existing talent pool. As a part of learning and development opportunities, the Company organises various internal and external trainings on a regular basis which include key capability development programs such as leadership development programs, strategic initiatives programs, self-development program and other customised programs. The Company has a dedicated in-house learning and development team which identifies the training needs of the employees, prepares training calendars and conducts trainings. The Company also organises induction programs for new employees at regular intervals and it has been made mandatory to participate in the induction training after joining the organisation. Please refer the Sustainability Report of the Company for details of training imparted to the employees. During this year the Company engaged with an external expert agency for strengthening safety management system as part of the Occupational, Health and Safety ('OHS') Strategy. The two-year' project includes implementation of global OHS Standards, competency building of the people, development of safety KPIs and driving safety governance across all the levels of the organization till top management level.

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

Stakeholder Prioritisation and Engagement

Stakeholder engagement is the foundation of every sustainable business model. Jubilant Ingrevia recognises the essence and invests significant time and efforts in improving the mode of stakeholder engagement. The Company has always strived to engage in an active dialogue with all its stakeholders. Stakeholders' aspirations and concerns are important elements of Jubilant Ingrevia's decision-making process. The Company has a robust system for maintaining a progressive relationship with its stakeholders.

The Company appreciates the need for a formal and systematic approach towards stakeholder prioritisation and materiality assessment for better understanding of the ever changing expectations of our stakeholders. In this regard, a practice was developed and introduced in the FY 15 on Stakeholder Prioritisation and Materiality Assessment involving LSI business. In Phase-I, the Stakeholder Prioritisation & Materiality Assessment Survey was conducted, internally engaging the senior leadership team to assess the Company's key stakeholders and key issues influencing decisions of stakeholders. In the FY 18, internal materiality assessment was conducted covering Heads of Departments of all Sites as well as Site Heads across all LSI manufacturing operations.

The Company has operations in various locations across India. The Company supports local culture and heritage of the respective regions. There have been no violations involving rights of indigenous people or those related to human rights in Jubilant Ingrevia during the reporting period.

Principle 5: Businesses should respect and promote human rights

Promote Human Rights

Jubilant Ingrevia recognises and promotes universal respect for and observance of human rights and fundamental freedom. At Jubilant, we are committed to our Sustainability Mission and are signatory to the United Nations Global Compact (UNGC). We have formulated policies and developed systems to ensure protection of Human Rights for all concerned; these principles are defined in the Code of Conduct. Jubilant Ingrevia's policies on Human Rights cover issues of Child Labour, Forced and Compulsory Labour, Non Discrimination, Bribery and Corruption. The Company has made the Code of Conduct available to all employees through intranet portal of the Company.

The Company has well established Whistle-blower Policy and a dedicated Ombudsperson team for addressing the grievances reported by the Directors and employees. No case of sexual harassment was reported to Ombudsperson Office during the FY 21. No cases of human rights violation were reported during this reporting period.

Principle 6: Businesses should respect, protect and make efforts to restore the environment

Respect, Protect and Restore the Environment

In response to its commitment towards better environmental performance, Jubilant Ingrevia's top management has designed and implemented several policies and communicated the same to its employees and other stakeholders. Environment, Health & Safety (EHS) Policy and the Climate Change Mitigation Policy set the overall tone of the Company's aspiration towards achieving excellence in environmental performance. In addition, the Company has also adopted and effectively communicated Green Supply Chain Policy to its suppliers, expecting them to be sensitive towards the environment. From FY 14, the LSI business has also adopted and communicated Responsible Care Policy, which depicts the Company's commitment towards reducing environmental impact due to its business activities beyond the boundaries of its manufacturing facilities. The largest manufacturing facility at Gajraula and Corporate Office in Uttar Pradesh were certified for RC 14001 during the FY 17. Another site located at Bharuch in Gujarat has also been certified for RC 14001 in April 2019. This year our Nira site in Maharashtra has also been certified under RC 14001.

Jubilant Ingrevia recognises the significance of climate change impact on its business and monitors business risks and opportunities arising out of national and international regulations and protocols related to climate change. The Company is continuously striving to reduce its energy consumption for reducing its carbon footprint. The Company has engaged a dedicated team for identification and implementation of energy efficiency measures and cleaner technology to fulfil its commitment defined in the Climate Change Mitigation Policy. Our Gajraula and Bharuch sites have implemented ISO 50001 based energy management system and are certified for the same.

Environmental performance is reviewed regularly through internal and external audits. New projects are assessed for identifying any potential hazards related to environment, health and safety.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Public Policy Advocacy

The Company engages with a variety of stakeholders like government, regulatory agencies, NGOs and industry associations. Through its interactions with these stakeholders, the Company participates in identifying and framing public policy matters. The Company also engages with the industry association forums to voice its views about policies. Some of such business associations and NGOs are as follows:

- All India Distillers' Association
- All India Industrial Gases Manufacturers' Association (AIIGMA)
- Additional Ambernath Manufacturer's Association (AAMA)
- Indian Sugar Mills Association (ISMA)
- Gujarat Employers' Organisation
- Lucknow Management Association (LMA)
- Savli East Waghodia West Association of Industries
- UP Distillery Association (UPDA)
- Uttar Pradesh Alchohol based Industries Association (UPABIDA)

Principle 8: Businesses should support inclusive growth and equitable development

Corporate Social Responsibility (CSR)

CSR is deeply imbibed in Jubilant Ingrevia's approach towards sustainable development where 'community' is considered as one of its apex stakeholders. CSR is the commitment of the Company to contribute towards inclusive growth. Jubilant Ingrevia as a responsible corporate, works in line of Sustainable Development Goals with a thrust on social performance. The CSR activities at Jubilant Ingrevia are in sync with the Companies Act, 2013.

CSR Policy: The Company has formulated its CSR Policy and Sustainability & CSR Committee of the Board has accorded its approval to the Policy and implementation of the CSR activities through Jubilant Bhartia Foundation ('JBF'). The CSR Policy is uploaded on the website www.jubilantingrevia.com.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Customer Satisfaction

Customer Relationship Management: Meeting customer requirements is essential for our inclusive growth. Recently, there has been a paradigm shift in the customer expectations and the management is meticulously reaching out to the customers for understanding their expectations and concerns and addressing them on time. The Company has implemented Salesforce.com-Customer Relationship Management (CRM) software. www.salesforce.com gives the Company an effective digital platform to address customer queries more efficiently. Any customer can float a product query and dedicated business personnel respond to those queries online.

Customer Feedback Mechanism: Customer feedbacks are taken both in formal and informal ways depending on the type of business and product. A standard customer feedback form has been prepared under the existing customer feedback system. Feedback forms are sent to the customers and feedback is taken at least once a year. Based on the feedback received, customer satisfaction index is calculated at the end of the year. The customer satisfaction index paves the way forward for respective businesses and gives direction to the sales and marketing teams to improve customer satisfaction.

Labelling and Packaging: The products are packed with proper labelling and bar-coding, wherever applicable. In its bid to be more inclusive, the Company also uses Braille Code for the products meant for end consumers in Europe. For communication of hazards, international labelling guidelines are followed depending on the requirements of the target customer. For the customers in Europe, CLP (Classification, Labelling and Packaging) is followed, whereas for Chinese customers - China GHS (Global Harmonised System), for Korean customers – Korea GHS and for USA and rest of the world, UN GHS is followed for classification and labelling of chemicals. Labels are also continuously updated as per the changes and updates in the relevant regulations. There has been no incidence of non-compliance with the regulations or voluntary codes concerning product and services information and labelling in our LSI business during FY 21.

The Company adheres to all applicable laws, standards and voluntary codes related to marketing communications. The Company is not engaged in sale of any banned or disputed product and adheres to the Government of India Competition Policy that protects the interests of consumers and producers by promoting and sustaining a fair competition. During the reporting year, there have been no legal actions concerning any anti-competitive behaviour, anti-trust and monopoly practices by the Company.

Independent Auditor's Report

To the Members of Jubilant Ingrevia Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Jubilant Ingrevia Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Accounting for composite scheme of arrangement between Jubilant Pharmova Limited and the Company As described in note 32 and note 32(a) to the standalone financial statements, Hon'ble National Company Law Tribunal, Allahabad Bench ('NCLT') has approved the composite scheme of arrangement (the 'Composite Scheme') between Jubilant Pharmova Limited to demerge Life Science Ingredients business to the Company vide its order dated 23 December 2020 (formal order received on 6 January 2021) and the aforesaid order has been filed with the Registrar of Companies ('ROC') on 1 February 2021. The aforesaid note also details the assets and liabilities transferred to the Company under the Composite Scheme and its impact on the standalone financial statements. Recording of assets and liabilities transferred to the Company as per the Composite Scheme and determining appropriateness of the accounting treatment, presentation and disclosures in the standalone financial statements, including the determination of the manner such demerger is to be accounted for in the books of the Company, was a complex exercise for the management on account of the significance of the assets and liabilities of the business undertaking received and the terms of the approved Composite Scheme. The matter has been considered to be of the most significance to our audit considering its pervasive impact on these standalone financial statements. Hence, this matter was considered to be a key audit matter in the current year audit.	Our audit procedures to assess the appropriateness of the accounting treatment of the Composite Scheme, included, but were not limited to the following: • Obtained an understanding of the management's process for review and implementation of the Composite Scheme; • Evaluated the design and tested the operating effectiveness of the key controls around the above process; • Obtained and read the Composite Scheme and final order passed by the NCLT and submitted with the ROC; • Understood from the management, the accounting treatment prescribed in the Composite Scheme including the determination of effective date; • Evaluated whether the accounting principles prescribed in the Composite Scheme were applied by the management in preparation of the standalone financial statements are in accordance with the principles of Ind AS; • Tested the management's working for arriving at the balances of assets and liabilities of the demerged undertaking and treatment of reserves as per the Composite Scheme; and • Evaluated the appropriateness of the disclosures made with respect to the accounting of the demerger transaction under the Composite Scheme in note 32 and note 32(a) to the standalone financial statements.

Independent Auditor's Report (Continued)

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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

8. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

Independent Auditor's Report (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matters

15. We did not audit note 32(b) of the accompanying standalone financial statements of the Company for the year ended 31 March 2021, which represents supplementary information relating to the operations of the life science ingredients business for ten months ended 31 January 2021 and year ended 31 March 2020, which has been prepared by the management of the Company and has not subjected to audit or review by us.

16. The standalone financial statements of the Company for the period beginning from the date of incorporation i.e., 23 October 2019 till 31 March 2020, were audited by the predecessor auditor, B S R & Co. LLP (Chartered Accountants), who have expressed an unmodified opinion on those standalone financial statements vide their audit report dated 27 May 2020.

    Our opinion is not modified in respect of above matters.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

18. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

19. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

Independent Auditor's Report (Continued)

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

c) the standalone financial statements dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls with reference to standalone financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 07 June 2021 as per Annexure II expressed unmodified opinion; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. the Company, as detailed in note 39 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662
UDIN: 21504662AAAAEC5111

Place: New Delhi
Date: 07 June 2021

Annexure I to the Independent Auditor's Report

Annexure I to the Independent Auditor's Report of even date to the members of Jubilant Ingrevia Limited on the standalone financial statements for the year ended 31 March 2021

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress, right of use assets, intangible assets and intangible assets under development.

(b) The Company has a regular program of physical verification of its property, plant and equipment and capital work-in-progress under which assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment and capital work-in-progress were verified during the year and no material discrepancies were noticed on such verification.

(c) The title/lease deeds of all the immovable properties (which are included under the head 'property, plant and equipment' and 'right of use assets') are held in the name of the Company, except for the title/lease deeds of some of the immovable properties, as referred to in note 3 and note 41 transferred to the Company by virtue of Composite Scheme, wherein the title/lease deeds are in process of being transferred in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax and goods and services tax on account of any dispute, are as follows:

Annexure I to the Independent Auditor's Report (Continued)

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in million)	Amount paid under protest (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax	4.53	-	Assessment year 1989-1990	Income Tax Appellate Tribunal, Delhi
Income-tax Act, 1961	Income tax	243.70	-	Assessment year 2002-2003 and 2004-2005 to 2008-2009	Hon'ble High Court of Judicature at Allahabad
The Central Excise Act, 1944	Excise duty	34.85	-	Financial year 2012-2013 to 2016-2017	Custom, Central Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1944	Excise duty	12.38	-	December 2011	Hon'ble High Court of Mumbai
The Finance Act, 1994	Service tax	1.39	0.09	Financial year 2015-2016 and 2016-2017	Commissioner (Appeals), Pune
The Customs Act, 1962	Customs duty	12.04	6.50	Financial year 2012-2013 and 2013-2014	Custom Excise and Service Tax Appellate Tribunal
The Customs Act, 1962	Customs duty	0.00*	-	Financial year 2006-2007	Assistant Commissioner, Mumbai
The Customs Act, 1962	Customs duty	0.22	-	Financial year 2013-2014	Deputy Commissioner, BRC Cell, Noida Commissionerate
The Customs Act, 1962	Customs duty	0.20	0.20	Financial year 2019-2020	Principal Commissioner (Appeals), Mumbai
The Customs Act, 1962	Customs duty	15.59	-	Financial year 2016-2017 to 2018-2019	Assistant Commissioner, BRC Cell, Noida Commissionerate
The Uttar Pradesh Value Added Tax Act, 2008	Value added tax	66.97	-	Financial year 2010-2011	Hon'ble Supreme Court of India
The Maharashtra Value Added Tax Act, 2002	Value added tax	0.27	-	Financial year 2012-2013	Maharashtra Sales Tax Tribunal
The Maharashtra Value Added Tax Act, 2002	Value added tax	9.47	-	Financial year 2014-2015	Joint Commissioner-Appeal, Pune
The Central Goods and Services Tax Act, 2017	Goods and services tax	0.28	0.28	Financial year 2017-2018	Hon'ble High Court of Judicature at Allahabad
The Central Goods and Services Tax Act, 2017	Goods and services tax	0.35	0.35	Financial year 2018-19	Additional Commissioner (Appeal)

*Rounded off

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or any dues to debenture-holders during the year. The Company did not have any outstanding loans or borrowings payable to government or any financial institution during the year.

(ix) In our opinion, the Company has applied moneys raised by way of the term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer/ further public offer (including debt instruments) during the year.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid/provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662
UDIN: 21504662AAAAEC5111

Place: New Delhi
Date: 07 June 2021

Annexure II to the Independent Auditor's Report

Annexure II to the Independent Auditor's Report of even date to the members of Jubilant Ingrevia Limited on the standalone financial statements for the year ended 31 March 2021

Annexure II

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

1. In conjunction with our audit of the standalone financial statements of Jubilant Ingrevia Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Annexure II to the Independent Auditor's Report (Continued)

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662
UDIN: 21504662AAAAEC5111

Place: New Delhi
Date: 07 June 2021

Balance Sheet

as at 31 March 2021

(₹ in million)

	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	16,452.83	-
Capital work-in-progress	3	629.10	-
Intangible assets	4	47.09	-
Intangible assets under development	4	19.14	-
Right-of-use assets	41	768.37	-
Investment in associate	5 (a)	21.64	-
Financial assets			
i. Investments	5 (b)	1,327.30	-
ii. Loans	6	23.60	-
iii. Other financial assets	7	4.95	-
Income tax assets (net)		8.86	-
Other non-current assets	9	146.57	-
Total non-current assets		**19,449.45**	**-**
Current assets			
Inventories	10	5,206.23	-
Financial assets			
i. Trade receivables	11	4,802.85	-
ii. Cash and cash equivalents	12(a)	656.87	0.50
iii. Other bank balances	12(b)	199.59	-
iv. Loans	6	23.99	-
v. Other financial assets	7	485.87	-
Other current assets	13	1,574.83	-
Total current assets		**12,950.23**	**0.50**
Total assets		**32,399.68**	**0.50**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	159.28	0.50
Other equity		15,599.22	(1.66)
Total equity		**15,758.50**	**(1.16)**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	16(a)	6,468.28	-
ii. Lease liabilities		427.54	-
Provisions	17	659.96	-
Deferred tax liabilities (net)	8	278.82	-
Total non-current liabilities		**7,834.60**	**-**
Current liabilities			
Financial liabilities			
i. Lease liabilities		24.80	-
ii. Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		129.58	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		6,768.63	1.66
iii. Other financial liabilities	19	1,590.71	-
Other current liabilities	20	175.51	-
Provisions	17	117.35	-
Total current liabilities		**8,806.58**	**1.66**
Total liabilities		**16,641.18**	**1.66**
Total equity and liabilities		**32,399.68**	**0.50**

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 Ingrevia Limited**

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662

Shyam S. Bhartia
Chairman
DIN: 00010484

Hari S. Bhartia
Co-Chairman
DIN: 00010499

Rajesh Kumar Srivastava
CEO and Managing Director
DIN: 02215055

Prakash Chandra Bisht
President and Chief Financial Officer

Deepanjali Gulati
Company Secretary

Place: New Delhi
Date: 07 June 2021

Place: Noida
Date: 07 June 2021

Statement of Profit and Loss

for the year ended 31 March 2021

(₹ in million)

	Notes	For the year ended 31 March 2021 #	For the period 23 October 2019 to 31 March 2020
Revenue from operations	21	6,689.28	-
Other income	22	24.53	-
Total income		**6,713.81**	**-**
Expenses			
Cost of materials consumed	23	3,634.59	-
Purchases of stock-in-trade	24	145.23	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	99.34	-
Employee benefits expense	26	431.09	-
Finance costs	27	94.46	-
Depreciation and amortisation expense	28	213.50	-
Other expenses	29	1,410.77	1.66
Total expenses		**6,028.98**	**1.66**
Profit/(loss) before exceptional items and tax		**684.83**	**(1.66)**
Exceptional items	44	129.44	-
Profit/(loss) before tax		**555.39**	**(1.66)**
Tax expense	30		
- Current tax		97.07	-
- Deferred tax charge		72.44	-
Total tax expense		**169.51**	**-**
Profit/(loss) for the year		**385.88**	**(1.66)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations		(3.28)	-
Income tax relating to items that will not be reclassified to profit or loss	30	1.15	-
Other comprehensive income for the year, net of tax		**(2.13)**	**-**
Total comprehensive income for the year		**383.75**	**(1.66)**
Earnings per equity share of ₹ 1 each	46		
Basic (₹)		14.75	(3.31)
Diluted (₹)		14.75	(3.31)

Refer note 32(b)

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662

Shyam S. Bhartia
Chairman
DIN: 00010484

Hari S. Bhartia
Co-Chairman
DIN: 00010499

Rajesh Kumar Srivastava
CEO and Managing Director
DIN: 02215055

Prakash Chandra Bisht
President and Chief Financial Officer

Deepanjali Gulati
Company Secretary

Place: New Delhi
Date: 07 June 2021

Place: Noida
Date: 07 June 2021

Statement of Changes in Equity

for the year ended 31 March 2021

A. Equity share capital

	(₹ in million)
Issued during the period 23 October 2019 to 31 March 2020	0.50
Balance as at 31 March 2020	**0.50**
Cancellation of equity shares pursuant to the Composite Scheme (refer note 32)	(0.50)
Issue of equity shares pursuant to the Composite Scheme (refer note 14 and note 32)	159.28
Balance as at 31 March 2021	**159.28**

B. Other equity

(₹ in million)

	Reserves and surplus (1)				Total
	Capital reserve	Securities premium	General reserve	Retained earnings	
Loss for the period 23 October 2019 to 31 March 2020	-	-	-	(1.66)	**(1.66)**
Other comprehensive income for the period, net of tax	-	-	-	-	**-**
Total comprehensive income for the period	**-**	**-**	**-**	**(1.66)**	**(1.66)**
Balance as at 31 March 2020	**-**	**-**	**-**	**(1.66)**	**(1.66)**
Profit for the year	-	-	-	385.88	**385.88**
Other comprehensive income for the year, net of tax	-	-	-	(2.13)	**(2.13)**
Total comprehensive income for the year	**-**	**-**	**-**	**383.75**	**383.75**
Transferred pursuant to the Composite Scheme (refer note 1 and 32)	-	5,719.13	7,375.72	2,121.78	**15,216.63**
Cancellation of the equity shares pursuant to the Composite Scheme (refer note 32)	0.50	-	-	-	**0.50**
Balance as at 31 March 2021	**0.50**	**5,719.13**	**7,375.72**	**2,503.87**	**15,599.22**

Note:
(1) Refer note 15 for nature and purpose of other equity

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No.: 001076N/N500013

Ashish Gupta
Partner
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Shyam S. Bhartia
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Rajesh Kumar Srivastava
CEO and Managing Director
DIN: 02215055

Prakash Chandra Bisht
President and Chief Financial Officer

Deepanjali Gulati
Company Secretary

Place: New Delhi
Date: 07 June 2021

Place: Noida
Date: 07 June 2021

Statement of Cash Flows

for the year ended 31 March 2021

(₹ in million)

	For the year ended 31 March 2021 #	For the period 23 October 2019 to 31 March 2020
A. Cash flows from operating activities		
Net profit/(loss) before tax	**555.39**	**(1.66)**
Adjustments:		
Depreciation and amortisation expense	213.50	-
Finance costs	94.46	-
Exceptional items	129.44	-
Unrealised foreign exchange loss	36.75	-
Interest income	(4.24)	-
	469.91	**-**
Operating cash flows before working capital changes	**1,025.30**	**(1.66)**
Increase in trade receivables, loans, other financial assets and other assets	(408.05)	-
Increase in inventories	(176.74)	-
Increase in trade payables, other financial liabilities, other liabilities and provisions	707.14	1.66
Cash generated from operations	**1,147.65**	**-**
Income tax paid (net of refund)	(105.90)	-
Net cash generated from operating activities	**1,041.75**	**-**
B. Cash flows from investing activities		
Purchase of property, plant and equipment, other intangible assets (including capital work-in-progress and intangible assets under development)	(275.05)	-
Proceeds from sale of property, plant and equipment	0.37	-
Purchase of investment	(21.64)	-
Movement in other bank balances	(6.90)	-
Interest received	9.20	-
Net cash used in investing activities	**(294.02)**	**-**
C. Cash flows from financing activities ##		
Proceeds from issue of equity shares	-	0.50
Repayments of long-term borrowings	(621.88)	-
Payment of lease liabilities	(3.03)	-
Finance costs paid (including interest on lease liabilities)	(77.12)	-
Net cash (used in) /generated from financing activities	**(702.03)**	**0.50**
Net increase in cash and cash equivalents (A+B+C)	**45.70**	**0.50**
Add: cash and cash equivalents at the beginning of year/period	0.50	-
Add: cash and cash equivalents acquired pursuant to the Composite Scheme (refer note 32)	610.67	-
Cash and cash equivalents at the end of the year (refer note 12 (a))	**656.87**	**0.50**

Notes:
1. Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 “Statement of Cash Flows”.
2. For non-cash transaction pursuant to the Composite Scheme, refer note 32.
Refer note 32(b)
Refer note 16(b) for movement of liabilities arising from financing activities

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 Ingrevia Limited**

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662

Shyam S. Bhartia
Chairman
DIN: 00010484

Hari S. Bhartia
Co-Chairman
DIN: 00010499

Rajesh Kumar Srivastava
CEO and Managing Director
DIN: 02215055

Prakash Chandra Bisht
President and Chief Financial Officer

Deepanjali Gulati
Company Secretary

Place: New Delhi
Date: 07 June 2021

Place: Noida
Date: 07 June 2021

Notes to the Financial Statements

for the year ended 31 March 2021

Note 1. Corporate information

Jubilant Ingrevia Limited ("the Company") is a public limited company incorporated under the provisions of Companies Act, 2013. Effective 16 October 2020, the name of the Company has changed from Jubilant LSI Limited to Jubilant Ingrevia Limited (refer note 32). The Company is domiciled in India and registered office of the Company is situated at Bhartiagram, Gajraula, District Amroha, Uttar Pradesh – 244223.

The Company is a global integrated life science products and innovative solutions provider serving, pharmaceutical, nutrition, agrochemical, consumer and industrial customers with its customised products and solutions that are innovative, cost effective and conforming to premium quality standards. The Company is engaged in manufacturing and supply of speciality intermediates, nutrition & health solutions and life science chemicals through five manufacturing facilities in India. The Company is well recognised as a 'Partner of Choice' by leading pharmaceuticals and life sciences companies globally.

The Composite Scheme of Arrangement ("the Composite Scheme") for amalgamation of certain promoter controlled entities into Jubilant Pharmova Limited, the Demerged Company and demerger of the Life Science Ingredients business from the Demerged Company into the Company was approved by Honourable National Company Law Tribunal ("NCLT"), Allahabad Bench vide its order dated 23 December 2020 (formal order received on 6 January 2021). The said NCLT order was filed with the Registrar of Companies by Jubilant Pharmova Limited and the Company on 1 February 2021, thereby making the Composite Scheme effective. Accordingly, all assets and liabilities of the Life Science Ingredients business were transferred and vested into the Company effective 1 February 2021, being the appointed date as per the Composite Scheme for demerger of the Life Sciences Ingredients business. The Company's equity shares got listed on 19 March 2021 with BSE Limited and National Stock Exchange of India Limited with a mirror shareholding as that of the Demerged Company (refer note 32).

Note 2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. The accounting policies adopted are consistent with those of the previous financial year, to the extent applicable.

(a) Basis of preparation

(i) Statement of compliance

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

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or '₹') and are rounded to the nearest million, except per share data and unless stated otherwise.

The financial statements have been authorised for issue by the Company's Board of Directors on 07 June 2021.

(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

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

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 capitalised finance costs, less accumulated depreciation and any accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition of its intended use. Any 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 the Statement of profit and 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 PPE). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

- Intangible assets (including intangible assets under development) that are acquired and implementation of software system are measured initially at their cost of acquisition.

- After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

(iii) Depreciation and amortisation methods, estimated useful lives and residual value

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

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Vehicles – Owned	5 years	8 years
Computer servers and networks (included in office equipment)	5 years	6 years
Employee perquisite related assets (except end user computers) (included in furniture and fixtures)	5 years, being the period of perquisite scheme	10 years

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

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

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

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

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

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

(e) Financial instrument

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

Debt instrument at FVOCI

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

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

Debt instrument at FVPL

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

Investment in subsidiaries and associate

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

Impairment of financial assets

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

Derecognition of financial assets

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

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

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

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

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

Derecognition of financial liabilities

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

Offsetting

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

(f) Inventories

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

The methods of determining cost of various categories of inventories are as follows:

Raw materials	Weighted average method
Stores and spares	Weighted average method
Work-in-progress and finished goods (manufactured)	Direct materials, direct labour and an appropriate proportion of variable and fixed production overheads, the latter being allocated on the basis of normal operating capacity
Fuel, process chemicals, consumables etc.	Weighted average method
Finished goods (traded)	Weighted average method
Goods in transit	Cost of purchase

Cost includes all costs of purchase, costs of conversion and other costs including taxes that are not refundable incurred in bringing the inventories to their present location and condition.

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory includes estimated shelf life, ageing, usability etc., to the extent each of these factors impact the Company business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

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.

(g) 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.

(h) Provisions and contingencies

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

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

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

Contingent liabilities

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

(i) Revenue recognition

Revenue from sale of products is recognised when the Company satisfies a performance obligation upon transfer of control of products to customers at the time of shipment to or receipt of goods by the customers as per the terms of the underlying contracts. Service income is recognised when the Company satisfies a performance obligation as and when the underlying services are performed.

The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc. Invoices are issued as per the general business terms and are payable in accordance with the contractually agreed credit period.

Revenues are measured based on the transaction price allocated to the performance obligation, which is the consideration, net of taxes or duties collected on behalf of the government and applicable discounts and allowances. The computation of these estimates using expected value method involves significant judgment based on various factors including contractual terms, historical experience, estimated inventory levels and expected sell-through levels in supply chain. The transaction price is allocated to each performance obligation in the contract on the basis of the relative standalone selling prices of the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes significant financing component.

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

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

(j) 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 accounts based on actuarial valuation by an independent actuary. The gratuity liability for certain employees of the Company is funded with Life Insurance Corporation of India.

b) Provident fund

This is treated as defined contribution plan. The Company makes contribution to Regional Provident Fund Commissioner. 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.

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

(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 the Statement of profit and loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

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

(k) Finance costs and finance income

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

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

Finance income consists of interest income. Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. In calculating interest income or expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(l) Exceptional items

Exceptional items refer to items of income or expense within the Statement of Profit and Loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

(m) 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.

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

• 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 investment in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is a tax liability of a company computed at specified rate on adjusted book profits as per applicable provisions of the Income Tax Act. A company is liable to pay MAT, if the income tax payable under normal provisions of the Income Tax Act is less than tax payable under MAT.

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

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

For operations carried out in Special Economic Zones, 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.

(n) Leases - *Company as a lessee*

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

The Company's lease asset classes primarily consist of leases for land, buildings, plant and equipment, office equipment and vehicles which typically run for a period of 3 to 25 years, with an option to renew the lease after that date. For certain leases, the Company is restricted from entering into any sub-lease arrangements. At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases). For these short-term leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates based on information available as at the date of commencement of the lease. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and right-of-use asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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

(o) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman, Co-Chairman and CEO & Managing Director of the Company are responsible for allocating resources and assessing performance of the operating segments, and accordingly, identified as the chief operating decision maker. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be.

(p) Foreign currency transaction and translation

(i) Functional and presentation currency

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

(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).

(q) 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.

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

(r) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

(s) 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.

(t) Critical estimates and judgments

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

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

- Assessment of useful life of property, plant and equipment and intangible asset - Note 2(c)
- Valuation of inventories - Note 2(f)
- Recognition of revenue and related accruals - Note 2(i)
- Lease term: whether the Company is reasonably certain to exercise extension options- Note 2(n) and 41
- Fair value measurements - Note 2(s)
- Estimation of assets and obligations relating to employee benefits - Note 2(j) and 33
- Recognition and estimation of tax expense including deferred tax - Note 2(m), 8 and 30
- Impairment of financial assets and non-financial assets - Note 2(d) and 2(e)

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

- Recognition and measurement of contingency : Key assumption about the likelihood and magnitude of an outflow of resources - Note 39

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

(u) Recent accounting pronouncement issued but not made effective

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Act. The amendments revised Division I, II and III of Schedule III and are applicable from 1 April 2021. The revised Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015, as amended, prescribes amendments for various additional disclosures. The Company is evaluating the requirements of these amendments and their impact on the Standalone Financial Statements.

Notes to the financial statements
for the year ended 31 March 2021 (Continued)

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

(₹ in million)

	Land-freehold	Building-factory	Building-other	Plant and equipment	Furniture and fixtures	Vehicles-owned	Office equipment	Railway sidings	Total
Gross carrying amount as at 23 October 2019	-	-	-	-	-	-	-	-	-
Gross carrying amount as at 31 March 2020	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 23 October 2019	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2020	-	-	-	-	-	-	-	-	-
Net carrying amount as at 31 March 2020	-	-	-	-	-	-	-	-	-

(₹ in million)

	Land-freehold	Building-factory	Building-other	Plant and equipment	Furniture and fixtures	Vehicles-owned	Office equipment	Railway sidings	Total
Gross carrying amount as at 1 April 2020	-	-	-	-	-	-	-	-	-
Transferred pursuant to the Composite Scheme (refer note 32)	226.89	1,338.92	1,253.83	17,955.58	107.88	13.32	315.57	108.43	**21,320.42**
Additions (4)	50.11	33.94	30.82	176.03	1.23	-	0.85	-	**292.98**
Deductions	-	-	(0.13)	(207.00)	(1.31)	(0.07)	(0.16)	-	**(208.67)**
Gross carrying amount as at 31 March 2021	**277.00**	**1,372.86**	**1,284.52**	**17,924.61**	**107.80**	**13.25**	**316.26**	**108.43**	**21,404.73**
Accumulated depreciation as at 1 April 2020	-	-	-	-	-	-	-	-	-
Transferred pursuant to the Composite Scheme (refer note 32)	-	215.30	285.35	3,976.04	60.01	10.31	202.51	64.64	**4,814.16**
Depreciation charge for the year	-	14.45	32.17	143.23	1.78	0.17	6.16	1.84	**199.80**
Deductions	-	-	-	(60.89)	(1.03)	-	(0.14)	-	**(62.06)**
Accumulated depreciation as at 31 March 2021	**-**	**229.75**	**317.52**	**4,058.38**	**60.76**	**10.48**	**208.53**	**66.48**	**4,951.90**
Net carrying amount as at 31 March 2021	**277.00**	**1,143.11**	**967.00**	**13,866.23**	**47.04**	**2.77**	**107.73**	**41.95**	**16,452.83**
Capital work-in-progress (CWIP)									
As at 31 March 2020									-
As at 31 March 2021									**629.10**

Notes:
(1) Refer note 16.3 for information on property, plant and equipment provided as security by the Company.
(2) Refer note 40(a) for disclosure of capital commitments for the acquisition of property, plant and equipment.
(3) Refer note 43 for finance costs capitalised.
(4) Includes ₹ 5.08 million (31 March 2020: ₹ Nil) in respect of assets which are held for research and development (R&D).
(5) Capital research and development expenditure aggregating to ₹ 4.90 million (31 March 2020: ₹ Nil) incurred during the year included in additions to property, plant and equipment/capital work-in-progress.
(6) Items of immovable properties, primarily land parcels (included under property, plant and equipment) as listed in Schedule 1 of the Composite Scheme, were transferred to the Company with effect from 1 February 2021 pursuant to the said Composite Scheme (refer note 32). The Company is in process of getting the underlying title deeds of the aforesaid immovable properties transferred/registered in its name.

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

Note 4. Other intangible assets and intangible assets under development

(₹ in million)

	Rights	Softwares	Total
Gross carrying amount as at 23 October 2019	-	-	-
Gross carrying amount as at 31 March 2020	-	-	-
Accumulated amortisation as at 23 October 2019	-	-	-
Accumulated amortisation as at 31 March 2020	-	-	-
Net carrying amount as at 31 March 2020	**-**	**-**	**-**

(₹ in million)

	Rights	Softwares	Total
Gross carrying amount as at 1 April 2020	-	-	-
Transferred pursuant to the Composite Scheme (refer note 32)	12.24	151.62	**163.86**
Additions	-	9.83	**9.83**
Gross carrying amount as at 31 March 2021	**12.24**	**161.45**	**173.69**
Accumulated amortisation as at 1 April 2020	-	-	-
Transferred pursuant to the Composite Scheme (refer note 32)	12.24	111.22	**123.46**
Amortisation for the year	-	3.14	**3.14**
Accumulated amortisation as at 31 March 2021	**12.24**	**114.36**	**126.60**
Net carrying amount as at 31 March 2021	**-**	**47.09**	**47.09**
Intangible assets under development			
As at 31 March 2020			-
As at 31 March 2021			**19.14**

Note 5 (a). Investment in associate

On 18 February 2021, the Company has acquired 2,657 number of 0.01% Convertible Preference Shares ('CPS') of ₹10 each of Mister Veg Foods Private Limited, India ("MVFPL"), for a total consideration of ₹ 21.64 million, representing potential 20.99% shareholding in MVFPL, once converted. CPS are convertible into equity shares of MVFPL at a defined conversion ratio as per the terms of the underlying contract. The shareholder agreement entitles the Company to nominate one board member and it also entitles the Company vote in all the shareholders meetings in proportion to their shareholding on as if converted basis and accordingly, this investment is classified and presented as an associate, measured at cost. MVFPL is primarily engaged in the business of food products.

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Mister Veg Foods Private Limited	21.64	-

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

Note 5 (b). Non-current investments

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
I. Investment in equity shares (at cost)		
Unquoted (fully paid up)		
Subsidiary companies:		
375 (31 March 2020: Nil) equity shares with no par value		
Jubilant Life Sciences (USA) Inc.	17.11	-
34,484,000 (31 March 2020: Nil) equity shares of ₹ 10 each		
Jubilant Infrastructure Limited	1,298.82	-
437,503 (31 March 2020: Nil) equity shares with no par value		
Jubilant Life Sciences International Pte. Limited	3.56	-
99,999 (31 March 2020: Nil) equity shares with no par value		
Jubilant Life Sciences NV	7.81	-
Total non-current investments *	**1,327.30**	**-**
Aggregate amount of unquoted investments	**1,327.30**	**-**
Aggregate amount of impairment in the value of investments	**-**	**-**

* Refer note 32

The amount represents maximum amount of investments outstanding during the year, further this disclosure suffice the requirements of Section 186(4) of the Act.

Particulars of subsidiaries and associate as at 31 March 2021 and 31 March 2020

Sr. No.	Name	Relationship	Ownership interests 31 March 2021	Ownership interests 31 March 2020	Principal place of business	Accounted on
1	Jubilant Life Sciences International Pte. Limited	Subsidiary	100%	-	Singapore	Measured at cost as per Ind AS 27 "Separate Financial Statement"
2	Jubilant Life Sciences (USA) Inc.	Subsidiary	100%	-	USA	
3	Jubilant Infrastructure Limited	Subsidiary	100%	-	India	
4	Jubilant Life Sciences NV	Subsidiary	100%	-	Belgium	
5	Jubilant Life Sciences (Shanghai) Limited	Step down subsidiary	100%	-	China	
6	Jubilant Ingrevia Employees Welfare Trust	Subsidiary	-	-	India	
7	Mister Veg Foods Private Limited	Associate	20.99%	-	India	

Note 6. Loans

(₹ in million)

	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Security deposits	19.10	18.38	-	-
Loan to employees	4.89	5.22	-	-
Total loans	**23.99**	**23.60**	**-**	**-**

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

Note 7. Other financial assets

(₹ in million)

	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Other bank balances: Deposits with maturity after 12 months from the reporting date (1)	-	4.95	-	-
Receivable from related parties (2) (refer note 38)	216.48	-	-	-
Insurance claims receivable	35.70	-	-	-
Interest receivable	2.01	-	-	-
Others (refer note 42)	231.68	-	-	-
Total other financial assets	**485.87**	**4.95**	**-**	**-**

Notes:

(1) These deposits have restricted use.

(2) Including due from private companies having common director aggregating to ₹ 7.31 million (31 March 2020: Nil)

Note 8. Deferred tax

Deferred income tax reflect the net tax effects of temporary difference between the carrying amount of assets 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	Lease liability	Accrued expenses and other temporary differences	Total
As at 1 April 2020	-	-	-	-	-	**-**
Transferred pursuant to the Composite Scheme (refer note 32)	240.76	14.67	1,687.71	163.96	16.88	**2,123.98**
(Charged)/credited						
- to Statement of profit and loss	(4.83)	-	(77.81)	6.73	1.12	**(74.79)**
- to MAT credit adjusted/ utilised	-	-	(5.41)	-	-	**(5.41)**
- to other comprehensive income	1.15	-	-	-	-	**1.15**
As at 31 March 2021	**237.08**	**14.67**	**1,604.49**	**170.69**	**18.00**	**2,044.93**

Deferred tax liabilities:

(₹ in million)

	PPE, Intangibles and Right-of-use assets	Others	Total
As at 1 April 2020	-	-	**-**
Transferred pursuant to the Composite Scheme (refer note 32)	2,320.46	5.64	**2,326.10**
Charged/(credited)			
- to Statement of Profit and Loss	(2.67)	0.32	**(2.35)**
As at 31 March 2021	**2,317.79**	**5.96**	**2,323.75**

Reflected in the Balance Sheet as follows:

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Deferred tax assets	2,044.93	-
Deferred tax liabilities	2,323.75	-
Deferred tax liabilities, net	**278.82**	**-**

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

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

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Balance as at the commencement of the year	-	-
Transferred pursuant to the Composite Scheme (refer note 32)	(202.12)	-
Deferred tax expense during the year recognised in Statement of Profit and Loss (including MAT)	(72.44)	-
MAT credit adjusted/utilised	(5.41)	-
Deferred tax credit during the year recognised in OCI	1.15	-
Balance as at the end of the year	**(278.82)**	**-**

DTA has not been recognised on temporary differences in relation to indexation benefit on investment in subsidiaries and freehold land amounting to ₹ 268.78 million (31 March 2020: ₹ Nil) and ₹ 81.97 million (31 March 2020: ₹ Nil) 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.

Tax related contingencies: Refer note 39

Note 9. Other non-current assets

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Capital advances	146.57	-
Total other non-current assets	**146.57**	**-**

Note 10. Inventories

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Raw materials *	2,228.30	-
Work-in-progress	803.71	-
Finished goods	1,415.21	-
Stores and spares *	155.07	-
Others-process chemicals and fuels	603.94	-
Total inventories	**5,206.23**	**-**
* Goods in transit included in the above		
Raw materials	464.30	-
Stores and spares	4.96	-
Total goods in transit	**469.26**	**-**
Total write down of inventories recognised during the year	34.09	-

Note 11. Trade receivables

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Unsecured and current		
Trade receivables - considered good	3,768.29	-
Trade receivables from related parties - considered good (refer note 38)	1,034.56	-
Trade receivables - credit impaired	49.76	-
Less: Expected credit loss allowance (refer note 35)	(49.76)	-
Total trade receivables	**4,802.85**	**-**

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

Note 12 (a). Cash and cash equivalents

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Balances with banks		
- In current accounts	450.69	0.50
- In deposit accounts with original maturity up to three months	150.00	-
Cash on hand	0.94	-
Others		
- Funds in transit	55.21	-
- Imprest	0.03	-
Total cash and cash equivalents	**656.87**	**0.50**

Note 12 (b). Other bank balances

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Deposits accounts with maturity up to twelve months from the reporting date	199.59	-
Total other bank balances (1)	**199.59**	**-**

Note:

(1) ₹ 96.61 million (31 March 2020: ₹ Nil) has restricted use.

Note 13. Other current assets

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Prepaid expenses	83.78	-
Recoverable from/balance with government authorities	1,112.87	-
Advance to employees	1.59	-
Advance to vendors	327.57	-
Others advances	49.02	-
Total other current assets	**1,574.83**	**-**

Note 14. Equity share capital

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Authorised		
200,000,000 (31 March 2020 : 200,000,000) equity shares of ₹ 1 each	200.00	200.00
	200.00	**200.00**
Issued and subscribed		
159,281,139 (31 March 2020 : 500,000) equity shares of ₹ 1 each	159.28	0.50
	159.28	**0.50**
Paid up capital		
159,281,139 (31 March 2020 : 500,000) equity shares of ₹ 1 each	159.28	0.50
	159.28	**0.50**

Notes to the Financial Statements
for the year ended 31 March 2021 (Continued)

Movement in equity share capital:

	31 March 2021		31 March 2020	
	Number	₹ in million	Number	₹ in million
At the commencement of the year/period	500,000	0.50	-	-
Add: Shares issued during the period	-	-	500,000	0.50
Add: Issuance of equity shares pursuant to the Composite Scheme (refer note 32)	159,281,139	159.28	-	-
Less: Cancellation of equity shares pursuant to the Composite Scheme (refer note 32)	(500,000)	(0.50)	-	-
At the end of the year	**159,281,139**	**159.28**	**500,000**	**0.50**

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. The 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	31 March 2021		31 March 2020	
	Number	% of total shares	Number	% of total shares
Jubilant Pharmova Limited	-	-	500,000 *	100.00%
SPB Trustee Company Private Limited and SS Trustee Company Private Limited (Jointly on behalf of Shyam Sunder Bhartia Family Trust)	32,686,161	20.52%	-	-
HSB Trustee Company Private Limited and HS Trustee Company Private Limited (Jointly on behalf of Hari Shanker Bhartia Family Trust)	30,257,475	19.00%	-	-

* All the shares were held by Jubilant Pharmova Limited (Holding Company upto 31 January 2021) singly, except 6 shares, each of which was held jointly with one Individual as second named shareholder.

Others

The Company has issued 159,281,139 fully paid-up equity shares of ₹ 1 each to the shareholders of the Demerged Company, for every one fully paid-up equity share of ₹ 1 each held by them in the Demerged Company for consideration other than cash pursuant to the Composite Scheme (refer note 32).

Note 15. Nature and purpose of other equity

• *Capital reserve*

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

• *Securities premium* *

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

• *General reserve* *

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

• *Retained earnings* *

Retained earnings represent the amount of accumulated earnings and re-measurement differences on defined benefit plans recognised in OCI within equity.

* Refer note 32 (a)

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

Note 16 (a). Non-current borrowings

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Secured debentures		
Secured rated listed non-convertible debentures	996.91	-
Term loans		
From banks		
Indian rupee loans (secured)	3,561.47	-
From other parties		
Indian rupee loans from a subsidiary (unsecured)	1,909.90	-
Total non-current borrowings	**6,468.28**	**-**
Add: Current maturities of non-current borrowings (Refer note 19)	896.59	-
Total borrowings (including current maturities)	**7,364.87**	**-**

16.1 Nature of security of non-current borrowings and other terms of repayment

16.1.1 Indian rupee term loans amounting to ₹ 4,478.13 million (31 March 2020: ₹ Nil) from The Hongkong and Shanghai Banking Corporation Limited, ICICI Bank Limited and Non-convertible debentures amounting to ₹ 1,000.00 million (31 March 2020: ₹ Nil) are secured by a first pari-passu charge created amongst the lenders by way of:

1) First *pari passu* charge on all the immovable property, plant and equipment owned by the Company, situated at Bhartiagram, Tehsil Dhanora, District Amroha, Uttar Pradesh, India ("Immovable Secured Assets"), but excluding the immovable property, plant and equipment described in (A) below ("Excluded Immovable Assets"). The details of the Immoveable Secured Assets charged/mortgaged to secure the facilities is more particular described in (B) below.

A. Excluded immovable assets:

(1) 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, which land is covered under common title deeds with other group companies of the Company;

(2) 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

(3) 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, which land is covered under common lease deed with other group companies of the Company;

B. Immovable secured assets:

(1) Land admeasuring 32.77 Acres or 13.268 Hectares situated in the revenue estate of Village Naipura Khader, Tehsil Hasanpur (now Pargana and Tehsil Dhanora), District Moradabad (now District Amroha), Uttar Pradesh, together with buildings and structures thereon and all plant and equipment attached to the earth or permanently fastened to anything attached to the earth;

(2) Land admeasuring 154.28 Acres or 62.448 Hectares situated in the revenue estate of Village Tigariya Bhoor, Tehsil Dhanera, District Amroha, Uttar Pradesh, together with buildings and structures thereon and all plant and equipment attached to the earth or permanently fastened to anything attached to the earth;

(3) Land admeasuring 95.46 Acres or 38.648 Hectares situated in the revenue estate of Village Shahbajpur Dor, Tehsil and Pargana Hasanpur (now Dhanera), District Amroha (early in Moradabad), Uttar Pradesh, together with buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth;

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

(4) Land admeasuring 28.904 Hectare or 71.39 Acres, situated in the revenue estate of Village Rasoolpur Khader, Tehsil Dhanaura, District Moradabad (now District Amroha), Uttar Pradesh, together with buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth;

(5) Land admeasuring 48,576 square meters or 12 Acres or 4.856 Hectares situated in the revenue estate of Villages Sadullapur, Naipura Khadar, Sahabazpur Dor, Tehsil Hasanpur (now Pargana and Tehsil Dhanora), District Amroha, Uttar Pradesh, together with buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth.

2) First pari passu charge over entire movable property, plant and equipment of the Company, both present and future.

3) First pari passu charge over the land and building of the office premises located at 1A, Sector 16A, Noida- Uttar Pradesh-201301.

16.1.2 Indian rupee term loan amounting to ₹ 3,128.13 million (31 March 2020: ₹ Nil) from ICICI Bank Limited is repayable in 15 structured quarterly installments from June 2021.

16.1.3 Indian rupee term loan amounting to ₹ 1,350.00 million (31 March 2020: ₹ Nil) from The Hongkong and Shanghai Banking Corporation Limited is repayable in 16 equal quarterly installments from April 2021.

16.1.4 7.90% Non-convertible debentures amounting to ₹ 1,000.00 million (31 March 2020: ₹ Nil) are repayable in single installment in June 2023.

16.1.5 Refer note 32 for borrowing transferred from Jubilant Pharmova Limited pursuant to the Composite Scheme.

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 2021, the interest rate on long-term Indian currency loans from 6.25% to 7.20 % per annum.

16.2 Nature of security of current borrowings and other terms of repayment

16.2.1 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.

16.2.2 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 2021, the interest rate on short-term Indian currency loans range from 7.50% to 8.65% per annum.

16.3 Assets pledged as security

Assets with following carrying amounts are pledged as collateral/security against loans and borrowings at year end.

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Leasehold land, property, plant and equipment	15,073.14	-
Inventories	5,206.23	-
Trade receivables	4,802.85	-
	25,082.22	**-**

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

16 (b). Reconciliation of movements of liabilities (borrowings, lease liabilities and interest accrued) to cash flows arising from financing activities:

(₹ in million)

	31 March 2021	31 March 2020
Movement due to non-cash transactions:		
- Transferred pursuant to the Composite Scheme (refer note 32)	8,495.03	-
- Finance costs expensed	94.46	-
- Finance costs capitalised	3.41	-
- Lease liabilities	31.83	-
Movement due to cash transactions as per the statement of cash flows	(702.03)	-
As at end of the year	**7,922.70**	**-**

Note 17. Provisions

(₹ in million)

	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Provision for employee benefits (refer note 33)	117.35	659.96	-	-
Total provisions	**117.35**	**659.96**	**-**	**-**

Note 18. Trade payables

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Current		
Total outstanding dues of micro enterprises and small enterprises (refer note 31)	129.58	-
Total outstanding dues of creditors other than micro enterprises and small enterprises *	6,768.63	1.66
Total trade payables	**6,898.21**	**1.66**
* Amount payable to related parties included in the above (refer note 38)	255.00	-

Note 19. Other current financial liabilities

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Current maturities of non-current borrowings (refer note 16(a))	896.59	-
Interest accrued	105.49	-
Security deposit	25.45	-
Capital creditors *	279.60	-
Employee benefits payable	283.58	-
Total other current financial liabilities	**1,590.71**	**-**

* Includes outstanding dues of micro enterprises and small enterprises of ₹ 28.02 million (31 March 2020: ₹ Nil)

Note 20. Other current liabilities

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Contract liabilities	85.29	-
Statutory dues payables	90.22	-
Total other current liabilities	**175.51**	**-**

Note 21. Revenue from operations

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Sale of products	6,636.57	-
Sale of services	1.10	-
Other operating revenue (refer note 42)	51.61	-
Total revenue from operations	**6,689.28**	**-**

Notes to the financial statements

for the year ended 31 March 2021 (Continued)

Disaggregation of revenue

In the following table, revenue from sale of product and services is disaggregated by primary geographical market and major products and service lines.

(₹ in million)

	For the year ended 31 March 2021				For the period 23 October 2019 to 31 March 2020			
	Speciality Chemicals	Nutrition & Health Solutions	Life Science Chemicals	Total	Speciality Chemicals	Nutrition & Health Solutions	Life Science Chemicals	Total
Primary geographical markets								
India	814.81	263.74	3,055.79	**4,134.34**	-	-	-	-
Americas and Europe	779.36	550.91	395.92	**1,726.19**	-	-	-	-
China	136.59	40.34	-	**176.93**	-	-	-	-
Rest of the world	222.08	275.78	102.35	**600.21**	-	-	-	-
Total	**1,952.84**	**1,130.77**	**3,554.06**	**6,637.67**	-	-	-	-
Major products/service lines								
Speciality ingredients	900.25	-	-	**900.25**	-	-	-	-
Fine chemicals/Crop protection chemicals/Custom development and manufacturing organization	1,052.59	-	-	**1,052.59**	-	-	-	-
Nutrition and health ingredients/Animal nutrition and health solutions/Human nutrition and health solutions	-	1,130.77	-	**1,130.77**	-	-	-	-
Life sciences ingredients/Specialty ethanol	-	-	3,554.06	**3,554.06**	-	-	-	-
Total	**1,952.84**	**1,130.77**	**3,554.06**	**6,637.67**	-	-	-	-

Reconciliation of the disaggregated revenue with the Company's reportable segments (refer note 37)

(₹ in million)

	For the year ended 31 March 2021				For the period 23 October 2019 to 31 March 2020			
	Speciality Chemicals	Nutrition & Health Solutions	Life Science Chemicals	Total	Speciality Chemicals	Nutrition & Health Solutions	Life Science Chemicals	Total
Revenue from sale of products and services	1,952.84	1,130.77	3,554.06	**6,637.67**	-	-	-	-
Other operating revenue	32.13	4.74	14.74	**51.61**	-	-	-	-
Total	**1,984.97**	**1,135.51**	**3,568.80**	**6,689.28**	-	-		-

Notes to the Financial Statements
for the year ended 31 March 2021 (Continued)

Contract balances

(₹ in million)

	As at 31 March 2021	As at 31 March 2020	As at 23 October 2019
Trade receivables	4,802.85	-	-
Contract liabilities	85.29	-	-

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

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Contracted price	6,657.54	-
Reductions towards variable consideration components	(19.87)	-
Revenue recognised	**6,637.67**	**-**

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

Note 22. Other income

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Interest income	4.24	-
Other non-operating income	20.29	-
Total other income	**24.53**	**-**

Note 23. Cost of materials consumed

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Raw materials consumed	3,634.59	-
Total cost of materials consumed	**3,634.59**	**-**

Note 24. Purchases of stock-in-trade

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Purchases of stock-in-trade	145.23	-
Total purchases of stock-in-trade	**145.23**	**-**

Note 25. Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Opening balance		
Work-in-progress	-	-
Finished goods	-	-
Total opening balance	**-**	**-**
Transferred pursuant to the Composite Scheme	**2,318.26**	**-**
Closing balance		
Work-in-progress	803.71	-
Finished goods	1,415.21	-
Total closing balance	**2,218.92**	**-**
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**99.34**	**-**

Notes to the Financial Statements
for the year ended 31 March 2021 (Continued)

Note 26. Employee benefits expense

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Salaries, wages, bonus, gratuity and allowances	391.08	-
Contribution to provident fund and other funds	21.48	-
Staff welfare expenses	18.53	-
Total employee benefits expense	**431.09**	**-**

Note 27. Finance costs

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Interest expense	90.99	-
Other finance costs	3.47	-
Total finance costs (1)	**94.46**	**-**

Note:
(1) Refer note 43 for finance costs capitalised.

Note 28. Depreciation and amortisation expense

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Depreciation of property, plant and equipment	199.80	-
Depreciation on right-of-use assets	10.56	-
Amortisation of intangible assets	3.14	-
Total depreciation and amortisation expense	**213.50**	**-**

Note 29. Other expenses

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Power and fuel	527.91	-
Consumption of stores and spares and packing materials	336.17	-
Processing charges	40.65	-
Rent	10.24	-
Rates and taxes	9.78	1.63
Insurance	14.24	-
Advertisement, publicity and sales promotion	1.78	-
Traveling and conveyance	5.44	-
Repairs and maintenance:		
i. Plant and equipment	186.17	-
ii. Buildings	13.92	-
iii. Others	22.40	-
Office expenses	19.86	-
Vehicle running and maintenance	3.37	-
Printing and stationery	3.15	-
Telephone and communication charges	1.87	-
Staff recruitment and training	2.11	-
Payments to statutory auditors	3.90	0.03
Legal and professional	31.03	-
Freight and forwarding (including ocean freight)	123.83	-
Subscription fee	4.85	-
Sales commission	5.16	-
Net foreign exchange loss	29.65	-
Miscellaneous expenses	13.29	-
Total other expenses	**1,410.77**	**1.66**

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

Note 29 (a). Details of payment to statutory auditors (excluding applicable taxes and including out of pocket expenses)

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020*
As auditor:		
Audit fee	3.90	0.03
Total payment to auditors	**3.90**	**0.03**

* Payment to predecessor auditor

Note 29 (b). Research and development expenses (excluding finance cost, depreciation and amortisation) comprises of:

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Cost of material consumed	3.79	-
Employee benefits expense	21.34	-
Other expenses	6.68	-
	31.81	**-**

Note 30. Income tax

The major components of income tax expense are:

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Statement of Profit and Loss		
Current tax	97.07	-
Deferred tax	72.44	-
Income tax expense	**169.51**	**-**
Other Comprehensive Income		
Tax related to items that will not be reclassified to profit and loss	1.15	-
Income tax expense	**1.15**	**-**

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

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Profit/(loss) before income tax	555.39	(1.66)
At statutory income tax rate of 34.944% (31 March 2020: 34.944%)	194.07	(0.58)
- Effect of non-deductible expenses and exempt income	(38.21)	-
- Effect of lower tax rate on temporary difference	16.22	-
- Others	(2.57)	0.58
Income tax expense reported in the Statement of Profit and Loss	**169.51**	**-**

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

Note 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 2021	As at 31 March 2020
The principal amount remaining unpaid to any supplier as at the end of the year.	157.60	-
The interest due on principal amount remaining unpaid to any supplier as at the end of the year.	-	-
The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
The amount of interest accrued and remaining unpaid at the end of the year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act.	-	-

Note 32. Composite scheme of arrangement

The Board of Directors of the Company at its meeting held on 24 October 2019 had approved the Composite Scheme of Arrangement ("Composite Scheme") for amalgamation of certain promoter controlled entities into Jubilant Pharmova Limited ("JPM"), the Demerged Company and demerger of the Life Science Ingredients business ("LSI business") into the Company, which was subsequently filed with National Company Law Tribunal ("NCLT").

The Composite Scheme was approved by Honourable NCLT, Allahabad Bench vide its order dated 23 December 2020 (formal order received on 6 January 2021).

The said NCLT order was filed with the Registrar of Companies ("ROC") by the Company and the Demerged Company on 1 February 2021 thereby making the Composite Scheme effective. In terms of the Composite Scheme, all assets and liabilities of the LSI business of the Demerged Company were transferred and vested into the Company on 1 February 2021, being the Demerger Appointed Date.

Accounting of transfer of LSI business as per approved Composite Scheme:

(i) The assets and liabilities pertaining to the LSI business, transferred to and vested in the Company pursuant to the Composite Scheme are recorded at their respective carrying values as appearing in the books of the Demerged Company.

(ii) The Company issued 159,281,139 fully paid-up equity shares of ₹ 1 each to the shareholders of the Demerged Company, for every one fully paid-up equity share of ₹ 1 each held by them in the Demerged Company.

(iii) The pre-demerger shareholding of the Demerged Company in the Company comprising of 500,000 fully paid-up equity shares of ₹ 1 each, was cancelled.

(iv) The share capital account has been credited with the aggregate face value of the shares issued to the shareholders pursuant to the Composite Scheme and the difference has been accounted in appropriate reserves within "Other equity".

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

Note 32 (a). The book value of assets and liabilities transferred and vested into the Company as at the appointed date are as under:

(₹ in million)

	Amount
ASSETS	
Non-current assets	
Property, plant and equipment	16,506.26
Capital work-in-progress	637.35
Other intangible assets	40.40
Intangible assets under development	30.10
Right-of-use assets	752.36
Financial assets	
i. Investments	1,327.30
ii. Loans	25.05
iii. Other financial assets	4.95
Other non-current assets	25.90
Total non-current assets	**19,349.67**
Current assets	
Inventories	5,029.49
Financial assets	
i. Trade receivables	4,755.49
ii. Cash and cash equivalents	610.67
iii. Other bank balances	192.69
iv. Loans	25.75
v. Other financial assets	105.30
Other current assets	1,588.52
Total current assets	**12,307.91**
Total assets (A)	**31,657.58**
LIABILITIES	
Non-current liabilities	
Financial liabilities	
i. Borrowings	6,926.98
ii. Lease liabilities	402.26
Provisions	602.92
Deferred tax liabilities (net)	202.12
Total non-current liabilities	**8,134.28**
Current liabilities	
Financial liabilities	
i. Borrowings	167.40
ii. Lease liabilities	21.30
iii. Trade payables	6,188.57
iv. Other financial liabilities	1,372.63
Other current liabilities	233.46
Provisions	164.03
Total current liabilities	**8,147.39**
Total liabilities (B)	**16,281.67**
Net assets transferred (A)-(B)	**15,375.91**
Recorded under equity pursuant to the Composite Scheme as under:	
Equity share capital and securities premium	5,878.41
General reserve	7,375.72
Retained earnings	2,121.78
	15,375.91

The reserves, adjusted for equity share capital, have been recorded in the standalone financial statements of the Company in the same form in which they appeared in the financial statements of the Demerged Company.

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

Note 32 (b). The Statement of Profit and Loss and Statement of Cash Flows of the Company includes figures of LSI business comprising two months of operations effective 1 February 2021. Further, in order to present the actual scale of operation of the LSI business for financial year ended 31 March 2021 and 31 March 2020, the management has presented, in addition to, the standalone financial statement of the Company comprising two months of operations effective 1 February 2021, standalone financial information of the demerged LSI business till 31 January 2021 and for the year ended 31 March 2020. The said financial information for the period 1 April 2020 to 31 January 2021 and year ended 31 March 2020, has been extracted from the disclosure in the audited financial results of the Demerged Company, for the year ended 31 March 2021, which has not been separately subject to audit or review and has been presented as 'unaudited' supplementary information, as below:

(₹ in million)

Particulars	For the year ended 31 March 2021 (10 months) (Unaudited)	For the year ended 31 March 2020 (12 months) (Unaudited)
i) Total revenue from operations	27,094.98	31,109.84
ii) Other income	351.67	212.88
iii) Total income	27,446.65	31,322.72
iv) Total expenses	24,666.15	29,738.49
v) Profit before exceptional items and tax	2,780.50	1,584.23
vi) Exceptional items	-	17.03
vii) Profit before tax	2,780.50	1,567.20
viii) Tax expenses/(credit)	615.26	(223.03)
ix) Net profit for the period	2,165.24	1,790.23

Note 33. Employee benefits in respect of the Company have been calculated as under:

(A) Defined contribution plans

The Company has certain defined contribution plans such as provident fund, employee state insurance and employee pension scheme wherein specified percentage is contributed to these plans. During the year, the Company has contributed following amounts to:

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Employer's contribution to provident fund	14.73	-
Employer's contribution to employee's pension scheme	4.30	-
Employer's contribution to employee state insurance	0.06	-

(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 6.80% p.a. (31 March 2020: Not applicable (NA)) 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 2020: NA) and mortality table is as per IALM (2012-14) (31 March 2020: NA).

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 2020: NA), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plan assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme for certain employees of 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 6.80% p.a. (31 March 2020: NA).

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

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

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Present value of obligation at the beginning of the year	-	-
Transferred pursuant to the Composite Scheme (refer note 32)	556.80	-
Current service cost	7.17	-
Interest cost	6.03	-
Actuarial loss	3.28	-
Benefits paid	(25.17)	-
Present value of obligation at the end of the year	**548.11**	**-**

*Fair value of plan assets**:*

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Plan assets at the beginning of the year	-	-
Transferred pursuant to the Composite Scheme (refer note 32)	3.40	-
Expected return on plan assets	0.04	-
Plan assets at the end of the year	**3.44**	**-**

**In respect of one location, the plan assets were invested in insurer managed funds.

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

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Present value of obligation at the end of the year	548.11	-
Fair value of plan assets at the end of the year	(3.44)	-
Net liabilities recognised in the Balance Sheet	**544.67**	**-**

Company's best estimate of contribution during next year is ₹ 82.74 million (31 March 2020: ₹ Nil).

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

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Current service cost	7.17	-
Interest cost	5.99	-
Expense recognised in the Statement of Profit and Loss	**13.16**	**-**

Amount recognised in the other comprehensive income:

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Actuarial loss due to financial assumption change	1.83	-
Actuarial loss due to experience adjustment	1.45	-
Amount recognised in the other comprehensive income	**3.28**	**-**

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

Sensitivity analysis:

Discount rate

(₹ in million)

	31 March 2021		31 March 2020	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(12.94)	13.61	-	-

Future salary increase

(₹ in million)

	31 March 2021		31 March 2020	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	13.56	(13.02)	-	-

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

The table below summarises the maturity profile of the defined benefit obligations:

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Within one year	86.22	-
Between one to three years	154.82	-
Between three to five years	94.12	-
Later than five years	212.95	-
	548.11	**-**

(C) Other long-term benefits (compensated absences):

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Present value of obligation at the end of the year	232.64	-

Note 34. Fair value measurements

(₹ in million)

	Notes	Level of hierarchy	Carrying Value as at		Fair Value as at	
			31 March 2021	31 March 2020	31 March 2021	31 March 2020
Financial assets						
Amortised cost						
Trade receivables	(a)		4,802.85	-	4,802.85	-
Loans	(a, b)		47.59	-	47.59	-
Cash and cash equivalents	(a)		656.87	0.50	656.87	0.50
Other bank balances	(a)		199.59	-	199.59	-
Other financial assets	(a, b)		490.82	-	490.82	-
Total financial assets			**6,197.72**	**0.50**	**6,197.72**	**0.50**
Financial liabilities						
Amortised cost						
Secured rated listed non-convertible debentures	(c)	1	996.91	-	1,000.00	-
Other borrowings	(a, c)	3	6,367.96	-	6,498.94	-
Lease liabilities	(a)		452.34	-	-	-
Trade payables	(a)		6,898.21	1.66	6,898.21	1.66
Other financial liabilities	(a)		694.12	-	694.12	-
Total financial liabilities			**15,409.54**	**1.66**	**15,091.27**	**1.66**

Notes to the Financial Statements

for the year ended 31 March 2021 (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. Further, the fair value disclosure of lease liabilities is not required.

(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 (including listed non-convertible 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.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2021 and for the period 23 October 2019 to 31 March 2020.

Note 35. 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 exposure.

Trade receivables and other financial assets

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

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

As at 31 March 2021 and 31 March 2020, there is no major customer in terms of credit risk for the Company.

Expected credit loss with respect to trade receivables:

With respect to trade receivables, based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 month (net of expected credit loss allowance) is ₹ 22.43 million (31 March 2020: ₹ Nil).

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

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

(₹ in million)

	31 March 2021	31 March 2020
Balance at the beginning of the year	-	-
Transferred pursuant to the Composite Scheme (refer note 32)	46.29	-
Add: Impairment recognised during the year (net of reversal)	4.84	-
Less: Receivables written off *	(1.37)	-
Balance at the end of the year	**49.76**	**-**

* Receivables 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 receivables, management believes these to be high quality assets with negligible credit risk. The management believes that the parties, from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no allowance 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 the treasury department. Long-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 2021	Carrying Amount	Contractual Cash flows (2)		
		Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings (1)	7,364.87	7,388.03	906.25	6,481.78
Lease liabilities	452.34	452.34	24.80	427.54
Trade payables	6,898.21	6,898.21	6,898.21	-
Other financial liabilities	694.12	694.12	694.12	-

(₹ in million)

As at 31 March 2020	Carrying Amount	Contractual Cash flows (2)		
		Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings (1)	-	-	-	-
Lease liabilities	-	-	-	-
Trade payables	1.66	1.66	1.66	-
Other financial liabilities	-	-	-	-

(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 2021 (Continued)

iii. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates 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 EUR and USD.

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 planned, including but not limited to, entering into forward contracts and interest rate swaps.

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 2021		As at 31 March 2020	
	USD	EUR	USD	EUR
Cash and cash equivalents	23.19	-	-	-
Trade receivables	1,195.53	568.32	-	-
Other financial assets	-	9.17	-	-
Trade payables	(3,973.64)	(27.12)	-	-
Net exposure	**(2,754.92)**	**550.37**	**-**	**-**

Sensitivity analysis

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

(₹ in million)

	Profit or loss (before tax)	
	Strengthening	Weakening
31 March 2021		
USD (1% movement)	(27.55)	27.55
EUR (1% movement)	5.50	(5.50)
31 March 2020		
USD (1% movement)	-	-
EUR (1% movement)	-	-

Interest rate risk

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

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

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 2021	As at 31 March 2020
Fixed-rate borrowings	2,909.90	-
Floating rate borrowings	4,478.13	-
Total borrowings (gross of transaction cost)	**7,388.03**	**-**

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

If interest rates had been 25 basis points higher / lower and all other variables were held constant, the Company's profit before tax for the year ended 31 March 2021 would decrease / increase by ₹ 11.20 million (31 March 2020: ₹ Nil). This is mainly attributable to the Company's exposure to interest rates on its floating rate borrowings.

Note 36. Capital management

(a) Risk management

The Company's objectives when managing capital are to:

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

In order to maintain or adjust the capital structure, the 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 2021	As at 31 March 2020
Net debt	6,508.41	-
Total equity	15,758.50	(1.16)
Net debt to equity ratio	**0.41**	**-**

(b) The Board of Directors of the Company has recommended a dividend of ₹ 0.35 per share of ₹ 1 each amounting to ₹ 55.80 million, subject to approval of shareholders in the Annual General Meeting.

Note 37. Segment information

Business Segments

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

a. **Speciality Chemicals -** i) Speciality ingredients ii) Fine chemicals iii) Crop protection chemicals iv) Custom development and manufacturing organisation

b. **Nutrition & Health Solutions -** i) Nutrition & health ingredients ii) Animal nutrition & health solutions iii) Human nutrition & health solutions

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

c. **Life Science Chemicals -** i) Life science ingredients ii) Speciality ethanol

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 certain 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 2021			For the period 23 October 2019 to 31 March 2020		
	Total segment revenue	Inter-segment revenue	Revenue from external customer	Total segment revenue	Inter-segment revenue	Revenue from external customer
Revenue						
Speciality Chemicals	2,497.95	512.98	1,984.97	-	-	-
Nutrition & Health Solutions	1,135.51	-	1,135.51	-	-	-
Life Science Chemicals	3,684.81	116.01	3,568.80	-	-	-
Total segment revenue	**7,318.27**	**628.99**	**6,689.28**	**-**	**-**	**-**

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Result		
Speciality Chemicals	246.01	-
Nutrition & Health Solutions	176.61	-
Life Science Chemicals	380.47	-
Total segment result	**803.09**	**-**
Un-allocated corporate expenses (net of un-allocated income)	157.48	1.66
Interest income	4.24	-
Finance costs	94.46	-
Profit/(loss) before tax	**555.39**	**(1.66)**
Tax expense	169.51	-
Profit/(loss) for the year	**385.88**	**(1.66)**

(₹ in million)

	Segment Assets		Segment Liabilities	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Speciality Chemicals	14,535.97	-	3,369.00	-
Nutrition & Health Solutions	3,693.43	-	800.82	-
Life Science Chemicals	11,504.50	-	4,716.61	-
Segment total	**29,733.90**	**-**	**8,886.43**	**-**
Un-allocated corporate assets/ liabilities	2,665.78	0.50	7,754.75	1.66
Total assets/ liabilities	**32,399.68**	**0.50**	**16,641.18**	**1.66**

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

Other information

(₹ in million)

	Capital expenditure		Depreciation/Amortisation	
	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Speciality Chemicals	183.75	-	108.02	-
Nutrition & Health Solutions	24.87	-	24.14	-
Life Science Chemicals	218.49	-	79.89	-
Un-allocated	-	-	1.45	-
Total	**427.11**	**-**	**213.50**	**-**

Information about Geographical segments:

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Revenue by geographical markets		
India	4,185.95	-
Americas and Europe	1,726.19	-
China	176.93	-
Rest of the world	600.21	-
Total	**6,689.28**	**-**

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Non-current assets (by geographical location of assets)*		
Within India	18,100.51	-
Outside India	-	-
Total	**18,100.51**	**-**

*Non-current assets are excluding investments and deferred tax assets.

Note 38. Related Party Disclosures

1. **Related parties where control exists or with whom transactions have taken place:**

a) *Holding Company:*

Jubilant Pharmova Limited (up to 31 January 2021).

b) *Subsidiaries including step-down subsidiaries*:*

Jubilant Life Sciences (Shanghai) Limited, Jubilant Life Sciences (USA) Inc., Jubilant Infrastructure Limited, Jubilant Life Sciences NV, Jubilant Life Sciences International Pte. Ltd., Jubilant Ingrevia Employee Welfare Trust.

* W.e.f. 1 February 2021 (refer note 32)

c) *Key management personnel (KMP) and related entities:*

Mr. Rajesh Kumar Srivastava (w.e.f. 6 February 2021), Mr. Anant Pande (w.e.f. 6 February 2021), Mr. Prakash Chandra Bisht (w.e.f. 16 February 2021), Ms. Deepanjali Gulati (appointed w.e.f. 4 August 2020).

Jubilant Biosys Limited, Jubilant Industries Limited, Jubilant FoodWorks Limited, Jubilant Agri and Consumer Products Limited, Jubilant Generics Limited, Jubilant Pharmova Limited (w.e.f. 1 February 2021), Jubilant Business Services Limited, Jubilant Enpro Private Limited, Jubilant Consumer Private Limited, PSI Supply NV, Jubilant Pharmaceuticals NV.

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

2. Transactions with related parties for the year 31 March 2021

FY 2020-21

(₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Total
	Description of transactions:				
1.	**Sales of goods and services:**				
	Jubilant Life Sciences (Shanghai) Limited	176.99			176.99
	Jubilant Life Sciences (USA) Inc.	255.76			255.76
	Jubilant Infrastructure Limited	1.61			1.61
	Jubilant Life Sciences NV	757.10			757.10
	Jubilant Biosys Limited		3.00		3.00
	Jubilant Industries Limited		0.03		0.03
	Jubilant FoodWorks Limited		0.08		0.08
	Jubilant Agri and Consumer Products Limited		28.35		28.35
		1,191.46	**31.46**		**1,222.92**
2.	**Rental and other income:**				
	Jubilant Biosys Limited		2.17		2.17
	Jubilant Generics Limited		7.40		7.40
	Jubilant Pharmova Limited		8.80		8.80
	Jubilant Business Services Limited		0.21		0.21
	Jubilant Enpro Private Limited		0.27		0.27
	Jubilant FoodWorks Limited		0.78		0.78
	Jubilant Industries Limited		0.03		0.03
	Jubilant Agri and Consumer Products Limited		4.16		4.16
	Jubilant Consumer Private Limited		0.30		0.30
			24.12		**24.12**
3.	**Purchase of goods and services:**				
	Jubilant Infrastructure Limited	162.69			162.69
	Jubilant Biosys Limited		0.07		0.07
	Jubilant Agri and Consumer Products Limited		18.65		18.65
		162.69	**18.72**		**181.41**
4.	**Recovery of expenses:**				
	Jubilant Ingrevia Employee Welfare Trust	5.41			5.41
	Jubilant Infrastructure Limited	0.05			0.05
	Jubilant Generics Limited		11.27		11.27
	Jubilant Biosys Limited		19.88		19.88
	Jubilant Agri and Consumer Products Limited		2.69		2.69
		5.46	**33.84**		**39.30**
5.	**Reimbursement of expenses:**				
	Jubilant Life Sciences NV	0.93			0.93
	Jubilant Life Sciences (USA) Inc.	0.25			0.25
	Jubilant Infrastructure Limited	0.06			0.06
	Jubilant Generics Limited		1.00		1.00
	Jubilant Pharmova Limited		12.16		12.16
	Jubilant Enpro Private Limited		0.20		0.20
		1.24	**13.36**		**14.60**
6.	**Remuneration (including perquisites)* :**				
	Mr. Rajesh Kumar Srivastava			5.09	5.09
	Mr. Anant Pande			3.24	3.24
	Mr. Prakash Chandra Bisht			1.97	1.97
	Ms. Deepanjali Gulati (w.e.f. 1 February 2021)			0.66	0.66
				10.96	**10.96**
7.	**Lease payments:**				
	Jubilant Infrastructure Limited	7.07			7.07
	Jubilant Biosys Limited		0.01		0.01
	Jubilant Agri and Consumer Products Limited		0.01		0.01
	Jubilant Pharmova Limited		1.10		1.10
		7.07	**1.12**		**8.19**
8.	**Interest expenses on borrowings:**				
	Jubilant Infrastructure Limited	17.13			17.13
		17.13			**17.13**

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

3. Outstanding balances with related parties as at 31 March 2021

FY 2020-21

(₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Total
9.	**Borrowings payable:**				
	Jubilant Infrastructure Limited	1,909.90			1,909.90
		1,909.90			**1,909.90**
10.	**Interest payable on borrowings:**				
	Jubilant Infrastructure Limited	39.07			39.07
		39.07			**39.07**
11.	**Trade payables:**				
	Jubilant Life Sciences (USA) Inc.	53.79			53.79
	Jubilant Life Sciences NV	1.71			1.71
	Jubilant Infrastructure Limited	157.61			157.61
	Jubilant Enpro Private Limited		1.00		1.00
	Jubilant Generics Limited		0.49		0.49
	Jubilant Biosys Limited		0.07		0.07
	PSI Supply NV		1.28		1.28
	Jubilant Industries Limited		3.70		3.70
	Jubilant Agri and Consumer Products Limited		18.99		18.99
	Jubilant Pharmaceuticals NV		16.36		16.36
		213.11	**41.89**		**255.00**
12.	**Advance from customers:**				
	Jubilant FoodWorks Limited		0.50		0.50
	Jubilant Life Sciences International Pte. Limited	10.05			10.05
		10.05	**0.50**		**10.55**
13.	**Capital advance against purchase of land:**				
	Jubilant Industries Limited		115.82		115.82
			115.82		**115.82**
14.	**Trade receivables:**				
	Jubilant Life Sciences (USA) Inc.	301.58			301.58
	Jubilant Life Sciences (Shanghai) Limited	102.08			102.08
	Jubilant Infrastructure Limited	1.59			1.59
	Jubilant Life Sciences NV	557.48			557.48
	Jubilant Biosys Limited		3.40		3.40
	Jubilant Enpro Private Limited		4.62		4.62
	Jubilant Industries Limited		0.07		0.07
	Jubilant Agri and Consumer Products Limited		63.74		63.74
		962.73	**71.83**		**1,034.56**
15.	**Other receivables:**				
	Jubilant Life Sciences NV	0.59			0.59
	Jubilant Ingrevia Employee Welfare Trust	4.25			4.25
	Jubilant Biosys Limited		20.64		20.64
	PSI Supply NV		8.58		8.58
	Jubilant Business Services Limited		0.17		0.17
	Jubilant Generics Limited		20.46		20.46
	Jubilant Pharmova Limited		119.01		119.01
	Jubilant Agri and Consumer Products Limited		29.71		29.71
	Jubilant Consumer Private Limited		7.06		7.06
	Jubilant FoodWorks Limited		5.76		5.76
	Jubilant Enpro Private Limited		0.25		0.25
		4.84	**211.64**		**216.48**
16.	Refer note 32 for transactions pursuant to the Composite Scheme				

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

4. **Transactions with related parties for the period 23 October 2019 to 31 March 2020**

FY 2019-20

(₹ in million)

Sr. No.	Particulars	Holding Company	Total
1.	**Reimbursement of expenses:**		
	Jubilant Pharmova Limited	1.66	1.66
		1.66	**1.66**
2.	**Issue of equity share capital:**		
	Jubilant Pharmova Limited	0.50	0.50
		0.50	**0.50**

5. **Outstanding balance with related parties as at 31 March 2020**

FY 2019-20

(₹ in million)

Sr. No.	Particulars	Holding Company	Total
3.	**Trade payables:**		
	Jubilant Pharmova Limited	1.66	1.66
		1.66	**1.66**

Breakup of remuneration to key management personnel were as follows:-

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Short term employee benefits	10.40	-
Post employment benefits	0.56	-
	10.96	**-**

* 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.

Note 39. 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 2021*	As at 31 March 2020
Central excise	58.28	-
Customs	28.06	-
Sales tax	76.72	-
Income tax	1,795.44	-
Service tax and goods and services tax	2.02	-
State excise	714.64	-
Others	220.33	-

* Inclusive of contingent liabilities taken over pursuant to the Composite Scheme. Certain of the above claims are still in the name of the Demerged Company.

Future cash outflows in respect of the above matters are determinable only on receipt of judgments/decisions pending at various stages/forums.

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

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

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

Notes to the Financial Statements
for the year ended 31 March 2021 (Continued)

Note 40. Commitments as at year end

a) **Capital commitments:**

Estimated amount of contracts remaining to be executed on capital account (net of advances) is ₹ 454.31 million (31 March 2020: ₹ Nil) for property, plant and equipment.

b) **Other commitments:**

i) Export obligation under advance license scheme on duty free import of specific raw materials, remaining outstanding is ₹ 58.09 million (31 March 2020: ₹ Nil).

ii) As on 31 March 2021, the Company has made commitment to acquire additional voting rights of 13.71% at the cost of ₹ 21.25 million in MVFPL, an associate company, which will provide total voting rights of 34.70% to the Company.

Note 41. Leases

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

(₹ in million)

	Depreciation charge		Net carrying amount as at	
	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020	31 March 2021	31 March 2020
Land	6.73	-	651.50	-
Buildings	0.87	-	25.76	-
Plant and equipment	0.86	-	62.12	-
Vehicles	2.10	-	28.99	-
Total	**10.56**	**-**	**768.37**	**-**

Additions to the right-of-use assets during the year ended 31 March 2021 were ₹ 778.93 million (31 March 2020: ₹ Nil) out of which additions on account of transfer of leases under the Composite Scheme were ₹ 752.36 million).

(b) Amount recognised in the Statement of Profit and Loss:

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Interest on lease liabilities	7.09	-
Rental expense relating to short-term leases	10.24	-
	17.33	**-**

(c) Amount recognised in the Statement of Cash Flows:

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Total cash outflow for long-term leases (Inclusive of interest on lease liabilities)	10.12	-
	10.12	**-**

(d) Items of immovable properties, primarily land parcels (included under right-of-use assets) as listed in Schedule 1 of the Composite Scheme, were transferred to the Company with effect from 1 February 2021 pursuant to the said Composite Scheme (refer note 32). The Company is in process of getting the underlying lease deeds of the aforesaid immovable properties transferred/registered in its name.

Note 42. The Company has outstanding government grants related to export benefits amounting to ₹ 146.30 million (31 March 2020: ₹ Nil). Further, the Company has recognised Government grant amounting to ₹ 6.88 million (31 March 2020: ₹ Nil) in Statement of Profit and Loss.

Note 43. During the year, finance costs amounting to ₹ 3.41 million (31 March 2020: ₹ Nil) has been capitalised in property, plant and equipment, calculated using capitalisation rate of 6.61% (31 March 2020: ₹ Nil)

Notes to the Financial Statements

for the year ended 31 March 2021 (Continued)

Note 44. Exceptional items consist of property, plant and equipment written off on account of obsolescence amounting to ₹ 129.44 million.

Note 45. On 2 June 2021, the Company has incorporated a wholly owned subsidiary namely Jubilant Crop Protection Limited with a paid-up capital of ₹ 1 lakh.

Note 46. Earnings per share

		For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Profit for basic and diluted earnings per share of ₹ 1 each	**₹ in million**	**385.88**	**(1.66)**
Weighted average number of equity shares used in computing earnings per share			
For basic earnings per share	Nos.	26,165,992	500,000
For diluted earnings per share	Nos.	26,165,992	500,000
Earnings per equity share (face value of ₹ 1 each)			
Basic	₹	14.75	(3.31)
Diluted	₹	14.75	(3.31)

Note 47. Figures for the current year ended 31 March 2021 are not comparable with previous period since the standalone financial statements include figures of Life Science Ingredients business effective 1 February 2021 (refer note 32). Further, 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 Ingrevia Limited**

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662

Shyam S. Bhartia
Chairman
DIN: 00010484

Hari S. Bhartia
Co-Chairman
DIN: 00010499

Rajesh Kumar Srivastava
CEO and Managing Director
DIN: 02215055

Prakash Chandra Bisht
President and Chief Financial Officer

Deepanjali Gulati
Company Secretary

Place: New Delhi
Date: 07 June 2021

Place: Noida
Date: 07 June 2021

Independent Auditor's Report

To the Members of Jubilant Ingrevia Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Jubilant Ingrevia Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associate, as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and on the other financial information of the associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group and its associate, as at 31 March 2021, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Holding Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the report of the other auditor on separate financial statements and on the other financial information of the associate, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Accounting for composite scheme of arrangement between Jubilant Pharmova Limited and Jubilant Ingrevia Limited As described in note 31 and note 31(a) to the consolidated financial statements, Hon'ble National Company Law Tribunal, Allahabad Bench ('NCLT') has approved the composite scheme of arrangement (the 'Composite Scheme') between Jubilant Pharmova Limited to demerge Life Science Ingredients business to the Holding Company vide its order dated 23 December 2020 (formal order received on 6 January 2021) and the aforesaid order has been filed with the Registrar of Companies ('ROC') on 1 February 2021. The aforesaid note also details the assets and liabilities transferred to the Holding Company under the Composite Scheme and its impact on the consolidated financial statements. Recording of assets and liabilities transferred to the Holding Company as per the Composite Scheme and determining appropriateness of the accounting treatment, accounting of the subsidiaries in the consolidated financial statements, presentation and disclosures in the consolidated financial statements, including the determination of the manner such demerger is to be accounted for in the books of the Holding Company, was a complex exercise for the management on account of the significance of the assets and liabilities of the business undertaking received and the terms of the approved Composite Scheme.	Our audit procedures to assess the appropriateness of the accounting treatment of the Composite Scheme, included, but were not limited to the following: • Obtained an understanding of the management's process for review and implementation of the Composite Scheme; • Evaluated the design and tested the operating effectiveness of the key controls around the above process; • Obtained and read the Composite Scheme and final order passed by the NCLT and submitted with the ROC; • Understood from the management, the accounting treatment prescribed in the Composite Scheme including the determination of effective date; • Evaluated whether the accounting principles prescribed in the Composite Scheme were applied by the management in preparation of the consolidated financial statements are in accordance with the principles of Ind AS;

Independent Auditor's Report (Continued)

Key audit matter	How our audit addressed the key audit matter
The matter has been considered to be of the most significance to our audit considering its pervasive impact on these consolidated financial statements. Hence, this matter was considered to be a key audit matter in the current year audit.	• Tested the management's working for arriving at the balances of assets and liabilities of the demerged undertaking including balances of assets and liabilities of subsidiaries and treatment of reserves as per the Composite Scheme; and • Evaluated the appropriateness of the disclosures made with respect to the accounting of the demerger transaction under the Composite Scheme in note 31 and note 31(a) to the consolidated financial statements.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group, and its associate company covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associate.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Independent Auditor's Report (Continued)

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern;
    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, and its associate to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entity included in the financial statements, which has been audited by the other auditor and such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

15. The consolidated financial statements include the Group's share of net loss (including other comprehensive income) of ₹ 0.02 million for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. This financial statements has been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3)

Independent Auditor's Report (Continued)

of Section 143 of the Act, in so far as it relates to the aforesaid associate, are based solely on the report of the other auditor.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the report of the other auditor.

16. We did not audit note 31(b) of the accompanying consolidated financial statements of the Group and the associate for the year ended 31 March 2021, which represents supplementary information relating to the operations of the life science ingredients business for ten months ended 31 January 2021 and year ended 31 March 2020, which has been prepared by the management of the Holding Company and has not subjected to audit or review by us.

17. The financial statements of the Holding Company from the date of incorporation i.e. 23 October 2019 till 31 March 2020 were audited by the predecessor auditor, B S R & Co. LLP (Chartered Accountants), who have expressed an unmodified opinion on those financial statements vide their audit report dated 27 May 2020.

    Our opinion is not modified in respect of the matters in paragraphs 16 and 17.

Report on Other Legal and Regulatory Requirements

18. As required by section 197(16) of the Act, based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 15, on separate financial statements of the associate, we report that the Holding Company, covered under the Act, paid remuneration to their directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to an associate company covered under the Act, since such company is not a public company as defined under section 2(71) of the Act and that one subsidiary company covered under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such associate company and subsidiary company.

19. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the associate, we report, to the extent applicable, that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;

    c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and associate company covered under the Act, none of the directors of the group companies and its associate company covered under the Act, are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;

    f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary company, and associate company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II'; and

    g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of

Independent Auditor's Report (Continued)

the other auditor on separate financial statements as also the other financial information of the associate:

i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate as detailed in note 38 to the consolidated financial statements;

ii. the Group and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company and associate company covered under the Act, during the year ended 31 March 2021; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662
UDIN: 21504662AAAAED5041

Place: New Delhi
Date: 07 June 2021

Annexure I & II to the Independent Auditor's Report

Annexure I

List of entities included in the consolidated financial statements:

S. No.	Name	Relationship with Holding Company
1	Jubilant Infrastructure Limited (with effect from 1 February 2021)	Subsidiary
2	Jubilant Life Sciences (USA) Inc. (with effect from 1 February 2021)	Subsidiary
3	Jubilant Life Sciences NV (with effect from 1 February 2021)	Subsidiary
4	Jubilant Life Sciences International Pte. Limited (with effect from 1 February 2021)	Subsidiary
5	Jubilant Life Sciences (Shanghai) Limited (with effect from 1 February 2021)	Subsidiary
6	Jubilant Ingrevia Employees Welfare Trust (with effect from 1 February 2021)	Subsidiary
7	Mister Veg Foods Private Limited (with effect from 18 February 2021)	Associate

Annexure II to the Independent Auditor's Report of even date to the members of Jubilant Ingrevia Limited on the consolidated financial statements for the year ended 31 March 2021

Annexure II

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

1. In conjunction with our audit of the consolidated financial statements of Jubilant Ingrevia Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associate as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, and its associate company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. The audit of internal financial controls with reference to financial statements of the aforementioned associate, which is a company covered under the Act, and reporting under Section 143(3)(i) is exempted vide MCA notification no. G.S.R. 583(E) dated 13 June 2017 read with corrigendum dated 14 July 2017. Consequently, our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating

Annexure I & II to the Independent Auditor's Report (Continued)

effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662
UDIN: 21504662AAAAED5041

Place: New Delhi
Date: 07 June 2021

Consolidated Balance Sheet

as at 31 March 2021

(₹ in million)

	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	17,447.77	-
Capital work-in-progress	3	631.65	-
Other intangible assets	4	111.04	-
Intangible assets under development	4	19.14	-
Rights-of-use assets	40	492.14	-
Investment in associate	5 (a)	21.62	
Financial assets			
i. Investments	5 (b)	480.79	-
ii. Loans	6	31.33	-
iii. Other financial assets	7	4.95	-
Deferred tax assets (net)	8	123.88	-
Income tax assets (net)		38.40	-
Other non-current assets	9	146.57	-
Total non-current assets		**19,549.28**	**-**
Current assets			
Inventories	10	6,091.04	-
Financial assets			
i. Trade receivables	11	4,710.32	-
ii. Cash and cash equivalents	12(a)	733.42	0.50
iii. Other bank balances	12(b)	432.62	-
iv. Loans	6	24.23	-
v. Other financial assets	7	658.85	-
Other current assets	13	1,585.45	-
Total current assets		**14,235.93**	**0.50**
Total assets		**33,785.21**	**0.50**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	159.28	0.50
Other equity		19,070.11	(1.66)
Total equity		**19,229.39**	**(1.16)**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	16(a)	4,558.38	-
ii. Lease liabilities		80.85	-
Provisions	17	694.39	-
Deferred tax liabilities (net)	8	278.86	-
Total non-current liabilities		**5,612.48**	**-**
Current liabilities			
Financial liabilities			
i. Lease liabilities		20.90	-
ii. Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		137.19	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		6,803.44	1.66
iii. Other financial liabilities	19	1,575.86	-
Other current liabilities	20	233.52	-
Provisions	17	121.91	-
Current tax liabilities (net)		50.52	-
Total current liabilities		**8,943.34**	**1.66**
Total liabilities		**14,555.82**	**1.66**
Total equity and liabilities		**33,785.21**	**0.50**

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662

Shyam S. Bhartia
Chairman
DIN: 00010484

Hari S. Bhartia
Co-Chairman
DIN: 00010499

Rajesh Kumar Srivastava
CEO and Managing Director
DIN: 02215055

Prakash Chandra Bisht
President and Chief Financial Officer

Deepanjali Gulati
Company Secretary

Place: New Delhi
Date: 07 June 2021

Place: Noida
Date: 07 June 2021

Consolidated Statement of Profit and Loss

for the year ended 31 March 2021

(₹ in million)

	Notes	For the year ended 31 March 2021 #	For the period 23 October 2019 to 31 March 2020
Revenue from operations	21	6,841.33	-
Other income	22	26.01	-
Total income		**6,867.34**	**-**
Expenses			
Cost of materials consumed	23	3,634.79	-
Purchases of stock-in-trade		159.83	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(95.09)	-
Employee benefits expense	25	490.22	-
Finance costs	26	73.29	-
Depreciation and amortisation expense	27	220.62	-
Other expenses	28	1,480.35	1.66
Total expenses		**5,964.01**	**1.66**
Profit/(loss) before share of loss of an associate and exceptional items		**903.33**	**(1.66)**
Share of loss of an associate		(0.02)	-
Profit/(loss) before exceptional items and tax		**903.31**	**(1.66)**
Exceptional item	43	129.44	-
Profit/(loss) before tax		**773.87**	**(1.66)**
Tax expense	29		
- Current tax		133.57	-
- Deferred tax charge		96.71	-
Total tax expense		**230.28**	**-**
Profit/(loss) for the year		**543.59**	**(1.66)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity investments which are classified at fair value through OCI		52.04	-
Remeasurement of defined benefit obligations		(3.45)	-
Income tax relating to items that will not be reclassified to profit or loss	29	1.23	-
		49.82	**-**
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(0.03)	-
		(0.03)	**-**
Other comprehensive income for the year, net of tax		**49.79**	**-**
Total comprehensive income for the year		**593.38**	**(1.66)**
Profit/(loss) is attributable to:			
Owners of the Company		543.59	(1.66)
Non-controlling interests		-	-
		543.59	**(1.66)**
Other comprehensive income is attributable to:			
Owners of the Company		49.79	-
Non-controlling interests		-	-
		49.79	**-**
Total comprehensive income is attributable to:			
Owners of the Company		593.38	(1.66)
Non-controlling interests		-	-
		593.38	**(1.66)**
Earnings per equity share of ₹ 1 each	46		
Basic (₹)		20.78	(3.31)
Diluted (₹)		20.78	(3.31)

Refer note 31(b)

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662

Shyam S. Bhartia
Chairman
DIN: 00010484

Hari S. Bhartia
Co-Chairman
DIN: 00010499

Rajesh Kumar Srivastava
CEO and Managing Director
DIN: 02215055

Prakash Chandra Bisht
President and Chief Financial Officer

Deepanjali Gulati
Company Secretary

Place: New Delhi
Date: 07 June 2021

Place: Noida
Date: 07 June 2021

Consolidated Statement of Changes in Equity

for the year ended 31 March 2021

A. Equity share capital

(₹ in million)

Issued during the period 23 October 2019 to 31 March 2020	0.50
Balance as at 31 March 2020	**0.50**
Cancellation of equity shares pursuant to the Composite Scheme (refer note 31)	(0.50)
Issue of equity shares pursuant to the Composite Scheme (refer note 14 and note 31)	159.28
Balance as at 31 March 2021	**159.28**

B. Other equity

(₹ in million)

	Attributable to owners of the Company							Total
	Reserves and surplus (1)					Items of Other Comprehensive Income (1)		
	Capital reserve	Securities premium	General reserve	Legal reserve	Retained earnings	Equity instruments through OCI	Foreign currency translation reserve	
Loss for the period 23 October 2019 to 31 March 2020	-	-	-	-	(1.66)	-	-	**(1.66)**
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	-	**-**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(1.66)**	**-**	**-**	**(1.66)**
Balance as at 31 March 2020	**-**	**-**	**-**	**-**	**(1.66)**	**-**	**-**	**(1.66)**
Profit for the year	-	-	-	-	543.59	-	-	**543.59**
Other comprehensive income for the year, net of tax	-	-	-	-	(2.22)	52.04	(0.03)	**49.79**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**541.37**	**52.04**	**(0.03)**	**593.38**
Transfer pursuant to the Composite Scheme (refer note 1 and 31)	2,026.90	5,713.23	7,374.07	22.03	3,625.00	(91.27)	(192.07)	**18,477.89**
Cancellation of the equity share pursuant to the Composite Scheme (refer note 31)	0.50	-	-	-	-	-	-	**0.50**
Balance as at 31 March 2021	**2,027.40**	**5,713.23**	**7,374.07**	**22.03**	**4,164.71**	**(39.23)**	**(192.10)**	**19,070.11**

Note:
(1) Refer note 15 for nature and purpose of other equity.

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662

Shyam S. Bhartia
Chairman
DIN: 00010484

Hari S. Bhartia
Co-Chairman
DIN: 00010499

Rajesh Kumar Srivastava
CEO and Managing Director
DIN: 02215055

Prakash Chandra Bisht
President and Chief Financial Officer

Deepanjali Gulati
Company Secretary

Place: New Delhi
Date: 07 June 2021

Place: Noida
Date: 07 June 2021

Consolidated Statement of Cash Flows

for the year ended 31 March 2021

(₹ in million)

	For the year ended 31 March 2021 #	For the period 23 October 2019 to 31 March 2020
A. Cash flows from operating activities		
Net profit/(loss) before tax	**773.87**	**(1.66)**
Adjustments:		
Depreciation and amortisation expenses	220.62	-
Finance costs	73.29	-
Exceptional items	129.44	-
Unrealised foreign exchange loss	36.66	-
Interest income	(5.58)	-
Share of loss of an associate	0.02	-
	454.45	**-**
Operating cash flows before working capital changes	**1,228.32**	**(1.66)**
Increase in trade receivables, loans, other financial assets and other assets	(402.75)	-
Increase in inventories	(374.14)	-
Increase in trade payables, other financial liabilities, other liabilities and provisions	786.43	1.66
Cash generated from operations	**1,237.86**	**-**
Income tax paid (net of refund)	(115.05)	-
Net cash generated from operating activities	**1,122.81**	**-**
B. Cash flows from investing activities		
Purchase of property, plant and equipment, other intangible assets (including capital work-in-progress and intangible assets under development)	(275.45)	-
Proceeds from sale of property, plant and equipment	0.47	-
Purchase of investment	(21.64)	-
Movement in other bank balances	(139.93)	-
Net cash used in investing activities	**(436.55)**	**-**
C. Cash flows from financing activities ##		
Proceeds from issue of equity share	-	0.50
Repayment of long-term borrowings	(621.88)	-
Payment of lease liabilities	(7.50)	-
Finance costs paid (including interest on lease liabilities)	(94.27)	-
Net cash (used in)/generated from financing activities	**(723.65)**	**0.50**
D. Effect of exchange rate changes	**0.95**	**-**
Net (decrease)/ increase in cash and cash equivalents (A+B+C+D)	**(36.44)**	**0.50**
Add: cash and cash equivalents at the beginning of the year/period	0.50	-
Add: cash and cash equivalents acquired pursuant to the Composite Scheme (refer note 31)	769.36	-
Cash and cash equivalents at the end of the year (refer note 12(a))	**733.42**	**0.50**

Notes:

1. Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".
2. For non-cash transaction pursuant to the Composite Scheme, refer note 31.

Refer note 31(b)

Refer note 16(b) for changes in liabilities arising from financing activities.

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662

Shyam S. Bhartia
Chairman
DIN: 00010484

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Co-Chairman
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Rajesh Kumar Srivastava
CEO and Managing Director
DIN: 02215055

Prakash Chandra Bisht
President and Chief Financial Officer

Deepanjali Gulati
Company Secretary

Place: New Delhi
Date: 07 June 2021

Place: Noida
Date: 07 June 2021

Notes to the consolidated financial statements

for the year ended 31 March 2021

Note 1. Corporate Information

Jubilant Ingrevia Limited ("the Company" or "the Holding Company" or "the Parent Company") is a public limited company incorporated under the provisions of Companies Act, 2013. Effective, 16 October 2020, the name of the Company has changed from Jubilant LSI Limited to Jubilant Ingrevia Limited (refer note 31). The Company is domiciled in India and the registered office of the Company is situated at Bhartiagram, Gajraula, District Amroha, Uttar Pradesh – 244223.

The consolidated financial statements of the Company comprise the financial statements of Company, its subsidiaries and its associate (together referred to as "the Group"). The Group is a global integrated life science products and innovative solutions provider serving, pharmaceutical, nutrition, agrochemical, consumer and industrial customers with its customised products and solutions that are innovative, cost effective and conforming to premium quality standards. The Group is engaged in manufacturing and supply of speciality intermediates, nutrition & health solutions and life science chemicals through five manufacturing facilities in India. The Group is well recognised as a 'Partner of Choice' by leading pharmaceuticals and life sciences companies globally.

The Composite Scheme of Arrangement ("the Composite Scheme") for amalgamation of certain promoter controlled entities into Jubilant Pharmova Limited, the Demerged Company and demerger of the Life Science Ingredients business from the Demerged Company, into the Company was approved by Honourable National Company Law Tribunal ("NCLT"), Allahabad Bench vide its order dated 23 December 2020 (formal order received on 6 January 2021). The said NCLT order was filed with the Registrar of Companies by Jubilant Pharmova Limited and the Company on 1 February 2021, thereby making the Composite Scheme effective. Accordingly, all assets and liabilities of the Life Science Ingredients business were transferred and vested into the Company effective 1 February 2021, being the appointed date as per the Composite Scheme for demerger of the Life Sciences Ingredients business. The Company's equity shares got listed on 19 March 2021 with BSE Limited and National Stock Exchange of India Limited with a mirror shareholding as that of the Demerged Company (refer note 31).

Note 2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. The accounting policies adopted are consistent with those of the previous financial year, to the extent applicable.

(a) Basis of preparation

(i) Statement of compliance

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

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or '₹') and are rounded to the nearest million, except per share data and unless stated otherwise.

The financial statements have been authorised for issue by the Company's Board of Directors on 07 June 2021.

(ii) Historical cost convention

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

(b) Principles of consolidation

The consolidated financial statement comprises the financial statement of the Company, and the entities controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

(ii) Exposure, or rights, to variable returns from its involvement with the investee, and

(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee.

(ii) Rights arising from other contractual arrangements.

(iii) The Group's voting rights and potential voting rights.

(iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of an entity begins when the Group obtains control over that entity and ceases when the Group loses control over the entity. Assets, liabilities, income and expenses of an entity acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the entity.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company. When the end of the reporting period of the Parent Company is different from that of a member of the Group, the member prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Parent Company to enable the Parent Company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

The details of the consolidated entities are as follows:

Sr. No.	Name	Country of Incorporation	Name of Parent Company	Percentage of ownership
1	Jubilant Life Sciences International Pte. Limited #	Singapore	Jubilant Ingrevia Limited	100%
2	Jubilant Life Sciences (Shanghai) Limited #	China	Jubilant Life Sciences International Pte. Limited	100%
3	Jubilant Life Sciences (USA) Inc. #	USA	Jubilant Ingrevia Limited	100%
4	Jubilant Infrastructure Limited #	India	Jubilant Ingrevia Limited	100%
5	Jubilant Life Sciences NV #	Belgium	Jubilant Ingrevia Limited (One share, representing 0.001% holding is held by Jubilant Infrastructure Limited)	100%
6	Jubilant Ingrevia Employees Welfare Trust #	India	Jubilant Ingrevia Limited	-
Associate				
7	Mister Veg Foods Private Limited (w.e.f 18 February 2021)	India	Jubilant Ingrevia Limited	20.99%

Refer Note 31

(c) Consolidation procedure

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the Parent Company's investment in each subsidiary and the Parent Company's portion of equity of each subsidiary.

c) Eliminate in full, intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interest in the results and the equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet. There are no non-controlling interests in the subsidiaries of the Group.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(d) Investment accounted for using the equity method

The Group's interest in investment accounted for using the equity method 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 policy decisions of the investee.

Interest in an associate is accounted for using the equity method. Under the equity method of accounting, the investment in an associate is initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investee until the date on which significant influence ceases. Goodwill (i.e. excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee) relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately. Dividends received or receivable from associate are recognised as a reduction in the carrying amount of the investment.

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

The financial statements of the associate are prepared for the same reporting period as the Group. Adjustments when appropriate and material, are made to bring the accounting policies of the associate in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value.

(e) Current versus non-current classification

The Group presents assets and liabilities in the Consolidated Balance Sheet based on current/ non-current classification.

An asset is treated as current when:

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

The Group classifies all other assets as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Each entity of the Group has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

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

(i) Property, plant and equipment

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

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

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

(ii) Intangible assets and goodwill

- Goodwill arising on business combinations is disclosed separately in the balance sheet and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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

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

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

  Other development expenditure is recognised in the Consolidated Statement of Profit and Loss as incurred.

- Intangible assets (including intangible assets under development) that are acquired and implementation of software system are measured initially at their cost of acquisition.

- After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

(iii) Depreciation and amortisation methods, estimated useful lives and residual value

For Indian entities, depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs ("MCA"), except for the following classes of PPE which are depreciated based on the internal technical assessment of the management as under:

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Vehicles – Owned	5 years	8 years
Computer servers and networks (included in office equipment)	5 years	6 years
Employee perquisite related assets (except end user computers) (included in furniture and fixtures)	5 years, being the period of perquisite scheme	10 years

For overseas entities, depreciation is charged using the straight line method, over the estimated useful life considered as follows:

- Furniture and office equipment: 3 to 5 years
- Computer and information technology related assets: 3 to 5 years
- Vehicles: 3 to 5 years

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

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

Depreciation and amortisation 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 Consolidated Statement of Profit and Loss.

(g) Impairment of non-financial assets

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

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

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

(h) 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 Group commits to purchase or sell the asset.

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

Debt instrument at FVOCI

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

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

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, the Group, at initial recognition, may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss.

Equity investments

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

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

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

Impairment of financial assets

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

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's Balance Sheet) when:

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

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

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Consolidated Statement of Profit and Loss. Other financial liabilities are subsequently measured

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Consolidated Statement of Profit and Loss.

Derecognition of financial liabilities

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

Offsetting

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

(i) Inventories

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

The methods of determining cost of various categories of inventories are as follows:

Raw materials	Weighted average method
Stores and spares	Weighted average method
Work-in-progress and finished goods (manufactured)	Direct materials, direct labour and an appropriate proportion of variable and fixed production overheads, the latter being allocated on the basis of normal operating capacity
Fuel, process chemicals, consumables etc.	Weighted average method
Finished goods (traded)	Weighted average method
Goods in transit	Cost of purchase

Cost includes all costs of purchase, costs of conversion and other costs including taxes that are not refundable incurred in bringing the inventories to their present location and condition.

The factors that the Group considers in determining the allowance for slow moving, obsolete and other non-saleable inventory includes estimated shelf life, ageing, usability etc., to the extent each of these factors impact the Group's business and markets. The Group considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

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.

(j) 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.

(k) Provisions and contingencies

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

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

Contingent liabilities

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

(l) Revenue recognition

Revenue from sale of products is recognised when the Group satisfies a performance obligation upon transfer of control of products to customers at the time of shipment to or receipt of goods by the customers as per the terms of the underlying contracts. Service income is recognised when the Group satisfies a performance obligation as and when the underlying services are performed.

The Group exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc. Invoices are issued as per the general business terms and are payable in accordance with the contractually agreed credit period.

Revenues are measured based on the transaction price allocated to the performance obligation, which is the consideration, net of taxes or duties collected on behalf of the government and applicable discounts and allowances. The computation of these estimates using expected value method involves significant judgment based on various factors including contractual terms, historical experience, estimated inventory levels and expected sell-through levels in supply chain. The transaction price is allocated to each performance obligation in the contract on the basis of the relative standalone selling prices of the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes significant financing component.

Contract assets are recognised when there is excess of revenue earned over billings on contracts, excluding amounts 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.

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

b) Provident fund

This is treated as defined contribution plan. The Group makes contribution to Regional Provident Fund Commissioner. Group's contribution to the provident fund is charged to Consolidated Statement of Profit and Loss.

(iii) Other long-term employee benefits:

Compensated absences

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

(iv) Termination benefits:

Termination benefits are recognised as an expense when, as a result of a past event, the Group has a

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(v) Actuarial valuation

The liability in respect of all defined benefit plans and other long term benefits is accrued in the consolidated books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses on other long term benefits are recognised in the Consolidated Statement of Profit and Loss in the year in which they arise. Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Consolidated Statement of Changes in Equity and in the Consolidated Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Consolidated Statement of Profit and Loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

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

(n) Finance costs and finance income

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

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

Finance income consists of interest income. Interest income or expense is recognised using the effective interest method. The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. In calculating interest income or expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(o) Exceptional items

Exceptional items refer to items of income or expense within the Consolidated Statement of Profit and Loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

(p) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Consolidated Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

- *Current tax:*

  Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

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

- *Deferred tax:*

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

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

  – temporary differences related to freehold land and investment in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

  – taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is a tax liability of an Indian company computed at specified rate on adjusted book profits as per applicable provisions of the Indian Income Tax Act. An Indian company is liable to pay MAT, if the income tax payable under normal provisions of the Indian Income Tax Act is less than tax payable under MAT.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

Deferred income tax is not provided on the undistributed earnings of the subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

For operations carried out in Special Economic Zones ("SEZ"), 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.

(q) Leases – *Group as a lessee*

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

The Group's lease asset classes primarily consist of leases for land, buildings, plant and equipment, office equipment and vehicles which typically run for a period of 3 to 10 years, with an option to renew the lease after that date. For certain leases, the Group is restricted from entering into any sub-lease arrangements. At the date of commencement of the lease, the Group recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases). For these short-term leases, the Group

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Consolidated Statement of Profit and Loss.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates based on information available as at the date of commencement of the lease. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset if the Group changes its assessment of whether it will exercise an extension or a termination option. Lease liability and right-of-use asset have been separately presented in the Consolidated Balance Sheet and lease payments have been classified as financing cash flows.

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

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman, Co-Chairman and CEO & Managing Director of the Group are responsible for allocating resources and assessing performance of the operating segments, and accordingly, identified as the chief operating decision maker. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be.

(s) Foreign currency transactions and translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (₹), which is also the Parent Company's functional currency.

(ii) Transactions and balances

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

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

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Equity share capital and opening other equity are carried at historical cost.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

- All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening other equity) are translated using closing rates at balance sheet date.
- Profit and Loss items are translated at the respective quarterly average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction.
- All resulting exchange differences are recognised in Other Comprehensive Income.

When a foreign operation is sold or any inter-company balances forming part of the net investment are settled, the associated cumulative exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

The items of Consolidated Cash Flow Statement are translated at the respective average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction. The impact of changes in exchange rate on cash and cash equivalent held in foreign currency is included in effect of exchange rate changes.

(t) Government grants

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

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

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

(u) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

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

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

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

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

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

(w) Critical estimates and judgments

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

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

- Assessment of useful life of property, plant and equipment and intangible asset - Note 2(f)
- Valuation of inventories - Note 2(i)
- Recognition of revenue and related accruals - Note 2(l)
- Fair value measurements - Note 2(v)
- Impairment of financial assets and non-financial assets - Note 2(g) and 2(h)
- Estimation of assets and obligations relating to employee benefits - Note 2(m) and 32
- Recognition and estimation of tax expense including deferred tax - Note 2(p), 8 and 29
- Recognition and measurement of contingency : Key assumption about the likelihood and magnitude of an outflow of resources - Note 38
- Lease term: whether the Group is reasonably certain to exercise extension options - Note 2(q) and 40

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 and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions, the Group, as at the date of approval of these financial statements, has used internal and external sources of information, including economic forecasts and estimates from market sources, on the expected future performance of the 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.

(x) Recent accounting pronouncement issued but not made effective

On 24 March 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Act. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. The revised Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015, as amended, prescribes amendments for various additional disclosures. The Group is evaluating the requirements of these amendments and their impact on the Consolidated Financial Statements.

Notes to the consolidated financial statements
for the year ended 31 March 2021 (Continued)

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

(₹ in million)

	Land-freehold	Building-factory	Building-other	Plant and equipment	Furniture and fixtures	Vehicles-owned	Office equipment	Railway sidings	Total
Gross carrying amount as at 23 October 2019	-	-	-	-	-	-	-	-	-
Gross carrying amount as at 31 March 2020	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 23 October 2019	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2020	-	-	-	-	-	-	-	-	-
Net carrying amount as at 31 March 2020	-	-	-	-	-	-	-	-	-

(₹ in million)

	Land-freehold	Building-factory	Building-other	Plant and equipment	Furniture and fixtures	Vehicles-owned	Office equipment	Railway sidings	Total
Gross carrying amount as at 1 April 2020	-	-	-	-	-	-	-	-	-
Transferred pursuant to the Composite Scheme (refer note 31)	226.84	1,444.39	1,667.93	18,772.37	113.26	19.94	354.22	108.43	**22,707.38**
Additions	50.16	33.97	30.82	176.03	1.71	-	0.94	-	**293.63**
Deductions	-	-	(0.13)	(207.00)	(1.31)	(0.09)	(0.51)	-	**(209.04)**
Foreign currency translation adjustment	-	-	-	-	-	-	(0.05)	-	**(0.05)**
Gross carrying amount as at 31 March 2021	**277.00**	**1,478.36**	**1,698.62**	**18,741.40**	**113.66**	**19.85**	**354.60**	**108.43**	**22,791.92**
Accumulated depreciation as at 1 April 2020	-	-	-	-	-	-	-	-	-
Transferred pursuant to the Composite Scheme (refer note 31)	-	228.21	445.26	4,156.46	63.61	13.97	221.93	64.64	**5,194.08**
Depreciation charge for the year	-	15.03	37.25	148.99	1.85	0.34	7.07	1.84	**212.37**
Deductions	-	-	-	(60.89)	(1.03)	-	(0.35)	-	**(62.27)**
Foreign currency translation adjustment	-	-	-	-	-	-	(0.03)	-	**(0.03)**
Accumulated depreciation as at 31 March 2021	**-**	**243.24**	**482.51**	**4,244.56**	**64.43**	**14.31**	**228.62**	**66.48**	**5,344.15**
Net carrying amount as at 31 March 2021	**277.00**	**1,235.12**	**1,216.11**	**14,496.84**	**49.23**	**5.54**	**125.98**	**41.95**	**17,447.77**
Capital work-in-progress (CWIP)									
As at 31 March 2020									-
As at 31 March 2021									**631.65**

Notes:

(1) Refer note 16.3 for information on property, plant and equipment provided as security by the Group.

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

(3) Refer note 42(b) for finance costs capitalised.

(4) Items of immovable properties, primarily land parcels (included under property, plant and equipment) as listed in Schedule 1 of the Composite Scheme, were transferred to the Company with effect from 1 February 2021 pursuant to the said Composite Scheme (refer note 31). The Company is in process of getting the underlying title deeds of the aforesaid immovable properties transferred/ registered in its name.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

Note 4. Other intangible assets and intangible assets under development

(₹ in million)

	Rights	Softwares	Total
Gross carrying amount as at 23 October 2019	-	-	-
Gross carrying amount as at 31 March 2020	-	-	-
Accumulated amortisation as at 23 October 2019	-	-	-
Accumulated amortisation as at 31 March 2020	-	-	-
Net carrying amount as at 31 March 2020	**-**	**-**	**-**

(₹ in million)

	Rights	Softwares	Total
Gross carrying amount as at 1 April 2020	-	-	-
Transferred pursuant to the Composite Scheme (refer note 31)	80.69	151.95	**232.64**
Additions	-	9.82	**9.82**
Gross carrying amount as at 31 March 2021	**80.69**	**161.77**	**242.46**
Accumulated amortisation as at 1 April 2020	-	-	-
Transferred pursuant to the Composite Scheme (refer note 31)	16.52	111.54	**128.06**
Amortisation for the year	0.22	3.14	**3.36**
Accumulated amortisation as at 31 March 2021	**16.74**	**114.68**	**131.42**
Net carrying amount as at 31 March 2021	**63.95**	**47.09**	**111.04**
Intangible assets under development			
As at 31 March 2020			-
As at 31 March 2021			**19.14**

Note 5 (a). Investment accounted for using the equity method

On 18 February 2021, the Company has acquired 2,657 number of 0.01% Convertible Preference Shares ('CPS') of ₹ 10 each of Mister Veg Foods Private Limited, India ("MVFPL"), for a total consideration of ₹ 21.64 million, representing potential 20.99% shareholding in MVFPL, once converted. CPS are convertible into equity shares of MVFPL at a defined conversion ratio as per the terms of the underlying contract. The shareholder agreement entitles the Company to nominate one board member and it also entitles the Company vote in all the shareholders meetings in proportion to their shareholding on as if converted basis and accordingly, this investment is classified and presented as an associate, measured at cost. MVFPL is primarily engaged in the business of food products.

The following table reconciles the MVFPL financial information to the carrying amount of the Group's interest in MVFPL. The information for the year ended 31 March 2021 presented in the table includes the results of MVFPL for the period from 18 February 2021 to 31 March 2021.

(₹ in million)

	As at 31 March 2021
Non-current assets	2.02
Current assets	19.55
Less: current liabilities	(0.45)
Net assets	**21.12**
Percentage of Group's ownership interest	20.99%
Group's share of net assets (20.99%)	4.43
Goodwill	17.19
Carrying amount of investment	**21.62**

(₹ in million)

	31 March 2021
Revenue	-
Less: Expenses	0.12
Loss from operations	**(0.12)**
Other comprehensive income	-
Total comprehensive income	**(0.12)**
Group's share of loss for the period (20.99%)	(0.02)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

Note 5 (b). Non-current investments

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
I. Investment in equity instruments (at fair value through other comprehensive income)*		
Quoted		
50,000 (31 March 2020: Nil) equity shares of ₹ 10 each		
Jubilant Industries Limited	9.38	-
Unquoted		
917,941 (31 March 2020: Nil) equity shares of ₹ 10 each		
Forum I Aviation Limited	9.90	-
540,463 (31 March 2020: Nil) common stock of USD 0.01 each		
Safe Foods Corporation USA	461.51	-
Total non-current investments#	**480.79**	**-**
Aggregate amount of quoted investments and market value thereof	**9.38**	**-**
Aggregate amount of unquoted investments	**471.41**	**-**
Aggregate amount of impairment in the value of investments	**-**	**-**

* No dividend have been received from such investments during the year/period
# Refer note 31

Note 6. Loans

(₹ in million)

	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Security deposits	19.14	26.07	-	-
Loan to employees	5.09	5.26	-	-
Total loans	**24.23**	**31.33**	**-**	**-**

Note 7. Other financial assets

(₹ in million)

	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Other bank balances: Deposits with maturity after 12 months from the reporting date (1)	-	4.95	-	-
Receivable from related parties (2) (refer note 37)	212.25	-	-	-
Insurance claims receivable	35.70	-	-	-
Notes receivable	170.20	-	-	-
Interest receivable	3.86	-	-	-
Others (refer note 42 (a))	236.84	-	-	-
Total other financial assets	**658.85**	**4.95**	**-**	**-**

Notes:

(1) These deposits have restricted use.
(2) Including dues from private companies having common director aggregating to ₹ 7.31 million (31 March 2020: Nil).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

Note 8. Deferred tax

Deferred income tax reflect the net tax effects of temporary difference between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant component of the Group's net deferred income tax are as follows:

Deferred tax assets:

(₹ in million)

	Provision for compensated absences and gratuity	Expenditure allowed on actual payment basis	Tax losses carried forward	MAT credit entitlement	Lease liability	Accrued expenses and other temporary differences	Total
As at 1 April 2020	-	-	-	-	-	-	**-**
Transferred pursuant to the Composite Scheme (refer note 31)	252.53	18.35	11.58	1,876.00	163.95	72.43	**2,394.84**
Charged/(credited)							
- to Consolidated Statement of profit and loss	(5.32)	0.42	(11.52)	(84.39)	6.73	(4.38)	**(98.46)**
- to other comprehensive income	1.23	-	-	-	-	-	**1.23**
Foreign currency translation adjustment	-	-	(0.04)	-	-	-	**(0.04)**
As at 31 March 2021	**248.44**	**18.77**	**0.02**	**1,791.61**	**170.68**	**68.05**	**2,297.57**

Deferred tax liabilities:

(₹ in million)

	PPE, Intangibles and Right-of-use assets	Others	Total
As at 1 April 2020	-	-	**-**
Transferred pursuant to the Composite Scheme (refer note 31)	2,448.60	5.70	**2,454.30**
Charged/(credited)			
- to Consolidated Statement of Profit and Loss	(2.09)	0.34	**(1.75)**
As at 31 March 2021	**2,446.51**	**6.04**	**2,452.55**

Reflected in the Balance Sheet as follows:

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Deferred tax assets	123.88	-
Deferred tax liabilities	278.86	-
Deferred tax liabilities (net)	**154.98**	**-**

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

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Balance as at the commencement of the year	-	-
Transferred pursuant to the Composite Scheme (refer note 31)	(59.46)	-
Deferred tax expense during the year recognised in Consolidated Statement of Profit and Loss (Including MAT)	(96.71)	-
Deferred tax credit during the year recognised in OCI	1.23	-
Foreign currency translation adjustment	(0.04)	-
Balance as at the end of the year	**(154.98)**	**-**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

The Group has determined that below undistributed profits of certain subsidiaries will not be distributed in the foreseeable future:

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Undistributed earnings of subsidiaries	1,191.52	-

DTA has not been recognised on temporary differences in relation to indexation benefit on investment in subsidiaries and freehold land amounting to ₹ 268.78 million (31 March 2020: ₹ Nil) and ₹ 81.97 million (31 March 2020: ₹ Nil) respectively, as the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary differences will not reverse in foreseeable future.

Tax related contingencies: Refer note 38

Note 9. Other non-current assets

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Capital advances	146.57	-
Total other non-current assets	**146.57**	**-**

Note 10. Inventories

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Raw materials *	2,228.35	-
Work-in-progress	803.71	-
Finished goods *	2,278.33	-
Stores and spares *	159.21	-
Others-process chemicals and fuels	621.44	-
Total inventories	**6,091.04**	**-**
* Goods in transit included in the above		
Raw materials	464.30	-
Finished goods	511.14	-
Stores and spares	5.76	-
Total goods in transit	**981.20**	**-**
Total write down of inventories recognised during the year	34.85	-

Note 11. Trade receivables

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Unsecured and current		
Trade receivables - considered good	4,630.13	-
Trade receivables from related parties - considered good (refer note 37)	80.19	-
Trade receivables - credit impaired	49.76	-
Less: Expected credit loss allowance (refer note 34)	(49.76)	-
Total trade receivables	**4,710.32**	**-**

Note 12 (a). Cash and cash equivalents

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Balances with banks		
- In current accounts	527.17	0.50
- In deposit accounts with original maturity up to three months	150.00	-
Cash on hand	1.01	-
Others		
- Funds in transit	55.21	-
- Imprest	0.03	-
Total cash and cash equivalents	**733.42**	**0.50**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

Note 12 (b). Other bank balances

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Deposits accounts with maturity up to twelve months from the reporting date	432.62	-
Total other bank balances (1)	**432.62**	**-**

Note:
(1) ₹ 96.61 million (31 March 2020: ₹ Nil) has restricted use.

Note 13. Other current assets

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Prepaid expenses	91.20	-
Recoverable from/balance with government authorities	1,115.24	-
Advance to employees	1.93	-
Advance to vendors	328.06	-
Others advances	49.02	-
Total other current assets	**1,585.45**	**-**

Note 14. Equity share capital

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Authorised		
200,000,000 (31 March 2020 : 200,000,000) equity shares of ₹ 1 each	200.00	200.00
	200.00	**200.00**
Issued and subscribed		
159,281,139 (31 March 2020 : 500,000) equity shares of ₹ 1 each	159.28	0.50
	159.28	**0.50**
Paid up capital		
159,281,139 (31 March 2020 : 500,000) equity shares of ₹ 1 each	159.28	0.50
	159.28	**0.50**

Movement in equity share capital:

	31 March 2021		31 March 2020	
	Number	₹ in million	Number	₹ in million
At the commencement of the year/period	500,000	0.50	-	-
Add: Shares issued during the period	-	-	500,000	0.50
Add: Issuance of equity shares pursuant to the Composite Scheme (refer note 31)	159,281,139	159.28	-	-
Less: Cancellation of equity shares pursuant to the Composite Scheme (refer note 31)	(500,000)	(0.50)	-	-
At the end of the year	**159,281,139**	**159.28**	**500,000**	**0.50**

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

Details of shareholders holding more than 5% shares in the Company:

Equity shares of ₹ 1 each fully paid-up held by	31 March 2021		31 March 2020	
	Number	% of total shares	Number	% of total shares
Jubilant Pharmova Limited	-	-	500,000*	100.00%
SPB Trustee Company Private Limited and SS Trustee Company Private Limited (Jointly on behalf of Shyam Sunder Bhartia Family Trust)	32,686,161	20.52%	-	-
HSB Trustee Company Private Limited and HS Trustee Company Private Limited (Jointly on behalf of Hari Shanker Bhartia Family Trust)	30,257,475	19.00%	-	-

* All the shares were held by Jubilant Pharmova Limited (Holding Company up to 31 January 2021) singly, except 6 shares, each of which was held jointly with one Individual as second named shareholder.

Others

The Company has issued 159,281,139 fully paid-up equity shares of ₹ 1 each to the shareholders of the Demerged Company, for every one fully paid-up equity share of ₹ 1 each held by them in the Demerged Company for consideration other than cash pursuant to the Composite Scheme (refer note 31).

Note 15. Nature and purpose of other equity

• *Capital reserve*

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

• *Securities premium*

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

• *General reserve*

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

• *Legal reserve*

This represents the statutory reserves created based on the requirements of local regulations. This reserve is not available for distribution.

• *Retained earnings*

Retained earnings represent the amount of accumulated earnings and re-measurement differences on defined benefit plans recognised in OCI within equity.

• *Equity instrument through OCI*

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated as financial instrument through OCI within equity. The Group transfers amount therefrom to retained earnings when the relevant equity securities are derecognised.

• *Foreign currency translation reserve*

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the Group disposes or partially disposes off its interest in a foreign operation through sale, liquidation, repayment of share capital or abandonment of all, or part of, that entity.

Also refer note 31.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

Note 16 (a). Non-current borrowings

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Secured debentures		
Secured rated listed non-convertible debentures	996.91	-
Term loans		
From banks		
Indian rupee loans (secured)	3,561.47	-
Total non-current borrowings	**4,558.38**	**-**
Add: Current maturities of non-current borrowings (refer note 19)	896.59	-
Total borrowings (including current maturities)	**5,454.97**	**-**

16.1 Nature of security of non-current borrowings and other terms of repayment

Parent Company

16.1.1 Indian rupee term loans amounting to ₹ 4,478.13 million (31 March 2020: ₹ Nil) from The Hongkong and Shanghai Banking Corporation Limited, ICICI Bank Limited and Non-Convertible Debentures amounting to ₹ 1,000.00 million (31 March 2020: ₹ Nil) are secured by a first pari-passu charge created amongst the lenders by way of:

1) First *pari passu* charge on all the immovable property, plant and equipment owned by the Company, situated at Bhartiagram, Tehsil Dhanora, District Amroha, Uttar Pradesh, India (“Immovable secured assets”) but excluding the immovable property, plant and equipment described in (A) below (“Excluded immovable assets”). The details of the immoveable secured assets to be charged/mortgaged to secure the facilities is more particular described in (B) below.

A. Excluded Immovable Assets:

(1) 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, which land is covered under common title deeds with other group companies of the Company;

(2) 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

(3) 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, which land is covered under common lease deed with other group companies of the Company;

B. Immovable Secured Assets:

(1) Land admeasuring 32.77 Acres or 13.268 Hectares situated in the revenue estate of Village Naipura Khader, Tehsil Hasanpur (now Pargana and Tehsil Dhanora), District Moradabad (now District Amroha), Uttar Pradesh, together with buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth;

(2) Land admeasuring 154.28 Acres or 62.448 Hectares situated in the revenue estate of Village Tigariya Bhoor, Tehsil Dhanera, District Amroha, Uttar Pradesh, together with buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth;

(3) Land admeasuring 95.46 Acres or 38.648 Hectares situated in the revenue estate of Village Shahbajpur Dor, Tehsil and Pargana Hasanpur (now Dhanera), District Amroha (early in Moradabad), Uttar Pradesh, together with buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth;

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

(4) Land admeasuring 28.904 Hectare or 71.39 Acres, situated in the revenue estate of Village Rasoolpur Khader, Tehsil Dhanaura, District Moradabad (now District Amroha), Uttar Pradesh, together with buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth;

(5) Land admeasuring 48,576 square meters or 12 Acres or 4.856 Hectares situated in the revenue estate of Villages Sadullapur, Naipura Khadar, Sahabazpur Dor, Tehsil Hasanpur (now Pargana & Tehsil Dhanora), District Amroha, Uttar Pradesh, together with buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth.

2) First pari passu charge over entire movable property, plant and equipment of the company, both present and future.

3) First pari passu charge over the land and building of the office premises located at 1A, Sector 16A, Noida- Uttar Pradesh-201301.

16.1.2 Indian rupee term loan amounting to ₹ 3,128.13 million (31 March 2020: Nil) from ICICI Bank Limited is repayable in 15 structured quarterly installments from June 2021.

16.1.3 Indian rupee term loan amounting to ₹ 1,350.00 million (31 March 2020: Nil) from The Hongkong and Shanghai Banking Corporation Limited is repayable in 16 equal quarterly installments from April 2021.

16.1.4 7.90% Non-convertible debentures amounting to ₹ 1000.00 million (31 March 2020: ₹ Nil) are repayable in single installment in June 2023.

16.1.5 Refer note 31 for borrowing transferred from Jubilant Pharmova Limited pursuant to the Composite Scheme.

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 2021, the interest rate on Indian currency loans from 6.25% to 7.20% per annum.

16.2 Nature of security of current borrowings and other terms of repayment

Parent company

16.2.1 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.

16.2.2 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 2021, the interest rate on Indian currency loans range from 7.50% to 8.65% per annum.

16.3 Assets pledged as security

Assets with following carrying amounts are pledged as collateral/security against loans and borrowings at year end.

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Leasehold land, property, plant and equipment	15,073.14	-
Inventories	5,206.23	-
Trade receivables	4,802.85	-
	25,082.22	**-**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

16 (b). Reconciliation of movements of liabilities (borrowings, lease liabilities and interest accrued) to cash flows arising from financing activities

(₹ in million)

	31 March 2021	31 March 2020
Movement due to non-cash transactions:		
- Transferred pursuant to the Composite Scheme (refer note 31)	6,237.81	-
- Finance costs expensed	73.29	-
- Finance costs capitalised	3.41	-
- Lease liabilities	26.58	-
- Others	5.70	-
Movement due to cash transactions as per the consolidated statement of cash flows	(723.65)	-
As at end of the year	**5,623.14**	**-**

Note 17. Provisions

(₹ in million)

	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Provision for employee benefits (refer note 32)	121.91	694.39	-	-
Total provisions	**121.91**	**694.39**	**-**	**-**

Note 18. Trade payables

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Current		
Total outstanding dues of micro enterprises and small enterprises (refer note 30)	137.19	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,803.44	1.66
Total trade payables	**6,940.63**	**1.66**
Amount payable to related parties included in the above (refer note 37)	62.31	-

Note 19. Other current financial liabilities

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Current maturities of non-current borrowings (refer note 16(a))	896.59	-
Interest accrued	66.42	-
Security deposit	25.45	-
Capital creditors *	282.08	-
Employee benefits payable	305.32	-
Total other current financial liabilities	**1,575.86**	**-**

* Includes outstanding dues of micro enterprises and small enterprises of ₹ 28.02 million (31 March 2020: ₹ Nil)

Note 20. Other current liabilities

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Contract liabilities	130.25	-
Statutory dues payables	103.27	-
Total other current liabilities	**233.52**	**-**

Note 21. Revenue from operations

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Sale of products	6,788.52	-
Sale of services	1.17	-
Other operating revenue (refer note 42(a))	51.64	-
Total revenue from operations	**6,841.33**	**-**

Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

Disaggregation of revenue

In the following table, revenue from sale of product and services is disaggregated by primary geographical market and major products & service lines.

(₹ in million)

	For the year ended 31 March 2021				For the period 23 October 2019 to 31 March 2020			
	Speciality Chemicals	Nutrition & Health Solutions	Life Science Chemicals	Total	Speciality Chemicals	Nutrition & Health Solutions	Life Science Chemicals	Total
Primary geographical markets								
India	811.32	263.92	3,054.91	**4,130.15**	-	-	-	-
Americas and Europe	827.20	646.81	306.75	**1,780.76**	-	-	-	-
China	189.66	88.91	-	**278.57**	-	-	-	-
Rest of the world	222.08	275.78	102.35	**600.21**	-	-	-	-
Total	**2,050.26**	**1,275.42**	**3,464.01**	**6,789.69**	-	-	-	-
Major products/service lines								
Speciality ingredients	910.20	-	-	**910.20**	-	-	-	-
Fine Chemicals/Crop protection chemicals/Custom development and manufacturing organisation	1,140.06	-	-	**1,140.06**	-	-	-	-
Nutrition and health ingredients/Animal nutrition and health solutions/Human nutrition and health solutions	-	1,275.42	-	**1,275.42**	-	-	-	-
Life sciences ingredients/Specialty ethanol	-	-	3,464.01	**3,464.01**	-	-	-	-
Total	**2,050.26**	**1,275.42**	**3,464.01**	**6,789.69**	-	-	-	-

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

(₹ in million)

	For the year ended 31 March 2021				For the period 23 October 2019 to 31 March 2020			
	Speciality Chemicals	Nutrition & Health Solutions	Life Science Chemicals	Total	Speciality Chemicals	Nutrition & Health Solutions	Life Science Chemicals	Total
Revenue from sale of products and services	2,050.26	1,275.42	3,464.01	**6,789.69**	-	-	-	-
Other operating revenue	32.46	4.58	14.60	**51.64**	-	-	-	-
Total	**2,082.72**	**1,280.00**	**3,478.61**	**6,841.33**	-	-	-	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

Contract Balances

(₹ in million)

	As at 31 March 2021	As at 31 March 2020	As at 23 October 2019
Trade receivables	4,710.32	-	-
Contract liabilities	130.25	-	-

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

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Contracted price	6,810.35	-
Reductions towards variable consideration components	(20.66)	-
Revenue recognised	**6,789.69**	**-**

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

Note 22. Other income

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Interest income	5.58	-
Other non-operating income	20.43	-
Total other income	**26.01**	**-**

Note 23. Cost of materials consumed

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Raw materials consumed	3,634.79	-
Total cost of materials consumed	**3,634.79**	**-**

Note 24. Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Opening balance		
Work-in- progress	-	-
Finished goods	-	-
Total opening balance	**-**	**-**
Transferred pursuant to the Composite Scheme (refer note 31)	**2,987.02**	
Closing balance		
Work-in-progress	803.71	-
Finished goods	2,278.33	-
Total closing balance	**3,082.04**	**-**
Increase in inventories of finished goods, stock-in-trade and work-in-progress	(95.02)	-
Foreign currency translation adjustment	(0.07)	-
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**(95.09)**	**-**

Notes to the Consolidated Financial Statements
for the year ended 31 March 2021 (Continued)

Note 25. Employee benefits expense

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Salaries, wages, bonus, gratuity and allowances	439.78	-
Contribution to provident fund and other funds	24.44	-
Staff welfare expenses	26.00	-
Total employee benefits expense	**490.22**	**-**

Note 26. Finance costs

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Interest expense	69.82	-
Other finance costs	3.47	-
Total finance costs (1)	**73.29**	**-**

Note:
(1) Refer note 42(b) for finance costs capitalised.

Note 27. Depreciation and amortisation expense

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Depreciation of property, plant and equipment	212.37	-
Depreciation on right-of-use assets	4.89	-
Amortisation of intangible assets	3.36	-
Total depreciation and amortisation expense	**220.62**	**-**

Note 28. Other expenses

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Power and fuel	517.14	-
Consumption of stores and spares and packing materials	314.32	-
Processing charges	53.58	-
Rent	4.79	-
Rates and taxes	11.02	1.63
Insurance	16.53	-
Advertisement, publicity and sales promotion	1.78	-
Traveling and conveyance	6.29	-
Repairs and maintenance:		-
i. Plant and equipment	154.34	-
ii. Buildings	14.77	-
iii. Others	22.99	-
Office expenses	23.18	-
Vehicle running and maintenance	3.69	-
Printing and stationery	3.46	-
Telephone and communication charges	2.52	-
Staff recruitment and training	3.25	-
Donation [including corporate social responsibility expenditure (refer note 41)]	0.50	-
Payments to statutory auditors	4.60	0.03
Legal and professional	40.16	-
Freight and forwarding (including ocean freight)	211.27	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Subscription fees	4.99	-
Sales commission	6.56	-
Net foreign exchange loss	33.41	-
Miscellaneous expenses	25.21	-
Total other expenses	**1,480.35**	**1.66**

Note 29. Income tax

The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Consolidated Statement of Profit and Loss		
Current tax	133.57	-
Deferred tax	96.71	-
Income tax expense	**230.28**	**-**
Other Comprehensive Income		
Tax related to items that will not be reclassified to profit and loss	1.23	-
Income tax expense	**1.23**	**-**

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

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Profit/(loss) before income tax	773.87	(1.66)
At statutory income tax rate of 34.944% (31 March 2020: 34.944%)	270.42	(0.58)
- Effect of non-deductible expenses and exempt income	(35.71)	-
- Effect of lower tax rate on temporary difference	16.22	-
- Difference in other countries tax rates	(25.43)	-
- Others	4.78	0.58
Income tax expense reported in the Consolidated Statement of Profit and Loss	**230.28**	**-**

Note 30. Micro, small and medium enterprises

There are no micro, small and medium enterprises, to whom the Indian entities owes dues, which are outstanding for more than 45 days as at the end of year. The information as required to be disclosed in relation to micro, small and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Indian entities.

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
The principal amount remaining unpaid to any supplier as at the end of the year.	165.21	-
The interest due on principal amount remaining unpaid to any supplier as at the end of the year.	-	-
The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
The amount of interest accrued and remaining unpaid at the end of the year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act.	-	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

Note 31. Composite scheme of arrangement

The Board of Directors of the Company at its meeting held on 24 October 2019 had approved the Composite Scheme of Arrangement ("Composite Scheme") for amalgamation of certain promoter controlled entities into Jubilant Pharmova Limited ("JPM"), the Demerged Company and demerger of the Life Science Ingredients business ("LSI business") into the Company, which was subsequently filed with National Company Law Tribunal ("NCLT").

The Composite Scheme was approved by Honourable NCLT, Allahabad Bench vide its order dated 23 December 2020 (formal order received on 6 January 2021).

The said NCLT order was filed with the Registrar of Companies ("ROC") by the Company and the Demerged Company on 1 February 2021 thereby making the Composite Scheme effective. In terms of the Composite Scheme, all assets and liabilities of the LSI business of the Demerged Company were transferred and vested into the Company on 1 February 2021, being the Demerger Appointed Date.

Accounting of transfer of LSI business as per approved Composite Scheme:

(i) The assets and liabilities pertaining to the LSI business, transferred to and vested in the Company pursuant to the Composite Scheme are recorded at their respective carrying values as appearing in the books of the Demerged Company.

(ii) The Company issued 159,281,139 fully paid-up equity shares of ₹ 1 each to the shareholders of the Demerged Company, for every one fully paid-up equity share of ₹ 1 each held by them in the Demerged Company.

(iii) The pre-demerger shareholding of the Demerged Company in the Company comprising of 500,000 fully paid-up equity shares of ₹ 1 each, was cancelled.

(iv) The share capital account has been credited with the aggregate face value of the shares issued to the shareholders pursuant to the Composite Scheme and the difference has been accounted in appropriate reserves within "Other equity".

Note 31 (a). The book value of assets and liabilities transferred and vested into the Company as at the appointed date are as under:

(₹ in million)

	Amount
ASSETS	
Non-current assets	
Property, plant and equipment	17,513.30
Capital work-in-progress	639.93
Other intangible assets	104.58
Intangible assets under development	30.10
Right-of-use assets	470.45
Financial assets	
i. Investments	427.66
ii. Loans	32.83
iii. Other financial assets	104.95
Deferred tax assets (net)	131.93
Income tax assets (net)	33.60
Other non-current assets	25.92
Total non-current assets	**19,515.25**
Current assets	
Inventories	5,721.17
Financial assets	
i. Trade receivables	4,691.96
ii. Cash and cash equivalents	769.36
iii. Other bank balances	192.69
iv. Loans	26.09
v. Other financial assets	184.83
Other current assets	1,599.93
Total current assets	**13,186.03**
Total assets (A)	**32,701.28**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

(₹ in million)

	Amount
LIABILITIES	
Non-current liabilities	
Financial liabilities	
i. Borrowings	5,184.48
ii. Lease liabilities	59.83
Provisions	640.69
Deferred tax liabilities (net)	191.39
Total non-current liabilities	**6,076.39**
Current liabilities	
Financial liabilities	
i. Lease liabilities	17.48
ii. Trade payables	6,118.49
iii. Other financial liabilities	1,396.82
Other current liabilities	261.94
Provisions	170.55
Current tax liabilities (net)	22.44
Total current liabilities	**7,987.72**
Total liabilities (B)	**14,064.11**
Net assets transferred (A)-(B)	**18,637.17**

Note 31 (b). The Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flows of the Company includes figures of LSI business comprising two months of operations effective 1 February 2021. Further, in order to present the actual scale of operation of the LSI business for financial year ended 31 March 2021 and 31 March 2020, the management has presented, in addition to, the consolidated statement of profit and loss of the Company comprising two months of operations effective 1 February 2021, consolidated financial information of the demerged LSI business till 31 January 2021 and for the year 31 March 2020. The said financial information for the period 1 April 2020 to 31 January 2021 and year ended 31 March 2021, has been extracted from the discontinued operations disclosure in the audited financial results of the Demerged Company, for the year ended 31 March 2021, which has not been separately subject to audit or review and has been presented as 'unaudited' supplementary information, as below:

(₹ in million)

Particulars	For the year ended 31 March 2021 (10 months) (Unaudited)	For the year ended 31 March 2020 (12 months) (Unaudited)
i) Total revenue from operations	28,069.78	31,786.25
ii) Other income	122.00	100.21
iii) Total income	28,191.78	31,886.46
iv) Total expenses	24,782.44	29,892.87
v) Profit before exceptional items and tax	3,409.34	1,993.59
vi) Exceptional items	-	17.03
vii) Profit before tax	3,409.34	1,976.56
viii) Tax expenses/(credit)	791.81	(228.15)
ix) Net profit for the period	2,617.53	2,204.71

Notes to the Consolidated Financial Statements
for the year ended 31 March 2021 (Continued)

Note 32. Employee benefits in respect of the Group have been calculated as under:

(A) Defined contribution plans

Indian subsidiaries

The Group entities located in India have certain defined contribution plans such as provident fund, employee state insurance and employee pension scheme wherein specified percentage is contributed to these plans. During the year, the Group has contributed following amounts to:

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Employer's contribution to provident fund	15.80	-
Employer's contribution to employee's pension scheme	4.78	-
Employer's contribution to employee state insurance	0.06	-

Foreign subsidiaries

a. The subsidiary located in United States of America ("USA") have a 401(k) plan, where eligible employees are permitted to participate in the defined contribution plan. Participants may voluntarily contribute eligible pre-tax and post-tax compensation of up to 100% of their annual compensation in accordance with the annual limits as determined by the Internal Revenue Service (IRS). Employees at or above the age of 50 may choose to contribute additional compensation as "catch-up" contributions in accordance with the IRS annual limits. Employees receive a 100% match of their contributions up to 3% of their eligible compensation and 50% match of their contributions over 3% upto 5% of their eligible compensation. The entity's matching contributions vest 100% immediately for all employees in the USA. The said subsidiary has contributed ₹ 0.20 million and ₹ Nil for the years ended 31 March 2021 and 31 March 2020, respectively.

b. The subsidiary located in Belgium contribute to social security fund named as RijksSocialeZekerheid (RSZ). Under the plan, the employees have to contribute 13% of their compensation and the subsidiary makes a contribution of 33.33% of the employee's annual compensation. The said subsidiary has contributed ₹ 0.03 million and Nil for the years ended 31 March 2021 and 31 March 2020, respectively.

(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 6.80% p.a. (31 March 2020: (Not applicable (NA)) 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 2020: NA) and mortality table is as per IALM (2012-14) (31 March 2020: NA).

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 2020: NA), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plan assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme for certain employees of the Group. The details of investments maintained by Life Insurance Corporation are not available with the Group, hence not disclosed. The expected rate of return on plan assets is 6.80% p.a. (31 March 2020: NA).

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

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Present value of obligation at the beginning of the year	-	-
Transferred pursuant to the Composite Scheme (refer note 31)	584.01	-
Current service cost	7.57	-
Interest cost	6.29	-
Actuarial loss	3.45	-
Benefits paid	(27.94)	-
Present value of obligation at the end of the year	**573.38**	**-**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

*Fair value of plan assets**:*

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Plan assets at the beginning of the year	-	-
Plan assets transferred pursuant to the Composite Scheme (refer note 31)	3.40	-
Expected return on plan assets	0.04	-
Plan assets at the end of the year	**3.44**	**-**

** In respect of one location, the plan assets were invested in insurer managed funds.

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

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Present value of obligation at the end of the year	573.38	-
Fair value of plan assets at the end of the year	(3.44)	-
Net liabilities recognised in the Consolidated Balance Sheet	**569.94**	**-**

Group's best estimate of contribution during next year is ₹ 88.16 million (31 March 2020: ₹ Nil).

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

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Current service cost	7.57	-
Interest cost	6.25	-
Expense recognised in the Consolidated Statement of Profit and Loss	**13.82**	**-**

Amount recognised in the other comprehensive income:

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Actuarial loss due to demographic assumption change	0.03	-
Actuarial loss due to financial assumption change	1.54	-
Actuarial loss due to experience adjustment	1.88	-
Amount recognised in the other comprehensive income	**3.45**	**-**

Sensitivity analysis:

Discount rate

(₹ in million)

	31 March 2021		31 March 2020	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(13.69)	14.40	-	-

Future salary increase

(₹ in million)

	31 March 2021		31 March 2020	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	14.36	(13.78)	-	-

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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

The table below summarises the maturity profile of the defined benefit obligations:

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Within one year	88.94	-
Between one to three years	159.50	-
Between three to five years	97.83	-
Later than five years	227.11	-
	573.38	**-**

(C) Other long-term benefits (compensated absences):

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Present value of obligation at the end of the year	246.36	-

Note 33. Fair value measurements

(₹ in million)

	Notes	Level of hierarchy	Carrying Value as at		Fair Value as at	
			31 March 2021	31 March 2020	31 March 2021	31 March 2020
Financial assets						
FVTOCI						
Investments in quoted equity instruments	(c)	1	9.38	-	9.38	-
Investments in other equity instruments	(d)	3	471.41	-	471.41	-
Amortised cost						
Trade receivables	(a)		4,710.32	-	4,710.32	-
Loans	(a, b)		55.56	-	55.56	-
Cash and cash equivalents	(a)		733.42	0.50	733.42	0.50
Other bank balances	(a)		432.62	-	432.62	-
Other financial assets	(a, b)		663.80	-	663.80	-
Total financial assets			**7,076.51**	**0.50**	**7,076.51**	**0.50**
Financial liabilities						
Amortised cost						
Secured rated listed non-convertible debentures	(c)	1	996.91	-	1,000.00	-
Other borrowings	(a, c)	3	4,458.06	-	4,591.85	-
Lease liabilities	(a)		101.75	-	-	-
Trade payables	(a)		6,940.63	1.66	6,940.63	1.66
Other financial liabilities	(a)		679.27	-	679.27	-
Total financial liabilities			**13,176.62**	**1.66**	**13,211.75**	**1.66**

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. Further, the fair value disclosure of lease liabilities is not required.

(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 (including listed non-convertible 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. Costs of certain unquoted equity instruments not held for trading have been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2021 and for the period 23 October 2019 to 31 March 2020.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

Reconciliation of Level 3 fair value measurement:

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Opening balance	-	-
Acquired pursuant to the Composite Scheme (refer note 31)	416.65	-
Gain recognised in other comprehensive income	53.65	-
Foreign currency translation adjustment	1.11	-
Closing balance	**471.41**	**-**

Note 34. Financial risk management

Risk management framework

The Parent Company's board of directors have overall responsibility for the establishment and oversight of the Group's risk management framework.

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

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

- credit risk (see (i));

- liquidity risk (see (ii)); and

- market risk (see (iii)).

i. Credit risk

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

Trade receivables and other financial assets

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

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

As at 31 March 2021 and 31 March 2020, there is no major customer in terms of credit risk for the Group.

Expected credit loss with respect to trade receivables:

With respect to trade receivables, based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 month (net of expected credit loss allowance) is ₹ 22.43 million (31 March 2020: ₹ Nil).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

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

(₹ in million)

	31 March 2021	31 March 2020
Balance at the beginning of the year	-	-
Transferred pursuant to the Composite Scheme (refer note 31)	46.29	-
Add: Impairment recognised during the year (net of reversal)	4.84	-
Less: Receivables written off *	(1.37)	-
Balance at the end of the year	**49.76**	**-**

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

Expected credit loss with respect to other financial asset:
With regards to all financial assets with contractual cash flows, other than trade receivables, management believes these to be high quality assets with negligible credit risk. The management believes that the parties, from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no allowance 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 Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's treasury department is responsible for managing the short-term and long-term liquidity requirements. Short-term liquidity situation is reviewed daily by the treasury department. Long-term liquidity position is reviewed on a regular basis by the Parent Company's Board of Directors and appropriate decisions are taken according to the situation.

Exposure to liquidity risk

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

(₹ in million)

As at 31 March 2021	Carrying Amount	Contractual Cash flows (2)		
		Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings (1)	5,454.97	5,478.13	906.25	4,571.88
Lease liabilities	101.75	101.75	20.90	80.85
Trade payables	6,940.63	6,940.63	6,940.63	-
Other financial liabilities	679.27	679.27	679.27	-

(₹ in million)

As at 31 March 2020	Carrying Amount	Contractual Cash flows (2)		
		Total	Within 1 year	More than 1 year
Non-derivative financial liabilities	-	-	-	-
Borrowings (1)	-	-	-	-
Lease liabilities	-	-	-	-
Trade payables	1.66	1.66	1.66	-
Other financial liabilities	-	-	-	-

(1) Carrying amount presented as net of unamortised transaction cost.
(2) Contractual cash flows exclude interest payable.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

iii. Market risk

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

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Group entities. The functional currency of the Group entities are primarily INR, USD and EUR. The currencies in which these transactions are primarily denominated are USD, EUR and INR.

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

Exposure to currency risk

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

(₹ in million)

	As at 31 March 2021			As at 31 March 2020		
	USD	EUR	Others	USD	EUR	Others
Cash and cash equivalents	30.42	-	0.01	-	-	-
Trade receivables	1,290.42	568.32	-	-	-	-
Other financial assets	0.04	9.17	-	-	-	-
Trade payables	(4,098.19)	(27.12)	(0.30)	-	-	-
Borrowings	(87.74)	-	-	-	-	-
Net exposure	**(2,865.05)**	**550.37**	**(0.29)**	**-**	**-**	**-**

Sensitivity analysis

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

(₹ in million)

	Profit or loss (before tax)	
	Strengthening	Weakening
31 March 2021		
USD (1% movement)	(28.65)	28.65
EUR (1% movement)	5.50	(5.50)
31 March 2020		
USD (1% movement)	-	-
EUR (1% movement)	-	-

Interest rate risk

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

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for the year ended 31 March 2021 (Continued)

Exposure to interest rate risk

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

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Fixed-rate borrowings	1,000.00	-
Floating rate borrowings	4,478.13	-
	5,478.13	**-**

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

If interest rates had been 25 basis points higher / lower and all other variables were held constant, the Group's profit before tax for the year ended 31 March 2021 would decrease / increase by ₹ 11.20 million (31 March 2020: ₹ Nil). This is mainly attributable to the Group's exposure to interest rates on its floating rate borrowings.

Note 35. Capital management

(a) Risk management

The Group's objectives when managing capital are to:

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

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

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

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

The gearing ratios were as follows:

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Net debt	4,288.93	-
Total equity	19,229.39	(1.16)
Net debt to equity ratio	**0.22**	**-**

(b) Dividends

The Board of Directors of the Company has recommended a dividend of ₹ 0.35 per share of ₹ 1 each amounting to ₹55.80 million, subject to approval of shareholders in the Annual General Meeting.

Note 36. Segment information

Business Segments

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

a. **Speciality Chemicals:** i) Speciality ingredients ii) Fine chemicals iii) Crop protection chemicals iv) Custom development and manufacturing organisation

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for the year ended 31 March 2021 (Continued)

b. **Nutrition & Health Solutions:** i) Nutrition & health ingredients ii) Animal nutrition & health solutions iii) Human nutrition & health solution

c. **Life Science Chemicals:** i) Life science ingredients ii) Speciality ethanol

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Group as a whole.

No operating segments have been aggregated to form the above reportable operating segments.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

Finance costs and fair value gains and losses on certain financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.

Borrowings, current taxes, deferred taxes and certain financial assets and liabilities are not allocated to the segments and have been included under 'unallocated assets / liabilities'.

Information related to each reportable segment is set out below. Segment results (profit/(loss) before interest and tax) is used to measure performance because management believes that this information is most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

(₹ in million)

	For the year ended 31 March 2021			For the period 23 October 2019 to 31 March 2020		
	Total segment revenue	Inter-segment revenue	Revenue from external customer	Total segment revenue	Inter-segment revenue	Revenue from external customer
Revenue						
Speciality Chemicals	2,595.70	512.98	2,082.72	-	-	-
Nutrition & Health Solutions	1,280.00	-	1,280.00	-	-	-
Life Science Chemicals	3,594.62	116.01	3,478.61	-	-	-
Total segment revenue	**7,470.32**	**628.99**	**6,841.33**	**-**	**-**	**-**

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Result		
Speciality Chemicals	347.71	-
Nutrition & Health Solutions	195.47	-
Life Science Chemicals	456.03	-
Total segment result	**999.21**	**-**
Un-allocated corporate expenses (net of un-allocated income)	157.63	1.66
Interest income	5.58	-
Finance costs	73.29	-
Profit/(loss) before tax	**773.87**	**(1.66)**
Tax expense	230.28	-
Profit/(loss) for the year	**543.59**	**(1.66)**

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for the year ended 31 March 2021 (Continued)

(₹ in million)

	Segment Assets		Segment Liabilities	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Speciality Chemicals	15,535.69	-	3,318.01	-
Nutrition & Health Solutions	4,415.98	-	721.52	-
Life Science Chemicals	12,026.49	-	4,660.07	-
Segment total	**31,978.16**	**-**	**8,699.60**	**-**
Un-allocated corporate assets/ liabilities	1,807.05	0.50	5,856.22	1.66
Total assets/ liabilities	**33,785.21**	**0.50**	**14,555.82**	**1.66**

Other information

(₹ in million)

	Capital expenditure		Depreciation/Amortisation	
	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Speciality Chemicals	184.11	-	111.37	-
Nutrition & Health Solutions	25.22	-	25.55	-
Life Science Chemicals	218.71	-	82.25	-
Un-allocated	-	-	1.45	-
Total	**428.04**	**-**	**220.62**	**-**

Information about Geographical segments:

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Revenue by geographical markets		
India	4,181.79	-
Americas and Europe	1,780.76	-
China	278.57	-
Rest of the world	600.21	-
Total	**6,841.33**	**-**

(₹ in million)

	As at 31 March 2021	As at 31 March 2020
Non-current assets (by geographical location of assets)*		
Within India	18,920.30	-
Outside India	2.69	-
Total	**18,922.99**	**-**

*Non-current assets are excluding investments and deferred tax assets.

Note 37. Related Party Disclosures

1. **Related parties with whom transactions have taken place:**

   a) *Holding Company:*

   Jubilant Pharmova Limited (up to 31 January 2021).

   b) *Key management personnel (KMP) and related entities:*

   Mr. Rajesh Kumar Srivastava (w.e.f. 6 February 2021), Mr. Anant Pande (w.e.f. 6 February 2021), Mr. Prakash Chandra Bisht (w.e.f. 16 February 2021), Ms. Deepanjali Gulati (appointed w.e.f. 4 August 2020).

   Jubilant Biosys Limited (w.e.f. 1 February 2021), Jubilant Agri and Consumer Products Limited, Jubilant Industries Limited, Jubilant Generics Limited (w.e.f. 1 February 2021), Jubilant Pharmova Limited (w.e.f. 1 February 2021), Jubilant Business Services Limited (w.e.f. 1 February 2021), Jubilant Enpro Private Limited, Jubilant FoodWorks

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

Limited, Jubilant Consumer Private Limited, PSI Supply NV (w.e.f. 1 February 2021), Jubilant Pharmaceuticals NV (w.e.f. 1 February 2021), Safe Foods Corporation USA, Jubilant HollisterStier LLC (w.e.f. 1 February 2021), Jubilant Pharma Holdings Inc. (w.e.f. 1 February 2021), TrialStat Solutions Inc. (w.e.f. 1 February 2021), Jubilant Discovery Services LLC (w.e.f. 1 February 2021).

Also refer note 31.

c) *Others:*

Jubilant Bhartia Foundation,

2. Transactions with related parties for the year 31 March 2021

FY 2020-21

(₹ in million)

Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	Description of transactions:				
1.	**Sales of goods and services:**				
	Safe Foods Corporation USA	14.73			14.73
	Jubilant Biosys Limited	3.00			3.00
	Jubilant Industries Limited	0.03			0.03
	Jubilant FoodWorks Limited	0.08			0.08
	Jubilant Agri and Consumer Products Limited	28.35			28.35
		46.19			**46.19**
2.	**Rental and other income:**				
	Jubilant Biosys Limited	2.17			2.17
	Jubilant Generics Limited	7.40			7.40
	Jubilant Pharmova Limited	8.80			8.80
	Jubilant Business Services Limited	0.21			0.21
	Jubilant Enpro Private Limited	0.27			0.27
	Jubilant FoodWorks Limited	0.78			0.78
	Jubilant Industries Limited	0.03			0.03
	Jubilant Agri and Consumer Products Limited	4.16			4.16
	Jubilant Consumer Private Limited	0.30			0.30
		24.12			**24.12**
3.	**Purchase of goods and services:**				
	Jubilant Biosys Limited	0.07			0.07
	Jubilant Agri and Consumer Products Limited	18.65			18.65
		18.72			**18.72**
4.	**Recovery of expenses:**				
	Jubilant Generics Limited	11.27			11.27
	Jubilant Biosys Limited	19.88			19.88
	Jubilant Agri and Consumer Products Limited	2.69			2.69
		33.84			**33.84**
5.	**Reimbursement of expenses:**				
	PSI Supply NV	0.16			0.16
	Jubilant Pharmaceuticals NV	0.61			0.61
	Jubilant HollisterStier LLC	0.37			0.37
	Jubilant Pharma Holdings Inc.	1.71			1.71
	TrialStat Solutions Inc.	2.00			2.00
	Jubilant Generics Limited	1.00			1.00
	Jubilant Pharmova Limited	12.16			12.16
	Jubilant Enpro Private Limited	0.20			0.20
		18.21			**18.21**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

FY 2020-21

(₹ in million)

Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
6.	**Remuneration (including perquisites)* :**				
	Mr. Rajesh Kumar Srivastava		5.09		5.09
	Mr. Anant Pande		3.24		3.24
	Mr. Prakash Chandra Bisht		1.97		1.97
	Ms. Deepanjali Gulati (w.e.f 1 February 2021)		0.66		0.66
			10.96		**10.96**
7.	**Lease payments:**				
	Jubilant Biosys Limited	0.01			0.01
	Jubilant Agri and Consumer Products Limited	0.01			0.01
	Jubilant Pharmova Limited	1.10			1.10
		1.12			**1.12**
8.	**Donation:**				
	Jubilant Bhartia Foundation			0.50	0.50
				0.50	**0.50**

3. **Outstanding balances with related parties as at 31 March 2021**

FY 2020-21

(₹ in million)

Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
9.	**Trade payables:**				
	Jubilant HollisterStier LLC	2.66			2.66
	Jubilant Pharma Holdings Inc.	14.78			14.78
	Jubilant Enpro Private Limited	1.00			1.00
	Jubilant Generics Limited	0.49			0.49
	Jubilant Biosys Limited	0.07			0.07
	PSI Supply NV	1.44			1.44
	Jubilant Industries Limited	3.70			3.70
	Jubilant Agri and Consumer Products Limited	18.99			18.99
	Jubilant Pharmaceuticals NV	19.18			19.18
		62.31			**62.31**
10.	**Advance from customers:**				
	Jubilant FoodWorks Limited	0.50			0.50
		0.50			**0.50**
11.	**Capital advance against purchase of land:**				
	Jubilant Industries Limited	115.82			115.82
		115.82			**115.82**
12.	**Trade receivables:**				
	Safe Foods Corporation USA	8.36			8.36
	Jubilant Biosys Limited	3.40			3.40
	Jubilant Enpro Private Limited	4.62			4.62
	Jubilant Industries Limited	0.07			0.07
	Jubilant Agri and Consumer Products Limited	63.74			63.74
		80.19			**80.19**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

FY 2020-21 (₹ in million)

Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
13.	**Other receivables:**				
	Jubilant Discovery Services LLC	0.43			0.43
	Jubilant Biosys Limited	20.82			20.82
	PSI Supply NV	8.58			8.58
	Jubilant Business Services Limited	0.17			0.17
	Jubilant Generics Limited	20.46			20.46
	Jubilant Pharmova Limited	119.01			119.01
	Jubilant Agri and Consumer Products Limited	29.71			29.71
	Jubilant Consumer Private Limited	7.06			7.06
	Jubilant FoodWorks Limited	5.76			5.76
	Jubilant Enpro Private Limited	0.25			0.25
		212.25			**212.25**
14.	Refer note 31 for transactions pursuant to the Composite Scheme				

4. Transactions with related parties for the period 23 October 2019 to 31 March 2020

FY 2019-20 (₹ in million)

Sr. No.	Particulars	Holding Company	Total
1.	**Reimbursement of expenses:**		
	Jubilant Pharmova Limited	1.66	1.66
		1.66	**1.66**
2.	**Issue of equity share capital:**		
	Jubilant Pharmova Limited	0.50	0.50
		0.50	**0.50**

5. Outstanding balance with related parties as at 31 March 2020

FY 2019-20 (₹ in million)

Sr. No.	Particulars	Holding Company	Total
3.	**Trade payables:**		
	Jubilant Pharmova Limited	1.66	1.66
		1.66	**1.66**

Breakup of remuneration to key management personnel were as follows:-

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Short term employee benefits	10.40	-
Post employment benefits	0.56	-
	10.96	**-**

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

Note 38. Contingent liabilities to the extent not provided for:

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

(₹ in million)

	As at 31 March 2021*	As at 31 March 2020
Central excise	58.28	-
Customs	28.06	-
Sales tax	76.72	-
Income tax	1,844.02	-
Service tax and goods and services tax	2.02	-
State excise	714.64	-
Others	220.33	-

* Inclusive of contingent liabilities taken over pursuant to the Composite Scheme. Certain of the above claims are still in the name of the Demerged Company.

Future cash outflows in respect of the above matters are determinable only on receipt of judgments/decisions pending at various stages/forums.

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

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

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

Note 39. Commitments as at year end

a) **Capital commitments:**

Estimated amount of contracts remaining to be executed on capital account (net of advances) is ₹ 456.25 million (31 March 2020: ₹ Nil) for property, plant and equipment.

b) **Other commitments:**

(i) Export obligation under advance license scheme on duty free import of specific raw materials, remaining outstanding is ₹ 58.09 million (31 March 2020: ₹ Nil).

(ii) As on 31 March 2021, the Company has made commitment to acquire additional voting rights of 13.71% at the cost of ₹ 21.25 million in MVFPL, an associate company, which will provide total voting rights of 34.70% to the Company.

Note 40. Leases

(a) The details of the right-of-use assets held by the Group is as follows:

(₹ in million)

	Depreciation charge		Net carrying amount as at	
	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020	31 March 2021	31 March 2020
Land	1.55	-	419.74	-
Buildings	0.87	-	25.76	-
Plant and equipment	0.31	-	16.70	-
Vehicles	2.16	-	29.94	-
Total	**4.89**	**-**	**492.14**	**-**

Additions to the right-of-use assets during the year ended 31 March 2021 were ₹ 497.03 million (31 March 2020: ₹ Nil) out of which additions on account of acquisition of leases under the Composite Scheme were ₹ 470.45 million).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

(b) Amount recognised in the Consolidated Statement of Profit and Loss:

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Interest on lease liabilities	1.77	-
Rental expense relating to short-term leases	4.79	-
	6.56	**-**

(c) Amount recognised in the Consolidated Statement of Cash Flows:

(₹ in million)

	For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Total cash outflow for leases (inclusive of interest on lease liabilities)	9.27	-
	9.27	**-**

(d) Items of immovable properties, primarily land parcels (included under right-of-use assets) as listed in Schedule 1 of the Composite Scheme, were transferred to the Company with effect from 1 February 2021 pursuant to the said Composite Scheme (refer note 31). The Company is in process of getting the underlying lease deeds of the aforesaid immovable properties transferred/registered in its name.

Note 41. Expenditure incurred under section 135 of the Companies Act, 2013 on Corporate Social responsibility (CSR) activities is included under donation.

Note 42 (a). Government grant recoverable ₹ 146.30 million (31 March 2020: ₹ Nil) and Government grant recognised ₹ 6.88 million (31 March 2020: ₹ Nil) in the Consolidated Statement of Profit and Loss.

(b). During the year, finance costs amounting to ₹ 3.41 million (31 March 2020: ₹ Nil) has been capitalised in property, plant and equipment, calculated using capitalisation rate of 6.61% (31 March 2020: NA).

Note 43. Exceptional items consist of property, plant and equipment written off on account of obsolescence amounting to ₹ 129.44 million.

Note 44. On 2 June 2021, the Company has incorporated a wholly owned subsidiary namely Jubilant Crop Protection Limited with a paid-up capital of ₹ 1 lakh.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

Note 45. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

Name of the Enterprise		Net Assets (Total assets -Total liabilities)		Share in profit/ (loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount (₹ in million)	As % of consolidated profit/ (loss)	Amount (₹ in million)	As % of Consolidated other comprehensive income	Amount (₹ in million)	As % of Consolidated total comprehensive income	Amount (₹ in million)
Parent									
Jubilant Ingrevia Limited		81.95%	15,758.50	70.99%	385.88	(4.28%)	(2.13)	64.67%	383.75
Subsidiaries									
Indian									
1	Jubilant Infrastructure Limited	9.37%	1,801.30	1.95%	10.60	(6.37%)	(3.17)	1.25%	7.43
2	Jubilant Ingrevia Employees Welfare Trust	9.12%	1,752.65	1.85%	10.06	-	-	1.70%	10.06
Foreign									
1	Jubilant Life Sciences (USA) Inc.	1.15%	221.16	10.60%	57.61	1.19%	0.59	9.81%	58.20
2	Jubilant Life Sciences (Shanghai) Limited	1.69%	325.64	1.81%	9.83	(8.84%)	(4.40)	0.91%	5.43
3	Jubilant Life Sciences International Pte. Limited	3.07%	590.94	0.04%	0.24	113.66%	56.59	9.58%	56.83
4	Jubilant Life Sciences NV	1.64%	316.07	11.72%	63.73	(17.90%)	(8.91)	9.24%	54.82
Associate									
1	Mister Veg Foods Private Limited	0.11%	21.62	-	(0.02)	-	-	-	(0.02)
Total eliminations		(8.10%)	(1,558.49)	1.04%	5.66	22.54%	11.22	2.84%	16.88
Total		**100.00%**	**19,229.39**	**100.00%**	**543.59**	**100.00%**	**49.79**	**100.00%**	**593.38**

Refer note 2(b) and note 31.

Note 46. Earnings per share

		For the year ended 31 March 2021	For the period 23 October 2019 to 31 March 2020
Profit for basic and diluted earnings per share of ₹ 1 each	**₹ in million**	**543.59**	**(1.66)**
Weighted average number of equity shares used in computing earnings per share			
For basic earnings per share	Nos.	26,165,992	500,000
For diluted earnings per share	Nos.	26,165,992	500,000
Earnings per equity share (face value of ₹ 1 each)			
Basic	₹	20.78	(3.31)
Diluted	₹	20.78	(3.31)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

Note 47. The figures for year ended 31 March 2021 are not comparable with previous period, since the consolidated financial statements are prepared for the first time. Further, prior to the Composite Scheme, the Company did not have any subsidiaries, and hence the figures as at 31 March 2020 and for the period 23 October 2019 to 31 March 2020 represents figures of the Company on standalone basis. Further, previous year figures have been regrouped/ reclassified to conform to the current year's classification.

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662

Place: New Delhi
Date: 07 June 2021

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

Shyam S. Bhartia
Chairman
DIN: 00010484

Hari S. Bhartia
Co-Chairman
DIN: 00010499

Rajesh Kumar Srivastava
CEO and Managing Director
DIN: 02215055

Prakash Chandra Bisht
President and Chief Financial Officer

Deepanjali Gulati
Company Secretary

Place: Noida
Date: 07 June 2021

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of financial statements of subsidiary/ associates/ joint ventures as per Companies Act, 2013

Part "A" : Subsidiaries

(₹ in million)
Foreign Currencies in absolute terms

Sr. No.	Name of the subsidiary (5)	Date since when subsidiary was acquired / incorporated (5)	Reporting currency	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments (4)	Turnover / Total income	Profit/ (loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed dividend	% of shareholding
1	Jubilant Infrastructure Limited	01 February 2021	INR	344.84	1,456.46	3,909.91	2,108.61	19.28	195.80	14.87	4.27	10.60	Nil	100.00%
2	Jubilant Life Sciences (USA) Inc.	01 February 2021	USD	375,000	2,650,021	9,072,247	6,047,226	-	4,848,542	1,037,085	245,814	791,271	Nil	100.00%
			INR	17.11	204.05	663.27	442.11	-	353.02	75.51	17.90	57.61	Nil	
3	Jubilant Life Sciences (Shanghai) Limited	01 February 2021	RMB	1,652,837	27,586,019	42,561,581	13,322,725	-	24,859,888	1,168,506	292,126	876,379	Nil	100.00%
			INR	8.80	316.84	474.02	148.38	-	279.18	13.11	3.28	9.83	Nil	
4	Jubilant Life Sciences International Pte. Limited	01 February 2021	USD	437,503	7,645,356	8,113,432	30,573	6,312,608	8,943	3,665	381	3,284	Nil	100.00%
			INR	19.99	570.95	593.18	2.24	461.51	0.66	0.27	0.03	0.24	Nil	
5	Jubilant Life Sciences NV	01 February 2021	EUR	100,000	3,585,884	12,693,253	9,007,369	-	7,473,135	1,007,608	277,635	729,973	Nil	100.00%
			INR	7.81	308.26	1,088.45	772.38	-	652.47	87.97	24.24	63.73	Nil	
6	Jubilant Ingrevia Employees Welfare Trust	01 February 2021	INR	0.10	1,752.55	1,756.93	4.28	-	15.49	15.47	5.41	10.06	Nil	100.00%

Notes:

1) Reporting period of all the Subsidiary Companies is 1 April 2020 to 31 March 2021.

2) Converted into Indian Rupees at the exchange rate as on 31 March 2021 : 1EUR = INR 85.75, 1USD = INR 73.11, 1RMB = INR 11.14.

3) The above statement excludes inter company eliminations.

4) Excludes investment in subsidiaries.

5) Subsidiaries acquired w.e.f. 1 February 2021 pursuant to the Composite Scheme.

Names of Subsidiaries which are yet to commence operations: - Nil

Names of Subsidiaries which have been liquidated during the year: - Nil

Form AOC-1

Part "B" : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates/Joint Ventures	Latest audited Balance Sheet date	Date on which Associate or Joint Venture was associated or acquired	Shares of Associate/Joint Ventures held by the company on the year end						Profit/Loss for the year	
				No.	Amount of Investment in Associates/ Joint Venture (₹ in million)	Extent of Holding %	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ in million)	Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Considered in consolidation (₹ in million)	Not considered in consolidation (₹ in million)
1	Mister Veg Foods Private Limited	31 March 2021	18 February 2021	2,657	21.62	20.99%	4.43	By virtue of shareholding	Not Applicable	(0.02)	Not Applicable

1. Names of associates or joint ventures which are yet to commence operations : Nil
2. Name of associates or joint ventures which have been liquidated or sold during the year : Nil

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

Shyam S. Bhartia
Chairman
DIN: 00010484

Hari S. Bhartia
Co-Chairman
DIN: 00010499

Rajesh Kumar Srivastava
CEO and Managing Director
DIN: 02215055

Place: Noida
Date: 07 June 2021

Prakash Chandra Bisht
President and Chief Financial Officer

Deepanjali Gulati
Company Secretary

Corporate Information

Registered Office
Bhartiagram, Gajraula
Distt. Amroha – 244 223
Uttar Pradesh, India
Tel.: +91 5924-267200
CIN: L24299UP2019PLC122657

Corporate Office
1A, Sector 16A, Noida – 201 301
Uttar Pradesh, India
Tel.: +91 120 4361000

Statutory Auditors
Walker Chandiok & Co. LLP
L-41, Connaught Circus,
Outer Circle, New Delhi – 110001,
Delhi, India
Tel: +91 11 4278 7070

Cost Auditors
JK Kabra & Co.
Cost Accountants
552/1-B, Arjun Street
Main Vishwas Road
Vishwas Nagar
Delhi-110032, India

Internal Auditors
Ernst & Young LLP
Golf View Corporate Tower B
Sector Road, Sector 42
Gurgaon – 122002
Haryana, India

Company Secretary
Deepanjali Gulati

Registrars & Transfer Agents
Alankit Assignments Limited
205-208 Anarkali Complex
Jhandewalan Extension
New Delhi – 110055
Tel.: +91-11-4254 1234

Bankers
Axis Bank Limited
The Hong Kong & Shanghai Banking Corporation Limited
ICICI Bank Limited
Punjab National Bank
RBL Bank Limited
Yes Bank Limited
IndusInd Bank Limited
HDFC Bank Limited

NOTES

JUBILANT INGREVIA

Growing Responsibly Creating Value

Touching lives for a sustainable future

Jubilant Ingrevia Limited has published its FY 2021 Corporate Sustainability Report. The report has been prepared in accordance with the 'GRI Standards: Comprehensive option'. The Corporate Sustainability Report for FY 2021 is available at www.jubilantingrevia.com/about-us/sustainability/sustainability-report

Sustainability Report 2020-21

Jubilant Ingrevia Limited
Plot 1A,Sector 16A, Noida, 201 301,
Uttar Pradesh, India
www.jubilantingrevia.com
ingrevia.support@jubl.com
Tel: +91 120 4361000