J. B. CHEMICALS & PHARMACEUTICALS LIMITED

July 22, 2019

BSE Ltd.
Phiroze Jeejebhoy Towers
Dalal Street
Mumbai 400 001

BSE Scrip Code : 506943

Stock Symbol: JBCHEPHARM

Dear Sir,

Sub: Submission of Annual Report for the year 2018-19

In compliance with the Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find Annual Report for the year 2018-19 alongwith notice of the Annual General Meeting scheduled on August 23, 2019.

The dispatch of this annual report/ notice will commence this evening.

We request you to take the above on record.

Thanking you,

Yours faithfully,

For J.B. Chemicals & Pharmaceuticals Ltd.

M. C. Mehta
Company Secretary & Vice President – Compliance

Encl: As above

Registered Office:
Neelam Centre, B Wing, 4th Floor
Hind Cycle Road, Worli
Mumbai - 400 030

Corporate Office:
Cnergy IT Park
Unit A2, 3rd Floor, Unit A, 8th Floor
Appa Saheb Marathe Marg, Prabhadevi
Mumbai - 400 025

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www.jbcpl.com
CIN: L24390MH1976PLC019380

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTY-THIRD ANNUAL GENERAL MEETING OF THE MEMBERS OF J.B. CHEMICALS & PHARMACEUTICALS LIMITED WILL BE HELD ON FRIDAY, AUGUST 23, 2019 AT RAMA & SUNDRI WATUMULL AUDITORIUM, K.C. COLLEGE, DINSHAW WACHA ROAD, CHURCHGATE, MUMBAI 400 020 AT 3.30 P.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. (a) To receive, consider and adopt the audited financial statement of the Company for the financial year ended on March 31, 2019 together with the reports of the Board of Directors and the Auditors thereon; and

   (b) To receive, consider and adopt the audited consolidated financial statement of the Company for the financial year ended on March 31, 2019 together with the report of the Auditors thereon.

2. To declare a dividend of ₹ 5 per equity share.

3. To appoint a director in place of Mr. Bharat P. Mehta (DIN : 00035444), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To re-appoint **Mr. Devang R. Shah as Independent Director** and, in this regard, pass the following resolution as **Special Resolution:**

   "RESOLVED THAT Mr. Devang R. Shah (DIN: 00232606), who was appointed by the members of the Company at annual general meeting held on 19-8-2015 as Independent Director for a term up to five (5) years commencing from December16, 2014, and who holds office up to December 15, 2019 and who is proposed for re-appointment for a second term up to further period of five (5) years based on report of evaluation of performance carried out by the Board of Directors, and for whose appointment as director, the Company has received a notice under Section 160 of the Companies Act, 2013 proposing his candidature to the office of director of the Company, be and is hereby re-appointed, pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 as amended and the rules made there under and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as Independent Director of the Company for a second term of five (5) consecutive years commencing from December 16, 2019."

5. To **re-classify status of certain members of the promoter group from "promoter group" to "public"** and, in this regard, pass the following resolution as **Ordinary Resolution:**

   "RESOLVED THAT pursuant to Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (including any statutory modification or re-enactment thereof)("the said Regulations"), and subject to permission of the Stock Exchanges on which the Company's securities are listed ("the said Stock Exchanges") and such other permissions and approvals that may be required for the purpose, the approval of the members of the Company be and is hereby given for re-classification of status of the following persons ("the said promoter group members") forming part of promoter group of the Company from "Promoter Group" category to "Public" category based on the views of the Board of Directors on request received from the said promoter group members and requisite compliance related information contained in the explanatory statement pertaining to this resolution.

Sr. No.	Name of Promoter Group Member
1	Mrs. Vibha Anupam Mehta
2	Mr. Nitin Chandra Doshi
3	Mr. Bharat K Doshi
4	Mrs. Ila Dipak Parekh
5	Mrs. Nisha Divyesh Shah
6	Mrs. Bhakti Ashok Patel
7	Mrs. Pallavi Suketu Shah

   RESOLVED FURTHER THAT, in view of the Company being compliant with conditions specified in Regulation

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31A(3)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Mr. Mayur C. Mehta, Company Secretary of the Company be and is hereby authorized to make an application to the Stock Exchanges for its permission for re-classification of status of the said promoter group members to public shareholders, and he be and is hereby further authorized to sign and submit such applications, confirmations, undertaking and such other documents as may be required by the Stock Exchanges in relation to such application.

RESOLVED FURTHER THAT, upon receipt of permission from the said Stock Exchanges, the said promoter group members be classified and treated as members of public for the purposes of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015 and other concerned rules and regulations defining the term 'promoter group'. "

6. To **ratify remuneration of cost auditor** and, in this regard, pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT, pursuant to Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the payment of remuneration of ₹ 510,000 (excluding GST and out of pocket expenses) to Kishore Bhatia & Associates, Cost Accountants, for audit of cost records of the Company for the financial year 2019-20 as approved by the Board of Directors of the Company be and is hereby ratified."

By Order of the Board of Directors

M.C. Mehta
Company Secretary & Vice President-Compliance

Date : May 21, 2019
Place : Mumbai

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

   Pursuant to Section 105 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting right may appoint a single person as proxy and such person shall not act as proxy for any other person.

2. A statement pursuant to Section 102(1) of the Companies Act, 2013 concerning the special business mentioned under item nos. 4 to 6 of the notice is annexed hereto.

3. Members/proxies/authorized representatives, who attend the meeting, are requested to complete the attendance slip and deliver the same at the registration counter at the meeting venue.

4. **(a) Book Closure: The register of members and share transfer / transmission books of the Company will remain closed from August 17, 2019 to August 23, 2019 (both days inclusive) for equity shares held in physical form. (b) Record Date: August 16, 2019 has been fixed as Record Date for determining names of the members entitled to dividend, if declared at the annual general meeting.**

5. The dividend, if declared at the annual general meeting, will be paid on August 26, 2019.

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6. **From April 1, 2019, transfer of shares is allowed only if the shares are held in the dematerialised form. Hence, the members holding shares in physical form may consider dematerialisation of their shares.**

7. The members holding shares in electronic form are requested to intimate change in their bank details and address to their depository participant. The members holding shares in physical form are requested to intimate change in their bank details and address to the Company's Registrars and Share Transfer Agent. This will help the members avoid delay in receipt of dividend and communications from the Company.

8. The final dividend for the year 2011-12 will become due for transfer to Investor Education and Protection Fund (IEPF) on September 2, 2019. The members who have not encashed their dividend are requested to approach the Company.

9. The members are hereby also informed that those shares of the Company in respect of which the aforesaid dividend is unclaimed for consecutive period of seven years shall also become due for transfer to IEPF in terms of provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended. The Company will post the list of such shares liable for transfer to IEPF on its website www.jbcpl.com. The Company will also mail a letter to concerned members informing them about such transfer. Such members are requested to claim their dividend on or before the date mentioned in note 8.

10. The shareholders who have not yet claimed their dividend for any past period are requested to write to the Company or send e-mail to investorelations@jbcpl.com.

11. The members, who have not yet exchanged certificate(s) of shares of face value of ₹ 10 against certificates of shares of face value of ₹ 2, consequent to reduction in face value from ₹ 10 to ₹ 2, are requested to approach the Company's Registrars and Share Transfer Agent or write to the Company.

12. Pursuant to Section 101 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Section 136 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the Company can serve notice of general meeting and financial statements through electronic mode to those members who have registered their e-mail address with the depository or the Company. The members, who hold shares in dematerialized form, are requested to register /update their e-mail address with the depository. The members holding shares in physical form may also opt to receive notices/financial statements by registering their e-mail address with the Company.

13. A member receiving notice and financial statements through e-mail will be furnished physical copy thereof on request.

14. The form of proxy, attendance slip and route map to reach venue of the meeting accompany this notice.

15. i. The Company is providing facility for remote e-voting (i.e. e-voting from a place other than venue of annual general meeting) and the business as set out in this notice may be transacted by the members through such voting.The remote e-voting facility is provided through e-voting platform of Central Depository Services (India) Limited ("CDSL"), as per provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

    ii. The members holding shares of the Company as on August 16, 2019 (i.e. the cut-off date) shall be entitled to cast vote either through remote e-voting facility or through ballot paper at the venue of the annual general meeting.

    iii. The facility for voting through ballot paper shall be made available at the venue of annual general meeting. The members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting.

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iv. The members who have cast their vote by remote e-voting shall not be allowed to change it subsequently or cast the vote again.

v. The process and the manner of voting through remote e-voting facility and time schedule thereof including details about login ID, procedure for generating password and casting of vote in a secure manner is as under:

Time schedule for remote e-voting

The voting period begins on Tuesday, August 20, 2019 at 9.00 a.m. and will end on Thursday, August 22, 2019 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. August 16, 2019 may cast their vote electronically. The members please note that the remote e-voting shall not be allowed beyond the aforesaid date and time and e-voting module shall be disabled by CDSL for voting thereafter.

Steps for e-voting:

(i) The shareholders should log on to the e-voting website www.evotingindia.com.

(ii) Click on Shareholders/Members.

(iii) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 character DP ID followed by 8 digits Client ID,

c. Members holding shares in physical form should enter folio number registered with the Company.

(iv) Next enter the image verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders) *Physical Members / Demat Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number as communicated separately. *In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of your name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company's records in order to login. If both the details are not recorded with the depository or the Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person

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and take utmost care to keep your password confidential.

(ix) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this notice.

(x) Click on the Electronic Voting Sequence Number (EVSN) of the Company.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.

(xvi) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) Note for Non – Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any query or issue regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

16. The Board of Directors has appointed Mr. Ashish Bhatt, proprietor of Ashish Bhatt & Associates, Practising Company Secretary, to scrutinize the remote e-voting / ballot process in a fair and transparent manner. The result of voting on the businesses transacted at the annual general meeting will be declared not later than August 25, 2019 by placing the same along with scrutinizer's report on the website of the Company www.jbcpl.com.

17. Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief profile of the existing directors proposed for re-appointment is as under:

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Mr. Bharat P. Mehta:

Mr. Bharat P. Mehta, 70, is a promoter group member. He is presently appointed by the Board of Directors as Whole time director (Planning & Development) and has experience of over three decades and functional expertise in the field of manufacturing, planning and development of existing and new projects and quality control. He has set up and commissioned state-of-the-art manufacturing units in record time. He has rich experience in obtaining approvals of regulatory authorities for the manufacturing units and developing units as per the international standards. He has obtained degree of B.Sc. from Mumbai University.

Mr. Bharat P. Mehta is son-in-law of Mr. Jyotindra B. Mody, Chairman and Managing Director and nephew of Mr. Dinesh B. Mody, Whole time director (Administration) and Mr. Shirish B. Mody, Whole time director (Marketing). He is a director of Unique Pharmaceutical Laboratories Ltd. and Ifiunik Pharmaceuticals Ltd. He does not hold directorship of any other listed company.

He is on Board of the Company since 1-9-1997 and holds 2,528,400 equity shares (3.15%) in the Company. He attended all five meetings of the Board held during the year 2018-19.

Mr. Devang R. Shah:

The information in respect of this independent director proposed for re-appointment is provided under item no. 4 of the explanatory statement set out below.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

All material facts concerning items of special business from nos. 4 to 6 are set out in the following statement accompanying the notice.

Item No. 4:

The members, at the annual general meeting held on 19-8-2015, appointed Mr. Devang R. Shah as an independent director of the Company for a term of five (5) consecutive years from December 16, 2014. This is the first term of Mr. Devang R. Shah as an independent director, which will end on December 15, 2019. As per Section 149 of the Companies Act, 2013 ("Act"), an independent director shall hold office for a term up to five consecutive years and can hold office for not more than two consecutive terms. Independent director is thus eligible for re-appointment on passing of a special resolution by the company.

In performance evaluation report for 2018-19 as well as earlier financial years, Board has rated Mr. Devang R. Shah on various parameters where he was rated between 4-5 (5 being highest). Thus, the Board believes that performance of Mr. Devang R. Shah as independent director has been exceedingly well. He possesses functional expertise and appropriate skills, experience and knowledge, *inter alia*, in the field of accountancy, audit, finance and financial services encompassing the entire gamut of services related to capital market, investments and consultancy. He has experience of over 20 years in this area. Based on performance evaluation report of Mr. Devang R. Shah as summarized aforesaid and also in view of his skills, expertise and experience, the Board of Directors proposes and recommends re-appointment of Mr. Devang R. Shah as an independent director for a second term of five (5) consecutive years from December 16, 2019 as the Board believes that continued association of Mr. Devang R. Shah would be immensely beneficial to the Company. Keeping in view his qualifications, skills, experience and functional expertise, your Board is of the opinion that his re-appointment would continue to help maintain appropriate balance of skills, experience and knowledge and necessary diversity in the Board and thus help Board discharge its functions and duties effectively.

The Company has also received a notice in writing under Section 160 of the Act from a member of the Company proposing candidature of Mr. Devang R. Shah for the office of independent director for a second term of five years as aforesaid.

Mr. Devang R. Shah has given his consent to act as director of the Company. He has furnished (i) a declaration that he meets the criteria of independence as prescribed under Section 149(6) of the Act

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and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, and (ii) a confirmation that he is not aware of any circumstances or situation, which exists or may reasonably be anticipated that could impair or impact his ability to discharge his duties with an objective independent judgement and without any external influence. Based on assessment of veracity of the same, the Board of Directors confirm that, in their opinion, Mr. Devang R. Shah fulfils the conditions of independence and is independent of the management.

Your Board of Directors is of the opinion that Mr. Devang R. Shah, proposed to be appointed as Independent Director for second term, fulfills the conditions specified in the Companies Act, 2013 and the rules made there under for the appointment of an independent director, and that he is independent of the management.

Mr. Devang R. Shah, 52, is a Chartered Accountant from the Institute of Chartered Accountants of India and a Commerce graduate from HR College of Commerce and Economics, Mumbai. He has worked with M/s Bansi S. Mehta & Co. while pursuing the Chartered Accountancy course.

Mr. Devang R. Shah is not related to any of the directors or key managerial personnel of the Company. He holds 16,855 equity shares in the Company. There is no proposal to pay any remuneration to him other than sitting fee for attending meetings of the Board and Committee(s) thereof. He attended all five (5) meetings of the Board held during the financial year 2018-19. He also holds directorship of Friendly Financial Services Pvt. Ltd., Niche Financial Services Pvt. Ltd., Neminath Portfolio Management Services Pvt. Ltd. and Vandana Foundation. He does not hold directorship in any other listed entity.

Your Board thus believes that re-appointment/continuance of directorship of Mr. Devang R. Shah is in the interest of the Company and will help the Board. Accordingly, your directors recommend his re-appointment and commend the resolution set out under item no. 4 for approval of the members.

Pursuant to the provisions of Section 149 of the Act, Mr. Devang R. Shah would hold office, if re-appointed, for a second term of five (5) consecutive years from December 16, 2019, and the provisions of the Act in respect of retirement of directors by rotation shall not apply to his appointment.

The Articles of Association of the Company, notice received from a member and draft terms and conditions of re-appointment of Mr. Devang R. Shah as independent director ("the said documents") are open for inspection at the registered office of the Company by any member during 10.00 a.m. to 5.00 p.m. on all working days (i.e. except Saturday, Sunday and public holidays) up to the date of the annual general meeting. A copy of the said documents will also be available for inspection at the corporate office of the Company on the days and during the time aforesaid as well as at the meeting.

Mr. Devang R. Shah and his relatives may be considered as concerned or interested in this item of business and/ or resolution under item no.4. None of the other directors and key managerial personnel of the Company and their relatives are concerned or interested in this item of business or resolution under item no.4.

Item No. 5:

Pursuant to Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular CIR/CFD/CMD/13/2015 dated November 30, 2015, the Company is required to file with the Stock Exchanges on quarterly basis a shareholding pattern, *inter alia*, including shareholding of promoters and promoter group members in the Company. The "promoter and promoter group" is determined (a) in accordance with definition of these terms in SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2018, and (b) based on the requirement that in case of transmission, succession, inheritance and gift of shares held by a promoter/person belonging to the promoter group, the recipient of such shares shall be classified as promoter/person belonging to the promoter group, as the case may be, as contained in Regulation 31A(6)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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However, Regulation 31A of (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended provides for re-classification of status of promoter/promoter group persons as public on fulfillment of certain conditions including approval of such request by the members of the company ordinary resolution and grant of permission for such re-classification by Stock Exchanges on application by the listed entity.

In light of the provisions of the said Regulation 31A, the Company has received request from the following members of the promoter group of the Company seeking re-classification of their status from 'promoter group' category to 'public category' ("the said promoter group members" or "the applicants").

Sr. No.	Name of promoter group members	Current shareholding in the Company (No. of shares)	% shareholding
1	Mrs. Vibha Anupam Mehta	1,000	0.00
2	Mr. Nitin Chandra Doshi	221,735	0.28
3	Mr. Bharat K Doshi	5,402	0.01
4	Mrs. Ila Dipak Parekh	8,380	0.01
5	Mrs. Nisha Divyesh Shah	22,755	0.03
6	Mrs. Bhakti Ashok Patel	6,960	0.01
7	Mrs. Pallavi Suketu Shah	11,337	0.01

Views of the Board of Directors:

The Board has analyzed the above requests and rationale given by the said promoter group members in support of their request. The rationale given by them is briefly summarized as under:

The applicant no.1 as per above table does not attract the criteria as specified in Para 1 of this explanatory statement. She is not related to promoters of the Company within the meaning of Regulation 2(1)(pp)(ii) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. She has been voluntarily classified by the Company as a promoter group member.

The applicant no. 2 and 3 as per above table have been classified as promoter group members solely because they are brothers of wife of a promoter of the Company.

The applicant no. 4 as per above table has been classified as promoter group member solely because she is a sister of wife of a promoter of the Company.

The applicant no. 5 to 7 as per above table are not immediate relative of the promoters but have been classified as promoter group member as they are recipient of Company's shares on demise of their mother who were classified as part of promoter group member. Regulation 31A(6)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended permits such recipients of shares to subsequently seek re-classification of their status.

The said members of the promoter group have neither participated in promotion or management of the Company nor have they ever exercised or exercise control, directly or indirectly, over affairs of the Company. Further, they neither have representation on the Board nor have they such a right. Their individual shareholding in the Company along with respective person related to them [who fall under Regulation 2(1)(pp)(ii) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018] does not exceed ten percent of the total voting rights in the Company. The said members of the promoter group are (i) financially and in all other respects independent of the promoters of the Company and the Company, and (ii) engaged in their own independent business, profession or vocation. Their name(s) have been included in the promoter group just because either some of them are immediate relatives or distant relative or recipient of Company's shares consequent to transmission. Importantly, they all fulfill all the conditions specified in Regulation 31A(3)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. They have also undertaken that they would continue to fulfill conditions specified in (i) Regulation 31A(3)(b)(i) to (iii) at all times after re-classification of their status as public, and (ii) Regulation 31A(3)(b)(iv) and (v) for a period of not less than three years from the date of re-classification.

Accordingly, the Board is of the view that re-classification of status of the said promoter group members to public shall

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not in any way affect the management and control of the Company.

In light of the above, your Board considered the request for re-classification of status to public received from the said promoter group members as fit and proper and accordingly your Board has approved the said requests received from them, subject to approval of the members and permission from the Stock Exchanges. Accordingly, Board of Directors recommend these requests to the members for approval and commend the resolution set out under item no. 5 for approval of the members.

The Company is also compliant with the conditions specified in Regulation 31A(3)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and accordingly is competent to make an application to the Stock Exchanges for their permission for re-classification of status of the said promoter group members to public category shareholders.

The above referred requests and undertaking received from the said promoter group members are open for inspection at the registered office of the Company by any member during 10.00 a.m. to 5.00 p.m. on all working days (i.e. except Saturday, Sunday and public holidays) up to the date of the annual general meeting. A copy of the said documents will also be available for inspection at the corporate office of the Company on the days and during the time aforesaid as well as at the meeting.

None of the directors, key managerial personnel of the Company and their relatives are in any way concerned or interested in this item of business and resolution under item no.5.

Item No. 6:

The Company is required to submit to the Central Government cost audit report audited by the Cost Accountant. Accordingly, the Board of Directors has appointed Kishore Bhatia & Associates, Cost Accountants, to conduct audit of cost records of the Company for the financial year 2019-20 and also approved their remuneration as mentioned in the resolution under item no. 6 of the notice, based on recommendation of the Audit Committee. The Companies (Audit and Auditors) Rules, 2014 provides that the remuneration of cost auditor approved by the Board of Directors shall be ratified subsequently by the shareholders. In view of this, ratification of above referred remuneration payable to the cost auditor is sought from the members. Accordingly, Board of Directors recommends this to the members for approval and commend the resolution set out under item no. 6 for approval of the members.

None of the directors and key managerial personnel of the Company and their relatives are concerned or interested in this item of business or resolution set out under item no. 6.

By Order of the Board of Directors

M.C. Mehta
Company Secretary & Vice President-Compliance

Date : May 21, 2019
Place : Mumbai

Notes

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN : L24390MH1976PLC019380

Name of the Company : J.B. Chemicals & Pharmaceuticals Limited

Registered Office : "Neelam Centre", `B' Wing, 4th Floor, Hind Cycle Road, Worli, Mumbai 400 030.
Web: www.jbcpl.com, Email: secretarial@jbcpl.com, Tel: (022) 2439 5500 / 5200, Fax: 022 2431 5334.

Name of the Member(s):____

Registered address: ____

____

E-mail ID:______________________________

Folio No./DP ID and Client ID:____________________

I/We, being the members(s) holding ____________________ shares of the above named company, hereby appoint

1. Name: ____

Address: ____

E-mail ID: ____

Signature: ______________________________, or failing him/her

2. Name: ____

Address:____

E-mail ID: ____

Signature: ______________________________, or failing him/her

3. Name: ____

Address:____

E-mail ID: ____

Signature: ____________________________

as my/our proxy to attend and vote for me/us and on my/our behalf at the 43rd Annual General Meeting of the Company, to be held on Friday, August 23, 2019 at 3.30 p.m. at Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description
1.	(a) To receive, consider and adopt the audited financial statement of the Company for the financial year ended on March 31, 2019 together with the reports of the Board of Directors and the Auditors thereon; and (b) To receive, consider and adopt the audited consolidated financial statement of the Company for the financial year ended on March 31, 2019 together with the report of the Auditors thereon.

Resolution No.	Description
2.	To declare a dividend of ₹ 5 per equity share.
3.	To re-appoint Mr. Bharat P. Mehta as a Director of the Company.
4.	To re-appoint Mr. Devang R. Shah as Independent Director of the Company.
5.	To re-classify status of certain members of the promoter group from "promoter group" to "public" .
6.	To ratify remuneration of cost auditor.

Signed this __________________ day of _________________ 2019

Signature of shareholder ___________________________________

Affix 15 paise Revenue Stamp

Signature of Proxy Holder(s) ________________________________

NOTE :

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.

2. A proxy holder may vote either for or against each resolution.

J. B. CHEMICALS & PHARMACEUTICALS LIMITED

Registered Office: : "Neelam Centre", `B' Wing, 4th Floor, Hind Cycle Road, Worli, Mumbai 400 030.
Corporate Office: Cnergy IT Park, Unit A2, 3rd floor, Appa Saheb Marathe Marg, Prabhadevi, Mumbai 400 025.
CIN:L24390MH1976PLC019380, Web: www.jbcpl.com, Email: secretarial@jbcpl.com, Tel: (022) 2439 5500/ 5200

ATTENDANCE SLIP

Name and address of the member	:	

Registered Folio No./ DP ID – CL. ID.	:	
Number of shares held	:	

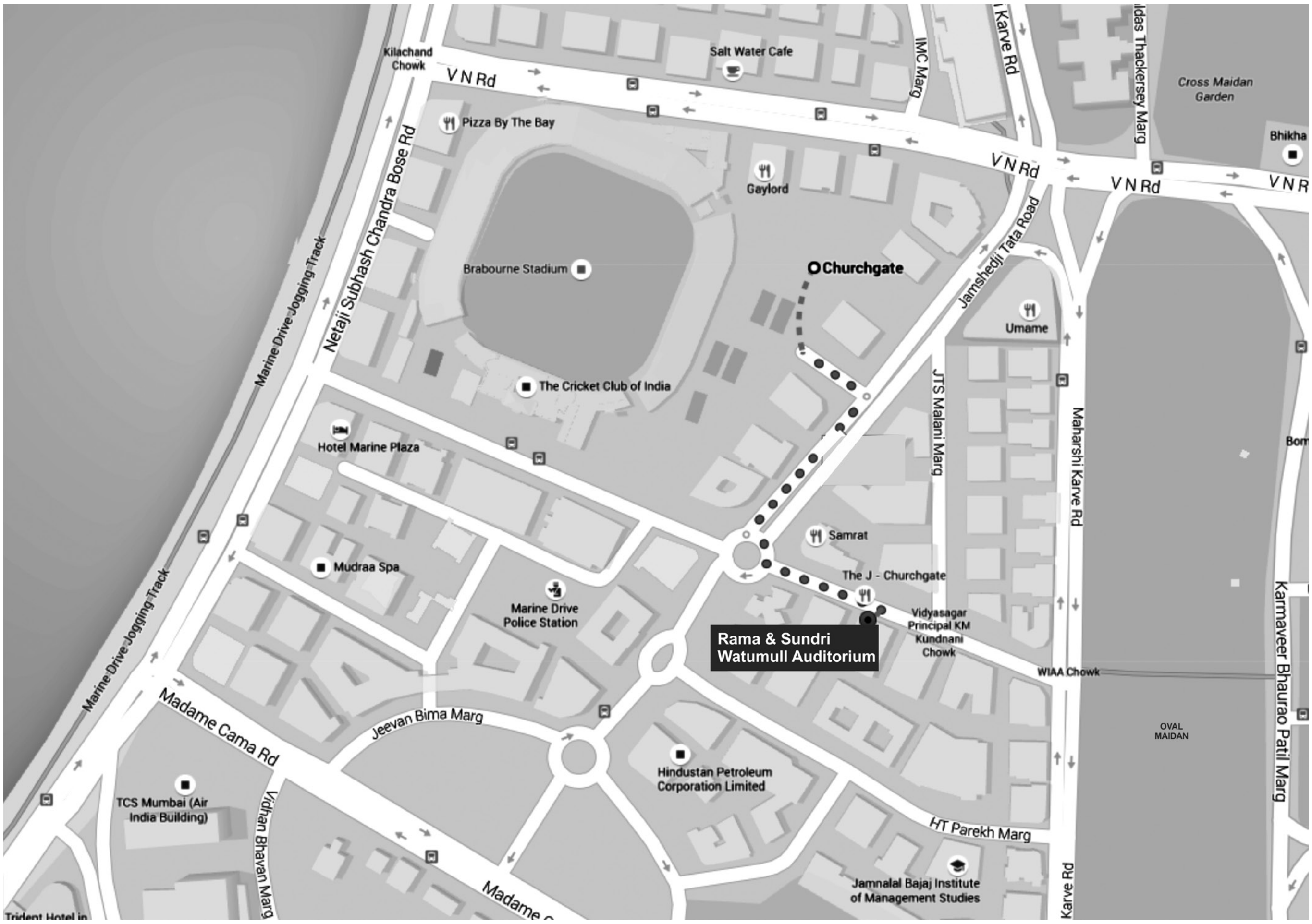
I hereby record my presence at the Forty-third Annual General Meeting of the Company being held at Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020, on Friday, August 23, 2019 at 3.30 p.m.

Signature of the shareholder(s) or proxy ______________________________

Please fill in the attendance slip and hand it over at the entrance of the meeting hall. Please bring your copy of the annual report for reference at the meeting.

ROUTE MAP OF ANNUAL GENERAL MEETING VENUE

Venue: Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020.



Landmark : Off. Oval Maidan

J. B. CHEMICALS & PHARMACEUTICALS LIMITED

Annual Report
2018-19

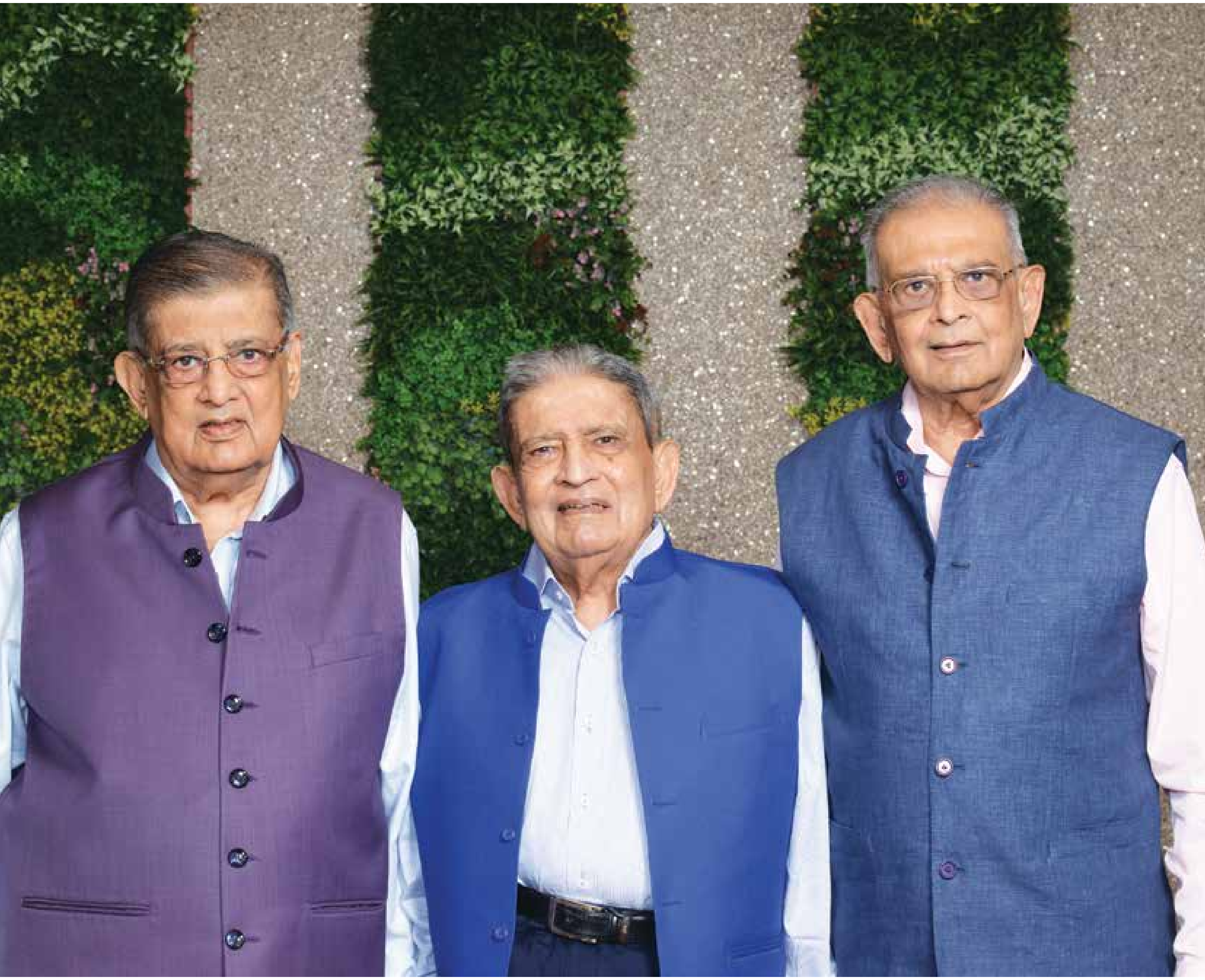
Accelerating Pace

Contents

Forward-Looking Statements

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements, written and oral, that we periodically make contain forward-looking statements that set out anticipated performance/results based on the management's plan and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'project', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and realisation of assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

Our Founders



They are the founders... their vision, passion, perseverance and guidance is what helps JBCPL grow...

Shri Jyotindra B. Mody (*Centre)****, Shri Dinesh B. Mody*** *(first from left)*
and Shri Shirish B. Mody *(third from left)*

Chairman's Statement

> **On the back of our initiatives and investments, we continue to strive hard to deliver better performance.**

PERFORMANCE

The financial performance during the year gone by was very encouraging. Both domestic formulations business and Global exports (other than Russia-CIS) fared well and helped achieve profitable growth. The more focussed approach and investments made in these businesses have yielded the positive result.

Total sales for FY 2018-19 at ₹ 1,464.45 crores registered growth of 19.27%, while total income for the year at ₹ 1,541.41 crores registered growth of 19.49%. Favourable product mix in both domestic business and Global exports along with depreciation of Rupee helped improve operating profit. The earnings before interest, depreciation and tax for the year increased to 19.67% of sales from 16.57% in the previous year. Consequently, the profit after tax for the year at ₹ 182.06 crores was 42.23% higher.

At consolidated level too, the performance improved with better performance of the operating subsidiaries. Consolidated sales for the year at ₹ 1,606.75 crores registered growth of 15.93%, while consolidated income for the year at ₹ 1,684.64 crores was 16.17% higher over the previous year. Consolidated profit after tax at ₹ 193.46 crores was 39.85% higher over the previous year.

On the back of our initiatives and investments, we continue to strive hard to deliver better performance. I shall now touch upon your Company's main businesses and their performance.

DOMESTIC FORMULATIONS BUSINESS

I am happy to share with you that domestic formulations business continued to grow at better than industry rate for fifth year in running. With sales of ₹ 622.54 crores, the domestic formulations business achieved growth of 14.5% against the industry growth of 11% (IQVIA, March 2019), while focus products registered growth of 22%. Creation of four therapy focussed divisions in this business supported by increase in size of the field force and aggressive scientific promotion has helped achieve the growth. This divisionalisation of team has helped place the right focus on the products leading to increase in productivity. In addition, the divisionalisation has helped create capacity to efficiently handle more products in the future. Cilacar products group (calcium channel blocker) with sales of ₹ 199 crores registered growth of 27%, while Rantac products group (anti-peptic ulcerant) with sales of ₹ 159 crores registered growth of 13%. The other key products group viz. Metrogyl and Nicardia also continued to grow well. The Company is ranked 34th in the domestic industry with Company's four brands viz., Rantac (anti-peptic ulcerant), Metrogyl (amoebicides), Cilacar (calcium channel blocker) and Nicardia (calcium channel blocker) featuring in top 200 brands in unit terms, while Rantac and Cilacar also feature in top 100 brands in value terms. During the year, the Company launched six new products across cardiac, gastro, wound healing and probiotic segments, all of which have performed well. During the current year, the Company plans to launch six more new products across cardiac and GI segments.

In the short term, the Company now plans to consolidate the business with selective additions to field force as warranted for enhancing operations of any division, and leverage the sales by regular introduction of new products.

The future outlook of the domestic formulations industry appears positive. The Company has aggressive strategy for this business and shall continue to make necessary investments in products, people and processes to further accelerate the growth.

The contrast media products division also performed well. Sales in this business at ₹ 52.09 crores achieved growth of 17%. During the year, the Company launched next-generation Macrocylic MRI contrast agent and re-launched ultrasound contrast media Definity™ manufactured by a US company, both of which contributed to growth and hold high potential. This business is fraught with severe price competition leading to erosion of margins.

EXPORTS

During the year, the overall exports of formulations amounted to ₹ 686.51 crores, which represents growth of 27.6% over the previous year.

Exports to Global markets at ₹ 484.88 crores registered growth of 21.8% in Rupee terms and 12.1% in US dollar terms over the previous year. Company's focus markets such as US, South Africa and South-East Asia performed well. The sales to US at ₹ 179.22 crores registered growth of 66.80%. US business and contract manufacturing business continue to do well. These are focussed business activities in formulations exports business and the Company continues to accord high priority to them. During the year, the Company received approval for two ANDAs, while we submitted two more ANDAs to US FDA for approval. During the year, US FDA carried out inspection of our solid oral dosage forms formulations and API manufacturing facility at Panoli, Gujarat. The minor observations raised during these inspections now stand closed.

Exports to Russia-CIS market at ₹ 114.47 crores were 24% higher over the previous year after removing the base effect. The Company continues to consider Russian market as highly potential and is currently investing in new products for this market to grow the products basket. During the year, the Company received a new product registration for Pantoprazole 20 mg. tablets in Russia, the commercial launch of which is in process. The Company plans to continue to pursue vigorous marketing initiatives in this market to build strong product basket.

We continue to contract manufacture and supply products to Cilag International GmbH to whom we sold our Russia-CIS OTC business.

The Company's South African subsidiary, Biotech Laboratories (Pty.) Ltd. registered good growth of 20.76% with sales at 331.97 million Rand, and its profit after tax at 20.83 million Rand registered growth of 38.51%. Despite a sluggish South African economy and a volatile Rand/Dollar exchange rate, Biotech managed to increase sales. The private market sector growth was 36% year-on-year, while tender business growth was at 15% year-on-year as the Government's overall purchases remained muted. Biotech's relationship with the major retail pharmacy chains continues to grow and contributed to this success. Biotech's broad-based product basket, good product pipeline and strong marketing skill offer needed platform for further growth. Company's Russian subsidiary registered growth of 10.64% in sales at 626.46 million Rouble, while its profit after tax at 19.18 million Rouble was also higher.

API BUSINESS

The sales in API business at ₹ 83.45 crores were 10% lower compared to the previous year. Significant part of this business comes from contract manufacturing arrangement. The sales were lower mainly due to the Company's major customer's decision to source all Diclofenac salts from the Company in addition to Diclofenac Sodium for their formulation, which has triggered new registration process. This process is expected to continue through the current year and consequently the current year sales will also be impacted. The sales are expected to improve once the registration process is over.

RESEARCH & DEVELOPMENT (R&D)

The R&D division continues to play an important role in Company's growth. R&D is currently focussed on the development of new formulations for US and Russian market, commercialisation of new drug delivery systems and development of new APIs. Our R&D has been playing an important role in the growth of exports.

BUY-BACK OF SHARES

With object to enhance shareholder value, the Board authorised buy-back of up to 3,333,333 equity shares of the Company @ ₹ 390 per share, which received good response from the shareholders. The Company thus bought back 3,333,333 equity shares of face value of ₹ 2 @ ₹ 390 per share. This resulted in outgo close to ₹130 crores excluding transaction costs. The Company's outstanding paid-up equity shares thus stand reduced to 80,236,642.

CHALLENGES AHEAD

Like all businesses, we also have challenges. For the domestic market, stiff competition in the market place, Government approach to drug pricing, generic drugs and its stand on fixed dose combinations are some of the challenges that we face. For the international business, currency volatility and changing regulatory environment are the key challenges, to name a few.

With focus on scaling up of domestic formulations business on one hand, and growing Global business in US, Australia, South Africa and other key markets and lucrative contract manufacturing business, we are hopeful of good growth going forward.

STAKEHOLDERS' SUPPORT

I take this opportunity to thank members of the medical profession, trade, institutions, government & semi-government hospitals, customers and shareholders for their continued trust and support. On behalf of the management of JBCPL, I would also like to thank all the employees of the Company for their deep commitment to achieving the Company's objectives. I am confident that with this commitment and support, your Company will continue to surge ahead.

J.B. Mody

Chairman & Managing Director

Domestic Formulations

Mr. Shirish B. Mody
Whole time Director (Marketing)

During FY 2018-19, the domestic formulations' business sales at ₹ 622.54 crores registered a growth of 14.50% against industry growth of 11% (IQVIA, March 2019). It is fifth year in running where the Company's domestic formulations business has grown at better than industry growth rate. The focus products group registered growth of 22%. The Company's key therapeutic segments viz. Cardiovascular and Gastroenterology were the main growth contributor as they registered growth of 25% and 10% respectively.

- The Company's key product groups viz. Cilacar with sales of ₹ 199 crores, Rantac with sales of ₹ 159 crores, Nicardia with sales of ₹ 52 crores and Metrogyl with sales of ₹ 92 crores continued to grow.

- Divisionalisation of domestic formulations business into therapy focussed groups has helped achieve right focus and wider coverage that has resulted in higher productivity. This strategy has helped achieve higher sales. The Company has four divisions in this business i.e. VIVA, JIVA, DIVA and IIVA, with field force of over 2,000. The aggressive promotion with scientific orientation is reflected in higher than industry growth in prescribers and prescriptions. The Company now plans to consolidate the domestic business over next few years with the expanded field force as this divisionalisation of team has also created additional capacity to efficiently handle more products in future. The Company will selectively add people when needed to make the operations more efficient.

- The Company is ranked 34th in the domestic industry with Company's four brands viz., Rantac (anti-peptic ulcerant), Metrogyl (amoebicides), Cilacar (calcium channel blocker) and Nicardia (calcium channel blocker) featuring in top 200 brands in unit terms, while Rantac and Cilacar also feature in top 100 brands in value terms (IQVIA, March 2019). While focused brand building initiatives continue for these product groups, the Company has intensified its brand building efforts for products in antibiotic, pain management, dermatological, tonics and respiratory segments.

- The sales of chronic products increased to 41% (37% in the previous year) of sales during the year. The sales of price controlled products were 31.79% of total sales.

During the year, the Company launched six new products across cardiac, gastro, wound healing and probiotic segment, all of which have performed well. During the current year, the Company plans to launch six new products across cardiac and GI segments.

Mr. Pranabh Mody
President & Whole time Director (Operations)

- The Company continues to invest in scientific training and development of medical executives to enhance their in-clinic efficiency. This is backed by motivating incentive schemes to realise potential of the people and the products. This has resulted in increased productivity.
- The industry is expected to continue to grow at a healthy rate in view of increasing per capita consumption of drugs, improved health care access, increasing health awareness and increasing penetration in Tier II, Tier III and rural market. The Company believes that its well established brands, pan India presence and therapy focussed approach will facilitate the growth going forward.
- The intense competition in the industry, Government's approach to drug pricing, generic drugs and fixed dose combinations remain challenges in this business.
- The contrast media products business with sales of ₹ 52.09 crores achieved growth of 17%. During the year, the Company launched next-generation Macrocyclic MRI contrast agent and re-launched ultrasound contrast media Definity^{TM} manufactured by a US company, both of which contributed to growth and hold high potential. This business is fraught with severe price competition leading to erosion of margins.

Exports

Mr. Dinesh B. Mody
Whole time Director (Administration)

The Company's total formulations exports at ₹ 686.51 crores registered growth of 27.6% over the previous year.

Exports to Global markets (other than Russia-CIS) at ₹ 484.88 crores registered growth of 21.80% in Rupee terms and 12.10% in US dollar terms over the previous year. The sales to US at ₹ 179.22 crores registered growth of 66.80% with Glipizide sales being the major contributor. Besides US, sales to South Africa, Africa and South-East Asia also fared well. US business and contract manufacturing business continue to do well. These are focussed business activities in formulations exports business and the Company has been investing accordingly.

- During the year, US FDA carried out periodical inspection and pre-approval inspection of Company's solid oral dosage forms formulations manufacturing facility at Panoli, Gujarat as well as periodical inspection of API manufacturing facility at Panoli, Gujarat. The minor observations made during these inspections have been addressed and stand closed.
- Exports to Russia-CIS markets at ₹ 114.47 crores were 24% higher over the previous year after removing the base effect. Sales to CIS markets grew by 43%. During the year, the Company received a new product registration for Pantoprazole 20 mg. tablets in Russia. The Company is currently investing in new products for the Russian market to grow the products basket.
- Other formulations exports at ₹ 87.15 crores were 10% higher over the previous year.

Lifetime Achievement Award conferred on Shri D. B. Mody

- During the year, the Company received US FDA approval for 2 ANDAs and submitted 2 more ANDAs for approval. The Company now has 13 approved ANDAs, while 6 ANDAs are pending with US FDA for approval.

US Business Partner

Mr. Shekhar Nadkarni

Mr. Ravi Gulgule

Mr. Sandeep Nasa
Head - Russia-CIS business

Mr. Jay Mehta
President - Global Business (Russia-CIS) & CRAMS

Mr. Nirav Mody
President - Global Business & Business Development

- API sales at ₹ 83.45 crores were 10% lower over the previous year. The sales were lower mainly due to Company's major customer's decision to source all Diclofenac salts from the Company in addition to Diclofenac Sodium for their formulation, which has triggered new registration process. This process is expected to continue through the current year and consequently the current year sales will also be impacted. The sales are expected to improve once the registration process is over. During the year, the Company received Certificate of Suitability (CEP) for Atenolol (anti-hypertensive) from EDQM, an EU drug regulator. This enhances sales prospects in EU.

- The Company continues to manufacture and supply OTC products to Cilag GmbH international.

- Biotech Laboratories (Pty.) Ltd. ("Biotech"), Company's South African subsidiary, registered growth of 20.76% in sales at 331.97 million Rand and its profit after tax at 20.83 million Rand registered growth of 38.51%. Despite a sluggish South African economy and a volatile Rand/Dollar exchange rate, Biotech managed to increase sales by 20.76% compared to the previous year. This increase was driven by unit market share gains within the private market sector where growth of 36% year-on-year in value was achieved. Biotech's relationship with the major retail pharmacy chains continues to grow and contributed to this success. Government purchasing was muted but sales to this customer still recorded growth of 15% year-on-year.

- OOO Unique Pharmaceutical Laboratories, Company's Russian subsidiary, registered growth of 10.64% in sales at 626.46 million Rouble, while its profit after tax at 19.18 million Rouble was also higher. The Company continues to believe that this is high potential market and offers good growth prospect. The Company continues to accordingly invest in this market.

- Contract manufacturing projects in the area of lozenges, tablets, ointments, creams and gels for multinational companies have been doing well. The Company's State-of-the-Art manufacturing facilities with approvals from international health authorities such as US FDA, UK MHRA, EU GMP, TGA Australia, SAHPRA South Africa, MoH Russia, Ukraine (PICs), MoH Japan with strong manufacturing, regulatory and development support give the Company the needed platform to continue to grow.

- The international business faces challenges such as currency volatility, price erosion and changing regulatory environment. However, the Company is optimistic about its growth prospects in international business.

Mr. Stewart Barker - CEO of Biotech (third from left) with team members

Mr. Bharat P. Mehta
Whole time Director
(Planning & Development)

Sr. No.	Health Authority	Facility Approved
1	US FDA	Tablets, APIs
2	EU GMP	Tablets, Capsules, Lozenges, Ointments, Gel, Creams, Liquid
3	SAHPRA, South Africa	Tablets, Injections, Lozenges, Ointments, Gel, Creams, Liquid
4	TGA, Australia	Tablets, Lozenges, Ointments, Gel, Creams, Liquid
5	PIC/S (MOH, Ukraine)	Tablets, Lozenges, Injections, Liquid, Ointments, Gel, Creams, Powder
6	MOH, Japan	API
7	MOH, Russia	Tablets, Liquid, Injections, Ointments, Gel, Creams, Lozenges, Powder
8	ANVISA, Brazil	Injections
9	Health Canada	Liquid, Lozenges
10	MOH, Korea	API

State-of-the-art Tablets manufacturing facility at Panoli, Gujarat

Mr. Kamlesh L. Udani
Executive Director
(Technical & Production)

State-of-the-art Formulations manufacturing facility at Panoli, Gujarat

State-of-the-art US FDA approved API facility at Panoli, Gujarat

State-of-the-art Tablets and Lozenges manufacturing facility at Kadaiya, Daman

Corporate Social Responsibility

The Company's philosophy is to conduct its business in socially, environmentally and ethically responsible manner and contribute to the society and environment in which it operates; with aim to assist people at large to improve their life or condition.

The promoters of the Company have long been involved in 'giving back to society' and have regularly supported and contributed to a variety of causes including relief and rehabilitation, promotion of education, provision of free or affordable medical facilities, child and women development schemes, women empowerment schemes, etc. The operating philosophy of the Company has been guided by this approach and the Company too has been regularly contributing to socially responsible activities as an integral part of its governance.

Smt. Jayaben Mody Hospital at Ankleshwar, Gujarat

The Company has formulated a CSR Policy not only to ensure compliance but also to carry out CSR activities in a structured manner. The objective of the Policy is to strive to create and/or encourage positive impact on the society at large through CSR activities or projects undertaken by the Company. At present, the Company focusses on CSR activities/projects in the area of promotion of education, promoting health care including preventive health care, eradication of hunger, poverty and malnutrition and empowering women and children. Some of the projects/activities undertaken during the year are as under:

- The Company continued its contribution to Ankleshwar Industrial Development Society towards treatment of poor patients at Smt. Jayaben Mody hospital run by the said society. This hospital, set up in 1986, is now a 120-bed modern multi-specialty hospital equipped with latest equipment, and is dedicated to service of people living in and around the industrial area at Ankleshwar as well as the tribal population in surrounding area. The Company regularly supports operations of this hospital by way of CSR contributions as the Company places importance on providing free and/or affordable medical facility to needy people in and around Ankleshwar, where the Company has its manufacturing facilities.

- The Company supported the project in the area of Disease Prevention and Treatment through Rotary Foundation (India). Under this project, with the object of reducing treatment cost of economically challenged people undergoing dialysis and to make this facility available to communities irrespective of religion, caste or creed at very affordable rate, 6 dialysis machines were installed at Dhule Charitable Society and 3 dialysis machines were installed at B.M. Parikh Hospital. These centres were already providing this service and the provision of these machines will enhance their capacity to provide this service to needy and under-privileged patients.

- The Company also contributed for free/subsidised treatment of kidney patients at Apex Kidney Foundation. Besides this, the Company also contributed for subsidised heart and knee surgeries of poor people.

- Availability of safe drinking water is still a challenge for many people and its impact on human health cannot be undermined. With the object to improve the health of people, the Company generously contributed for the cause of making safe drinking water available to poor and under-privileged people.

- With the object to make available quality medical service in Government hospital, the Company contributed 2DEcho machine to paediatric department of Lokmanya Tilak Municipal General Hospital, Sion, Mumbai, for diagnosis of paediatric patients with various diseases. This will provide quality healthcare access to poor people.

- The Company contributed to National Burns Centre, Airoli, Navi Mumbai for treatment of burn injuries of poor people, and also contributed for spreading awareness about skin donation.

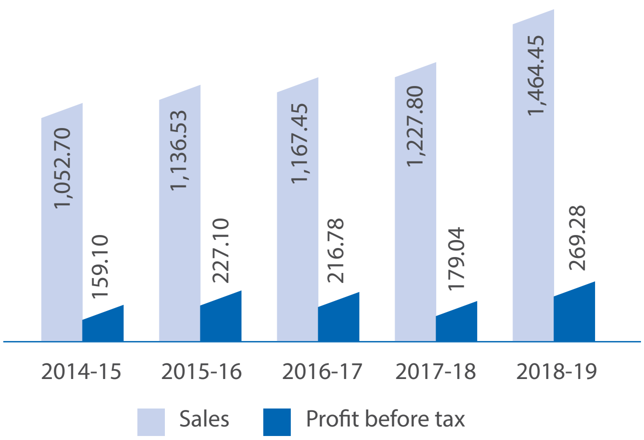
- The Company contributed to Ashoka University corpus of International Foundation for Research and Education for scholarships to poor students at undergraduate/post graduate level.

- At the instance of public administration, the Company has undertaken construction of (i) Wellness Centre, a primary health centre, at Nani Daman, and (ii) Traffic Island at Thana Pardi Road junction, Moti Daman.

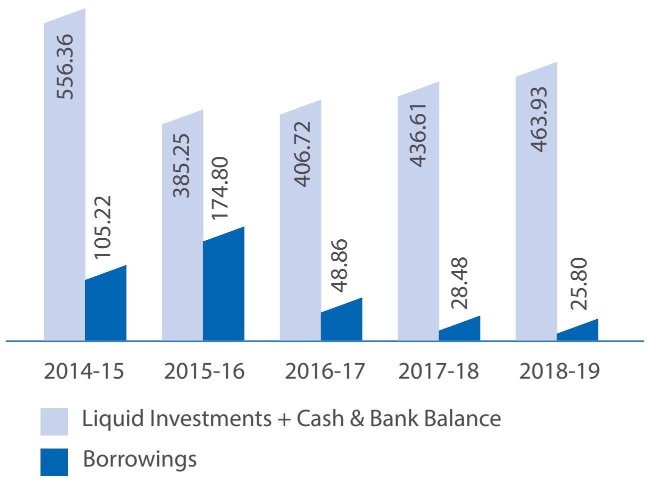
Dialysis machines at beneficiary hospital

Financial Highlights

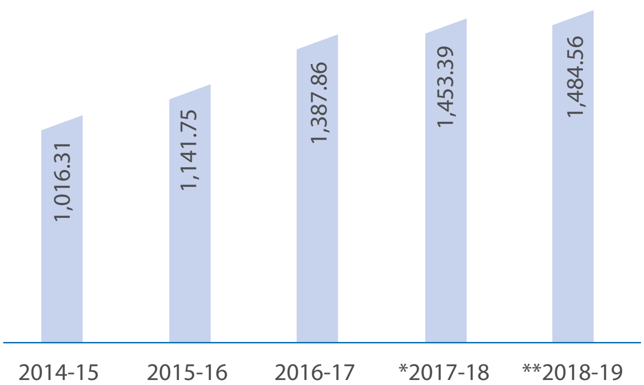
SALES / PROFIT BEFORE TAX
(₹ in crores)



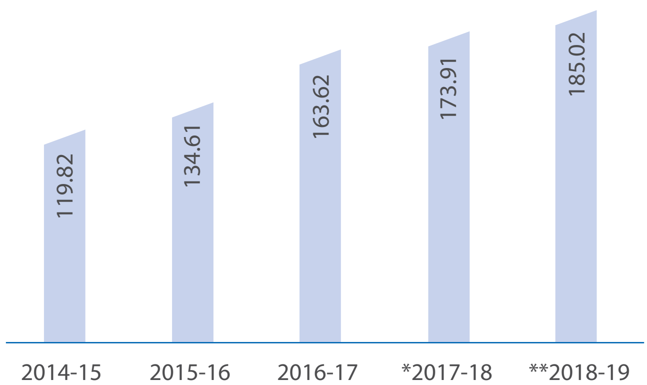
LIQUID INVESTMENTS + CASH & BANK BALANCE / BORROWINGS (₹ in crores)



SHARE CAPITAL + RESERVES & SURPLUS
(₹ in crores)

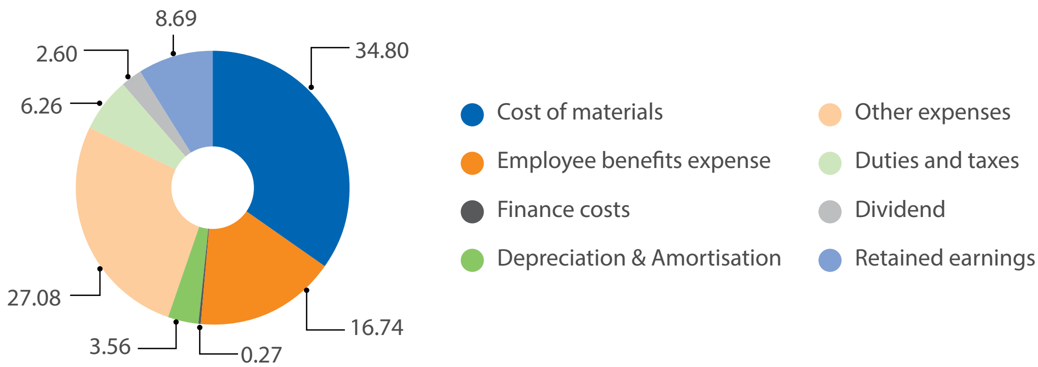


BOOK VALUE
(₹)



*After buy-back of ₹ 50 crores
**After buy-back of ₹ 130 crores

DISTRIBUTION OF REVENUE FY 2018-19 (%)



Board of Directors

Jyotindra B. Mody
Chairman & Managing Director

Dinesh B. Mody
Whole time Director
(Administration)

Shirish B. Mody
Whole time Director
(Marketing)

Durga Dass Chopra
Independent Director

Bharat P. Mehta
Whole time Director
(Planning & Development)

Pranabh Mody
President & Whole time
Director (Operations)

Rajiv C. Mody
Independent Director

Kamlesh L. Udani
Executive Director
(Technical & Production)

Dr. Satyanarain Agarwala
Independent Director

Krupa R. Gandhi
Independent Director

Devang R. Shah
Independent Director

Shaukat H. Merchant
Independent Director

Dr. Manoj R. Mashru
Independent Director

CORPORATE INFORMATION

AUDIT COMMITTEE

Ms. Krupa R. Gandhi (Chairperson)

Mr. Durga Dass Chopra (upto 20-05-2019)

Mr. Dinesh B. Mody

Dr. Satyanarain Agarwala

Mr. Devang R. Shah (from 21-05-2019)

CORE TECHNICAL TEAM

Mr. Bharat P. Mehta, Whole time director (Planning & Development)

Mr. Kamlesh Udani, Executive director (Technical & Production)

Dr. Milind Joshi, President – Global Regulatory Management

Mr. Parmeshwar Bang, Vice President - Works

Mr. V. R. Singh, Vice President – QA

COMPANY SECRETARY

M. C. Mehta

AUDITORS

M/s. D N V & Co.

Chartered Accountants

Mumbai

BANKERS

Bank of India

BNP Paribas

Standard Chartered Bank

Citibank N. A.

REGISTRARS & SHARE TRANSFER AGENT

Datamatics Business Solutions Ltd.

Plot B- 5, Part- B,

Cross Lane, M.I.D.C., Andheri (East),

Mumbai 400 093.

Tel No. (022) 6671 2001-06

Fax No.(022) 6671 2011

BUSINESS MANAGEMENT TEAM

Mr. Jyotindra B. Mody, Managing director

Mr. Dinesh B. Mody, Whole time director (Administration)

Mr. Shirish B. Mody, Whole time director (Marketing)

Mr. Pranabh Mody, President & Whole time director (Operations)

Mr. P. K. Singh, President - Global Business

Mr. Nirav Mody, President–Global Business & Business Development

Mr. Jay Mehta, President - Global Business (Russia-CIS) & CRAMS

Mr. Savya Sachi, Director - Marketing & Sales (DBU)

Mr. Bhushan Sachdev, Vice President – Supply Chain Management

Mr. Vijay Bhatt, Chief Financial Officer

Mr. B. K. Dhar, General Manager - API (Marketing)

Mr. Mitesh Kothari, General Manager - Diagnostic

REGISTERED OFFICE

Neelam Centre, 'B' Wing,

4th floor, Hind Cycle Road,

Worli, Mumbai 400 030.

Tel No.(022) 2482 2222

Fax No.(022) 2493 0534

CORPORATE OFFICE

Cnergy IT Park,

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DIRECTORS' REPORT

Your directors are pleased to present the forty-third report and audited financial statement of the Company for the financial year ended on March 31, 2019.

1. FINANCIAL HIGHLIGHTS

The following is the highlight of financial performance of the Company during the year under review.

(₹ in lakhs)

	2018-19	2017-18
Sales	**146,444.85**	122,780.56
Other Operating Revenue	**3,673.85**	2,639.81
Other Income	**4,022.50**	3,578.58
Total Income	**154,141.20**	128,998.95
Profit before finance cost and depreciation	**32,821.53**	23,840.51
Less: Finance cost	**411.51**	341.36
Less: Depreciation & Amortisation expense	**5,482.49**	5,594.85
Profit before tax	**26,927.53**	17,904.30
Tax Expense	**8,721.61**	5,104.16
Net Profit after tax	**18,205.92**	12,800.14
Other Comprehensive Income	**29.25**	(241.63)
Total Comprehensive Income after tax	**18,235.17**	12,558.51
Earning per share of ₹ 2 (in ₹)	**22.15**	15.24

2. DIVIDEND

Your directors recommend a dividend of ₹ 5 (250%) (Previous year ₹ 2) (100%) per equity share of face value of ₹ 2. This together with dividend distribution tax will absorb ₹ 4,836.47 lakhs. The Board has not proposed any transfer out of profit for the financial year to reserves in relation to recommendation of this dividend.

3. BUY-BACK OF EQUITY SHARES

The Company completed on 1-11-2018 buy-back of 3,333,333 equity shares of face value of ₹ 2 at price of ₹ 390 per share on proportionate basis through tender offer in accordance with provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998. Consequently, the paid-up equity share capital stands reduced to 80,236,642 equity shares of ₹ 2. The Company has transferred the sum of ₹ 66.67 lakhs from general reserve to capital redemption reserve account pursuant to Section 69 of the Companies Act, 2013.

4. OPERATIONS/STATE OF AFFAIRS

Sales for the year at ₹ 1,464.45 crores were 19.27% higher over the previous financial year. All business units of the Company except API business registered good growth.

Domestic formulations business at sales of ₹ 622.54 crores achieved growth of 14.50%, while Contrast media products sales in domestic market at ₹ 52.09 crores achieved growth of 17%. The divisionalisation in domestic formulations business has helped improve focus and productivity. This initiative has yielded positive results. Overall formulations exports at ₹ 686.51 crores registered good growth of 27.63% over the previous year. The exports to Rest of the World markets (other than Russia-CIS) at ₹ 484.88 crores registered growth of 21.8% in Rupee terms. The growth was mainly aided by good sales to the US and South Africa that registered growth of 66.8% and 39.49% respectively. Exports to Russia-CIS markets amounted to ₹ 114.47 crores that showed growth of 24% after removing the base effect. API sales at ₹ 83.45 crores were 10% lower over the previous year.

DIRECTORS' REPORT (Contd.)

The profit before tax and profit after tax for the year at ₹ 269.27 crores and ₹ 182.06 crores registered growth of 50.40% and 42.23% respectively over the previous year. The higher sales with better product mix coupled with relatively weak Rupee helped achieve higher profitability during the year.

5. RESPONSIBILITY STATEMENT

The directors confirm:

(i) that in the preparation of the annual accounts for the year under review, the applicable accounting standards have been followed;

(ii) that they have selected appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year 2018-19 and of profit of the Company for that year;

(iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that they have prepared the annual accounts for the year ended on March 31, 2019 on a going concern basis;

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

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

6. SUBSIDIARIES

The highlights of performance of subsidiary companies in Rupee terms for the year 2018-19 is presented in Annexure-A.

Sales of Biotech Laboratories (Pty.) Ltd., South Africa for 2018-19 amounted to 331.97 million Rand, which represents growth of 20.76% over the previous year. The profit after tax at 20.83 million Rand registered growth of 38.51%. Sales of OOO Unique Pharmaceutical Laboratories, Russia amounted to 626.47 million Rouble, which represents growth of 10.64% over the previous year. The profit after tax of 19.18 million Rouble was also higher. Unique Pharmaceutical Laboratories FZE, Dubai did not have any business revenue as it is presently not engaged in any business activity. However, due to operating expenses, it incurred loss of 2.04 million AED.

After inter-company adjustments, subsidiaries contributed ₹ 143.23 crores to consolidated income and ₹ 17.72 crores to consolidated profit before tax of the Company.

7. CORPORATE GOVERNANCE AND COMPLIANCES

A certificate from auditors of the Company on compliance of conditions of corporate governance is annexed to this report. Compliance report on corporate governance, business responsibility report and dividend distribution policy forms part of this annual report.

8. PUBLIC DEPOSITS

The Company has not accepted any deposit covered under Chapter V of the Companies Act, 2013 during the year. All the public deposits accepted prior to the commencement of the said Act have been repaid in 2014-15.

9. DIRECTORS

The members of the Company appointed Mr. D.D. Chopra, Dr. Satyanarain Agarwala, Mr. Rajiv Mody and Ms. Krupa Gandhi as independent directors for a term of five consecutive years from 1-4-2019 at previous annual general meeting held on 4-9-2018. In accordance with the provisions of the Companies Act, 2013, Mr. Bharat P. Mehta retires by rotation at the ensuing annual general meeting. He, being eligible, has offered himself for re-appointment.

All independent directors have given a declaration to the Board that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 as well as in Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

At annual general meeting held on 19-8-2015, the members of the Company appointed Mr. Devang R. Shah as independent director for a term up to five (5) years from 16-12-2014. Thus, he holds office up to 15-12-2019. During last five years, Mr. Devang Shah's score in annual performance evaluation has been in the range of 4-5 (5 being highest). Accordingly, the Board is of the opinion that his continued association for a second term of five (5) years would be in the interest of the Company. Keeping in view performance evaluation report of Mr. Devang Shah for the first term, the Board of Directors proposes re-appointment of Mr. Devang Shah for a second term up to five (5) consecutive years commencing from 16-12-2019.

Total 5 meetings of the Board of Directors of the Company were held during the financial year 2018-19. They were

DIRECTORS' REPORT (Contd.)

held on May 25, 2018, August 10, 2018, August 31, 2018, November 2, 2018 and February 8, 2019.

10. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION POLICY

The Company's policy on directors' appointment is set out in Annexure-B. The salient features of Company's policy on remuneration for the directors, key managerial personnel and other employees is set out in Annexure-C. The said Policy including criteria for determining qualifications, positive attributes and independence of a director has been posted on the Company's website www.jbcpl.com and the same can be accessed using web link http://www.jbcpl.com/investors/pdf/policy/remuneration%20policy.pdf.

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

The particulars as required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given in Annexure-D.

12. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) Committee consists of Dr. Satyanarain Agarwala, independent director, Mr. Bharat P. Mehta and Mr. Pranabh Mody. The CSR Committee has formulated and recommended CSR Policy to the Board, which the Board has approved. The details and contents/salient features of CSR policy and annual report on CSR in the prescribed form are set out in Annexure-E.

The Company spent ₹ 410.73 lakhs on prescribed CSR projects/activities during 2018-19 as against ₹ 418.55 lakhs being 2% of the average net profits of the Company made during three immediately preceding financial years. Pursuant to second proviso to Section 135(5) of the Companies Act, 2013, Board has to specify that the Company could not spend ₹ 7.82 lakhs as the two on-going projects viz. construction of Wellness Centre at Nani Daman and construction of traffic Island at Thana Pardi Road junction, Moti Daman witnessed delay. The Company has already committed ₹ 44.50 lakhs in aggregate for these projects, while only ₹ 13.85 lakhs could be spent during 2018-19 consequent to delay by the contractor. These projects are expected to be completed during the current year.

13. AUDIT COMMITTEE AND VIGILANCE MECHANISM

The Board has constituted Audit Committee that currently consists of Ms. Krupa Gandhi, Dr. Satyanarain Agarwala, Mr. Dinesh Mody and Mr. Devang Shah. Effective 21-5-2019, Mr. D.D. Chopra resigned from the Audit Committee due to health reasons and the Board has co-opted Mr. Devang Shah as member of the Audit Committee. There has been no instance of non-acceptance of recommendation of Audit Committee by the Board.

The Board of Directors has established vigil mechanism in the form of Whistle Blower Policy to enable directors, employees and other stakeholders to make written Protected disclosures (as defined in the Policy) to the Chairman of the Redressal Committee for evaluation and investigation. The Policy empowers the Redressal Committee to investigate if the issue raised constitutes protected disclosure, complete the investigation in a time bound manner and recommend, after consultation with the Audit Committee, necessary corrective action to the concerned manager for implementation. The Policy provides for access of whistle blower to the Chairman of the Audit Committee in appropriate or exceptional circumstances. The Policy provides for adequate safeguards of whistle blowers against any kind of victimisation or unfair treatment but also provides for taking stern disciplinary action against who abuses the protection so granted. This functioning of vigil mechanism is periodically reviewed by the Audit Committee. The Company has posted the Whistle Blower Policy on its website www.jbcpl.com.

14. ANNUAL PERFORMACE EVALUATION

The Board of Directors carried out evaluation of performance of the Board, its Committees and individual directors during 2018-19 in accordance with the manner specified by the Nomination and Remuneration Committee (NRC) and using evaluation criteria recommended by NRC and approved by the Board.

Each Board member (excluding director being evaluated) evaluated performance of all other Board members on the given criteria. The simple average of rating assigned by each Board member was aggregated and average thereof was worked out to ascertain score of concerned director.

Board (excluding members of the committee being evaluated) collectively discussed and evaluated performance of each committee on the given criteria. Based on consensus, rating was assigned and then simple

DIRECTORS' REPORT (Contd.)

average thereof was worked out to ascertain score of concerned committee.

Each member of the Board evaluated performance of the Board on the given criteria. The simple average of rating assigned by each Board member was aggregated and average thereof was worked out to ascertain performance of the Board.

15. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Form AOC-2 prescribed under Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014 provides for disclosure of (a) details of contracts or arrangements or transactions not at arm's length basis, and (b) details of material contracts or arrangement or transactions at arm's length basis.

All the transactions entered into by the Company with the related parties during the year were pursuant to the contract or arrangement approved by the Audit Committee and the Board of Directors. The transactions so entered into were in the ordinary course of business of the Company and on arm's length basis. The contract or arrangement or transactions were neither material in terms of the Policy on materiality of related party transactions adopted by the Company nor it exceeded the threshold limit prescribed pursuant to first proviso to Section 188(1) of the Companies Act, 2013. However, without going by the materiality as aforesaid, the details of material/major related party contracts/arrangement/transactions at arm's length basis and entered into in the ordinary course of business of the Company are given in Form No. AOC-2 given under Annexure-F1.

However, every contract or arrangement entered into pursuant to Section 188(1) of the Companies Act, 2013 is referred to in Annexure-F2 pursuant to Section 188(2) of the Companies Act, 2013. These contracts or arrangements are in the ordinary course of business and terms thereof are on arm's length basis, and have been approved by the Audit Committee and the Board of Directors.

16. PARTICULARS OF EMPLOYEES AND OTHER REMUNERATION RELATED DISCLOSURES.

The remuneration related and other disclosure required in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are given in Annexure-G.

A statement showing name and other particulars of the employees in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is given in Annexure-H.

17. EMPLOYEE STOCK OPTION PLAN

The disclosure of details in respect of the Company's Employee Stock Option Plan, as required under the Companies (Share Capital and Debentures) Rules, 2014 are set out in Annexure-I to this report.

18. RISK MANAGEMENT

The Board of Directors has developed and implemented risk management policy for the Company. The Board periodically monitors the risk management activities and reviews mitigation measure taken in relation thereto.

19. INTERNAL FINANCIAL CONTROLS

The Board has adopted internal financial controls encompassing policies and procedures for ensuring the orderly and efficient conduct of the business, including adherence to Company's policies, safeguarding of the Company's assets, prevention and detection of fraud and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. The specific internal financial controls with reference to financial statements include internal audit of important activities and processes relating to preparation of financial statements, adoption of well-defined standard operating procedure for business transactions and compliance relating thereto, use of ERP for accuracy and control, review of periodically prepared financial statements with objective to ensure that financial statements present true and fair view and are correct, sufficient, credible and in compliance with legal and regulatory requirement.

Neither management of the Company has come across any instance of fraud during the year 2018-19 nor the auditors of the Company has reported any such instance to the Audit Committee.

20. LOANS, GUARANTEES AND INVESTMENTS

During the year, the Company has not given any loan or guarantee or made any investment attracting the provisions of Section 186 of the Companies Act, 2013. Hence, there is no information to be furnished pursuant to Section 134(3)(g) of the Companies Act, 2013.

DIRECTORS' REPORT (Contd.)

21. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The management discussion and analysis report for the year 2018-19 is attached as Annexure-J and forms part of this annual report.

22. EXTRACT OF ANNUL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013, the extract of annual return in prescribed Form MGT-9 containing information as on March 31, 2019 is given in Annexure-K. The latest annual return being annual return filed in prescribed Form MGT-7 containing the particulars as they stood on March 31, 2018 is available on the Company's website www.jbcpl.com. The annual return for financial year 2018-19 will also be available at the same web address once the same is filed with the Registrar of Companies.

23. SIGNIFICANT AND MATERIAL ORDERS

No regulator or court has passed, during the year, any significant or material order impacting going concern status and Company's operations in future.

24. COST RECORDS

The maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 is required by the Company and such accounts and records are duly made and maintained by the Company. The Company is further required to get such cost records audited by a cost auditor in accordance with the Companies (Cost Records and Audit) Rules, 2014 and furnish cost audit report received from the cost auditor to the Central Government within the prescribed time. The Company is in compliance with these provisions.

25. CONFIRMATIONS

The Company has complied with (i) applicable Secretarial Standards specified by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013, and (ii) the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

26. AUDITORS

During the year, our audit firm's name has changed from Damania & Varaiya to DNV & Co. The members at annual general meeting held on 19-9-2017 has appointed DNV & Co., Chartered Accountants (having firm registration no. 102079W), as statutory auditor of the Company for a term of five consecutive years from the conclusion of the said annual general meeting. However, ratification of appointment of auditor by members at every annual general meeting is now not required pursuant to amendment made to Section 139 of the Companies Act, 2013.

27. SECRETARIAL AUDIT REPORT

Ashish Bhatt & Associates, Practising Company Secretaries, Secretarial Auditor of the Company, carried out secretarial audit for the financial year 2018-19 as provided under Section 204 of the Companies Act, 2013 and the rules made there under. The secretarial audit report given by the said auditor is annexed to this report as Annexure-L.

28. HEALTH AND SAFETY

The Company continues to accord high priority to health and safety of employees at all manufacturing locations. During the year under review, the Company conducted safety training programmes for increasing disaster preparedness awareness among all employees at the plants. Training programmes and mock drills for safety awareness were also conducted for all employees at the plants.

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

Place : Mumbai
Date : May 21, 2019

DIRECTORS' REPORT (Contd.)

ANNEXURE - A

Highlights of performance of the subsidiary companies during the year ended on March 31, 2019.

(₹ in lakhs)

	OOO Unique Pharmaceutical Laboratories, Russia	Biotech Laboratories (Pty.) Ltd., South Africa	Unique Pharmaceutical Laboratories FZE, Dubai
Sales	6,882.04	16,206.56	–
Other operating revenue	–	122.26	–
Other Income	2,982.77	80.69	3.79
Total Income	9,864.81	16,409.51	3.79
PBT	270.19	1,377.62	(373.68)
Provision for tax	33.82	360.64	–
Deferred Tax	25.62	–	–
PAT	210.75	1,016.98	(373.68)

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

Place : Mumbai
Date : May 21, 2019

ANNEXURE - B

Company's Policy on directors' appointment.

Policy Statement:

The following shall be followed/kept in view, to the extent possible and practicable while selecting any person for a position of a director of the Company.

(a) The appointment of any director should be such as to help maintain/achieve diversity of thought, experience, knowledge, perspective and gender in the Board of Directors.

(b) A candidate proposed for appointment as a director should be a person of integrity.

(c) A candidate proposed for appointment as independent director shall:

(i) be independent of management;

(ii) shall possess appropriate skills, experience and knowledge in fields such as finance and financial advisory, law, management, sales, marketing, administration, corporate governance, taxation, regulatory affairs, drugs and medicine, technical operations and any other discipline related to the Company's business;

(iii) be such that brings in appropriate balance of skills, experience and knowledge in the Board of Directors;

(iv) be willing to devote time for the affairs and activities of the Board and its Committee(s) and otherwise to enable the Board of Directors to discharge its functions and duties effectively; and

(v) satisfy criteria of independence as mentioned in the Companies Act, 2013 and the Listing Agreement from time to time.

(d) For independent directors, requisite professional qualification in the area of expertise is preferred. However, experience and expertise in a given field should be determining factor.

(e) A candidate proposed for position of executive director may be from the promoter group or outside. Such candidate should have enough experience or potentially fit for the executive responsibilities.

Observance of the Policy: Besides the Board of Directors, this Policy will also be followed by the Nomination and Remuneration Committee.

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

Place : Mumbai
Date : May 21, 2019

DIRECTORS' REPORT (Contd.)

ANNEXURE - C

Salient features of Company's policy on remuneration for the Directors, Key Managerial Personnel and other Employees.

- The objective of remuneration for executives and employees is to focus them on achieving objectives and improving performance, to motivate and retain them and to be able to attract qualified, talented and competent executives and employees to the Company.
- The Nomination and Remuneration Committee ("Committee") shall endeavour to fix the base salaries (fixed salaries) for executive directors keeping in view practices prevailing in the industry and also variety of other factors such as experience, past performance, scope of responsibilities and complexity of functions. The annual increments in their base salaries shall be determined keeping in view performance of the Company and shall also reflect appropriate performance benchmarks.
- Non-Executive directors shall be entitled to receive remuneration by way of fee for attending meetings of the Board of Directors and Committee(s) thereof or any other purpose whatsoever as may be decided by the Board from time to time within the maximum limit prescribed under the Rules made under the Companies Act. Subject to the provisions of the Act, Non-Executive directors may also receive profit related commission as may be decided by the Board.
- The Committee shall endeavour to fix the base salaries (fixed salaries) for Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) at the time of appointment keeping in view practices prevailing in the industry and also variety of other factors such as qualifications, experience, scope of responsibilities, complexity of functions and geographical area. The annual increments in the base salaries of KMP and SMP shall be determined by the Company management keeping in view performance of the Company and performance of the employees.
- The Company management shall endeavour to fix the base salaries (fixed salaries) for other employees keeping in view qualifications, experience, scope of responsibilities, complexity of functions, geographical location and practices prevailing in the industry. The Company management shall also evaluate and explore for other employees in general or employees in any specific department or function an element of variable pay in the form of incentive, bonus etc. keeping in view short term and long term objectives of the Company. The Company management shall determine annual increments of other employees based on performance of employees, performance of the Company and practices prevailing in the industry.
- While fixing the remuneration, the Committee shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, KMP and SMP of the quality required to run the Company successfully. Further, the Committee or the Company management, as the case may be, shall endeavour to ensure that the remuneration and/or annual increment determined is affordable to the Company and competitive with due consideration to industry trends and the Company's own position, consistently followed practices.

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

Place : Mumbai
Date : May 21, 2019

DIRECTORS' REPORT (Contd.)

ANNEXURE - D

Conservation of energy, technology absorption, foreign exchange earnings and outgo.

(A) Conservation of energy:

(i) **Steps taken or impact on conservation of energy:**

The Company regularly takes measures for conservation of energy and thereby contain the rising energy cost. During the year, the Company installed (i) auto tube cleaning system for improving chiller efficiency (ii) bacomber system under cooling tower to reduce water consumption (iii) energy efficient chiller at Panoli, and (iv) LED lights at Ankleshwar for reduced electricity consumption.

(ii) **The steps taken by the Company for utilising alternate sources of energy:**

The Company did not use any alternate source of energy during the year. However, the Company is in discussion to purchase solar power from a third party. The Company is also working to replace gas powered boiler with briquette fuel boiler.

(iii) **The capital investment on energy conservation equipment:**

During the year, the Company spent about ₹ 70 lakhs on installation of energy conservation equipment.

(B) Technology absorption:

(i) **Efforts made towards technology absorption:**

The Company has developed certain technologies in-house in relation to development of pharmaceutical formulations, drug delivery system and API. These technologies were absorbed in development of new formulations and manufacture of validation batches, exhibit batches and scale up batches. These technologies have been absorbed with the effort of in-house R&D.

(ii) **The benefits derived like product improvement, cost reduction, product development or import substitution:**

The Company derived the following benefits as a result of technology absorption:

- Prior approval supplements for alternate API for ANDA.
- Regulatory approval of various formulations.
- Cost reduction, improvement in product yield, quality and reduced cost of production.

(iii) The Company has not imported any technology during last three financial years.

(iv) The expenditure incurred on Research and Development during the year is as under:

(₹ in lakhs)

(a)	Capital	63.92
(b)	Revenue	3,331.83
(c)	**Total**	**3,395.75**

(C) Foreign exchange earnings and outgo:

The foreign exchange earned in terms of actual inflows during the year and foreign exchange outgo in terms of actual outflows during the year was ₹ 79,199.50 lakhs and ₹ 19,231.43 lakhs respectively.

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

Place : Mumbai
Date : May 21, 2019

DIRECTORS' REPORT (Contd.)

ANNEXURE - E

Details and contents/salient features of corporate social responsibility policy and annual report on CSR.

The objective of the CSR policy is to strive to create and/or encourage, directly or indirectly, positive impact on the society at large through CSR activities or projects undertaken by the Company.

The Company intends to undertake all or any of the activities prescribed in Schedule VII to the Companies Act, 2013. Accordingly, CSR Policy specifies activities to be undertaken by the Company from time to time in terms of Schedule VII to the Companies Act, 2013. The scope of CSR Policy has been kept as wide as possible to enable the Company to choose the activity as it deems fit and also allow the Company to respond to different situations and challenges appropriately. As per the Policy, the Company management will identify the CSR project or program which may either be time bound or ongoing in nature. The Company may undertake CSR activities directly through its own personnel or through any registered trust / registered society or company established u/s 8 of the Companies Act, 2013. Besides, the Policy also specifies criteria and modalities of undertaking CSR activities through partnering organizations.

Currently, the Company plans to focus on the activities/projects in the area of promotion of education, promoting health care including preventive health care, eradication of hunger, poverty and malnutrition and empowering women and children.

The role of the CSR Committee includes review of CSR Policy, recommendation of CSR activity/project and the amount of expenditure to be incurred thereon, formulation of transparent monitoring mechanism to ensure effective implementation of the project/programme /activity to be undertaken by the Company and monitor and implement CSR Policy from time to time. The Company has posted the CSR policy on its website and web link thereto is http://www.jbcpl.com/investors/pdf/policy/Corporate-Social-Responsibility-Policy.pdf.

Annual Report on CSR Activities:

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Policy recognises CSR as a part of governance philosophy. The policy provides for undertaking any activity prescribed under Schedule VII to the Companies Act, 2013. Without limiting the aforesaid scope, the policy provides for undertaking activities/projects in the area of promotion of education, promoting health care including preventive health care, eradication of hunger, poverty and malnutrition and empowering women and children. The web link to the CSR Policy is http://www.jbcpl.com/investors/pdf/policy/Corporate-Social-Responsibility-Policy.pdf and CSR activities/projects for 2018-19 is https://www.jbcpl.com/investors/pdf/2018_2019/CSR%20Projects.pdf.
2.	The Composition of the CSR Committee	Dr. Satyanarain Agarwala, Mr. Bharat P. Mehta and Mr. Pranabh Mody.
3.	Average net profit of the Company for last three financial years	₹ 20,927.24 lakhs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	₹ 418.55 lakhs
5.	Details of CSR spent during the financial year	
	(a) Total amount to be spent for the financial year;	₹ 418.55 lakhs
	(b) Amount unspent, if any;	₹ 7.82 lakhs
	(c) Manner in which the amount spent during the financial year is detailed below.	

DIRECTORS' REPORT (Contd.)

ANNEXURE - E (Contd.)

(₹ in lakhs)

(1) S. No.	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	(7) Cumulative expenditure unto to the reporting period	(8) Amount spent: Direct or through implementing agency
1	Contribution to Ankleshwar Industrial Development Society for treatment of poor patients at Jayaben Mody hospital run by the society.	Promoting health care including preventive health care	Ankleshwar, District: Bharuch, Gujarat State	80.00	80.00 (1) 80.00 (2) Nil	382.50	Direct
2	Contribution to Rotary Foundation India, Rotary International District 3060 for project on Disease Prevention and Treatment for poor and needy people in Bharuch District.	Promoting health care including preventive health care	Bharuch, Gujarat State	20.80	20.80 (1) 20.80 (2) Nil	20.80	Through Rotary Foundation India
3	Contribution to K. P. Sanghvi Charitable Trust for provision of safe drinking water.	Promoting health care including preventive health care	Mumbai, Maharashtra State	200.00	200.00 (1) 200.00 (2) Nil	200.00	Direct
4	Provision of 2D Echo Machine & Accessories to Pediatric Department of Lokmanya Tilak Municipal General Hospital, Sion, Mumbai.	Promoting health care including preventive health care	Mumbai, Maharashtra State	19.50	19.50 (1) 19.50 (2) Nil	19.50	Direct
5	Contribution for subsidised heart and knee surgeries of poor people.	Promoting health care including preventive health care	Mumbai, Maharashtra State	5.00	5.00 (1) 5.00 (2) Nil	5.00	Through Rotary Club of Queen's Necklace Charitable Trust
6	Contribution for provision of free/subsidized treatment to needy kidney patients by Apex Kidney Foundation.	Promoting health care including preventive health care	Mumbai, Maharashtra State	5.00	5.00 (1) 5.00 (2) Nil	5.00	Through Rotary Club of Bombay Metropolitan

DIRECTORS' REPORT (Contd.)
ANNEXURE - E (Contd.)

(₹ in lakhs)

(1) S. No.	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	(7) Cumulative expenditure unto to the reporting period	(8) Amount spent: Direct or through implementing agency
7	Contribution for treatment of burn injuries of poor people at National Burns Centre and spreading awareness about skin donation.	Promoting health care including preventive health care	Airoli, Navi Mumbai, Maharashtra State	10.00	10.00 (1) 10.00 (2) Nil	45.00	Through Rotary Club of Queen's Necklace Charitable Trust
8	Contribution to Madhav Netralaya Eye Institute & Research Centre towards setting up of eye bank at Nagpur.	Promoting health care including preventive health care	Nagpur, Maharashtra State	0.50	0.50 (1) 0.50 (2) Nil	0.50	Direct
9	Construction of Wellness Centre (a primary health centre) at Nani Daman.	Promoting health care including preventive health care	Nani Daman, Union Territory	17.50	3.47 (1) 3.47 (2) Nil	3.47	Direct
10	Contribution to Ashoka University corpus of International Foundation for Research and Education for Scholarships to poor students at undergraduate/ post graduate level.	Promotion of education	Rajiv Gandhi Education city, Kundli, Haryana, National Capital Region.	40.00	40.00 (1) 40.00 (2) Nil	200.00	Direct
11	Contribution to Anukul Bhavi Trust for improvement of common facility block at J B Mody Vidyalaya at Bharuch.	Promotion of education	Bharuch, Gujarat State	13.12	13.12 (1) 13.12 (2) Nil	13.12	Direct
12	Contribution to Ankleshwar Human Aid Trust Foundation for purchase of furniture for library at Ankleshwar Public School.	Promotion of education	Ankleshwar, District: Bharuch, Gujarat State	0.55	0.55 (1) 0.55 (2) Nil	0.55	Direct

DIRECTORS' REPORT (Contd.)
ANNEXURE - E (Contd.)

(₹ in lakhs)

(1) S. No.	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	(7) Cumulative expenditure unto to the reporting period	(8) Amount spent: Direct or through implementing agency
13	Contribution to Ankleshwar Rotary Education Society for scholarship fund corpus for provision of scholarship to underprivileged students at Shroff S.R.Rotary Institute of Chemical Technology.	Promotion of education	Ankleshwar, District: Bharuch, Gujarat State	2.00	2.00 (1) 2.00 (2) Nil	2.00	Direct
14	Construction of traffic Island at Thana Pardi Road junction, Moti Daman.	Promotion of education	Moti Daman, Union Territory	27.00	10.38 (1) 10.38 (2) Nil	10.38	Direct
15	Contribution to Jairamdas Agarwal Charitable Trust for providing food to poor people.	Eradication of poverty	Daman, Union Territory	0.41	0.41 (1) 0.41 (2) Nil	1.33	Direct
	Total			**441 .38**	**410.73**	**909.15**	

6. Reasons for not spending two percent of the average net profit of last three financial years or any part thereof: The Company could not spend amount of ₹ 7.82 lakhs to complete the mandated 2% spend (₹ 418.55 lakhs) as the two on-going projects viz. construction of Wellness Centre at Nani Daman and construction of traffic Island at Thana Pardi Road junction, Moti Daman witnessed delay. The Company has already committed ₹ 44.50 lakhs in aggregate for these projects, while only ₹ 13.85 lakhs could be spent during 2018-19 consequent to delay by the contractor. These projects are expected to be completed during the current year.

   The CSR committee of the Company states that the implementation and monitoring of the CSR Policy is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 21, 2019

J. B. Mody
Chairman & Managing Director

Place : Mumbai
Date : May 16, 2019

Dr. Satyanarain Agarwala
Chairman, CSR Committee

DIRECTORS' REPORT (Contd.)

ANNEXURE - F1

FORM NO. AOC -2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-Section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

(Pursuant to clause (h) of sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014).

1. **Details of contracts or arrangements or transactions not at arm's length basis.**

Sr. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	Not Applicable
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts/arrangements/transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

2. **Details of material contracts or arrangements or transactions at arm's length basis.**

Sr. No.	Particulars	1	2	3	4	5	6	7
a)	Name(s) of the related party & nature of relationship	OOO Unique Pharmaceutical Laboratories, Russia (OOO UPL) –Subsidiary	OOO Unique Pharmaceutical Laboratories, Russia (OOO UPL) –Subsidiary	Biotech Laboratories (Pty.) Ltd., South Africa (Biotech) –Subsidiary	Unique Pharmaceutical Laboratories Limited (UPLL) - a company in which directors of the Company are directors and hold more than 2% of the paid up capital.	Lekar Pharma Limited (LPL) - a company in which directors of the Company hold more than 2% of the paid up capital.	Boxcare Packagings Private Limited - a company in which relative of the Company's director is a director/ member	Jyotindra Mody Ventures LLP / D.B. Mody Enterprises LLP / Shirish Mody Property LLP – firm in which directors of the Company/their relatives are partners.
b)	Nature of contracts/ arrangements/ transactions	Supply Agreement	Marketing Services Agreement	Supply Agreement	Register User Agreement/ License User Agreement	Distribution Contract	Vendor Agreement	Leave and License Agreement
c)	Duration of the contracts/ arrangements/ transactions	5 years from January 1, 2018.	5 years from January 1, 2018.	Ongoing.	Ongoing	Ongoing	Ongoing	5 years from November 4, 2015.

DIRECTORS' REPORT (Contd.)
ANNEXURE - F1 (Contd.)

Sr. No.	Particulars	1	2	3	4	5	6	7
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	• The Company to manufacture and supply the products to OOO UPL for sale and distribution thereof by OOO UPL in Russia. • The Company to undertake marketing of the products in Russian market. • Price for the products to be determined mutually on case to case basis. Total supplies during the year amounted to ₹ 5,178.58 lakhs.	• The Company to avail marketing services from OOO UPL. • OOO UPL to execute marketing related services as communicated and approved by the Company. Total marketing services fees paid during the year amounted to ₹ 2,893.59 lakhs.	• Biotech has been appointed as a distributor of various products of the Company for distribution in South Africa and certain other African counties. • The products are supplied at price mutually agreed between the parties on case to case basis. Total supplies during the year amounted to ₹ 3,712.00 lakhs.	• UPLL has licensed use of certain brand names and 'Unique' Logo to the Company for use in the Company's business. • The Company to pay royalty @ 1% for use of brand names and @1% for use of aforesaid logo, calculated in the manner laid down in the agreements. Total royalty paid for the year was ₹ 1,120.02 lakhs.	• Company to act as distributor of LPL products in domestic market. • LPL to offer agreed discount to the Company. Total purchases during the year amounted to ₹ 5,484.14 lakhs.	• Purchase by the Company of corrugated boxes of different sizes and specifications. Total purchases during the year amounted to ₹ 1,424.94 lakhs.	• Licensors have granted license to use office premises at Prabhadevi, Mumbai for a period five years. • License fee payable monthly in advance. • Company to reimburse cost of utilities used. Total license fee paid during the year was ₹ 783.30 lakhs. Total utilities charges reimbursed was ₹ 10.58 lakhs.
e)	Date(s) of approval by the Board, if any	10/11/2017	10/11/2017	*19/11/2014	*19/11/2014	23/05/2017	*19/11/2014	*04/11/2015
f)	Amount paid as advances, if any	Nil	Nil	Nil	Nil	Nil	Nil	Nil

* Date of first approval of the contract/arrangement by the Audit Committee/Board. These contracts/ arrangements/ transactions are being reviewed and re-affirmed/approved by Audit Committee/Board on annual basis since then.

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

Place : Mumbai
Date : May 21, 2019

DIRECTORS' REPORT (Contd.)

ANNEXURE - F2

Details of related party contracts or arrangements.

Name of the related party	Nature of the contracts or arrangements	Duration of the contracts or arrangements	Broad terms of the contract or arrangement	Justification for the contract or arrangement
Unique Pharmaceutical Laboratories FZE, Dubai (UPL FZE)	Guarantee Commission	5 years from September 23, 2015	Provision of corporate guarantee of USD 4 million to the Bank in relation to working capital finance sanctioned to UPL FZE by the Bank and guarantee commission charged @ 0.50% p.a. Guarantee Commission for year amounted to ₹ 13.83 lakhs.	Support provided to UPL FZE for availing financial facility from bank at arm's length guarantee commission.
Biotech Laboratories (Pty.) Ltd., South Africa (Biotech)	Supply Agreement	Ongoing	Biotech has been appointed as a distributor of various products of the Company for distribution in South Africa and certain other African counties. The products are supplied at price mutually agreed between the parties on case to case basis. Total supplies during the year amounted to ₹ 3,712.00 lakhs.	To increase Company's exports in South Africa and certain other African countries.
	Re-imbursement of expenses	Ongoing	Re-imbursement of expenses in the normal course of business. Total amount reimbursed on account of expenses during the year amounted to ₹ 12.03 lakhs.	This arrangement is in conformity with normal trade practice.
	Technical Services Agreement	Ongoing	The Company to provide technical services in the nature of preparation, conversion and uploading of product dossiers for Biotech into the system designed and approved by South African regulatory authority SAHPRA for management of product dossiers. Total amount of fees received during the year amounted to ₹ 104.94 lakhs.	To optimally utilise Regulatory services department's resources available within the Company.
OOO Unique Pharmaceutical Laboratories, Russia (OOO UPL)	Supply Agreement	5 years from January 1, 2018.	The Company to manufacture and supply the products to OOO UPL for sale and distribution thereof by OOO UPL in Russian market. Price for the products to be determined mutually on case to case basis. Marketing of the products in Russia to be carried out by the Company. Total supplies during the year amounted to ₹ 5,178.58 lakhs.	The arrangement would facilitate sale and distribution of the products in Russian market.
	Marketing Services Agreement	5 years from January 1, 2018.	The Company to avail of marketing services from OOO UPL. OOO UPL to execute marketing related services as communicated and approved by the Company. Total marketing services fees paid during the year amounted to ₹ 2,893.59 lakhs.	The arrangement would facilitate focused marketing of the products in Russian market.
	Re-imbursement of expenses	Ongoing	Re-imbursement of expenses in the normal course of business. There was no re-imbursement of expenses during the year.	This arrangement is in conformity with normal trade practice.
Lekar Pharma Limited (Lekar)	Distribution contract	Ongoing	Company to act as distributor of finished pharmaceutical formulations for Lekar products in domestic market. Total purchases by the Company during the year amounted to ₹ 5,484.14 lakhs.	Timely availability of quality products at competitive price for domestic market.

DIRECTORS' REPORT (Contd.)

ANNEXURE - F2 (Contd.)

Name of the related party	Nature of the contracts or arrangements	Duration of the contracts or arrangements	Broad terms of the contract or arrangement	Justification for the contract or arrangement
	Loan License Agreement	Ongoing	The Company to manufacture certain formulations on loan license basis for Lekar and also supply certain raw material and packing materials at agreed processing charges/cost respectively. The total processing charges received by the Company amounted to ₹ 101.53 lakhs and the amount of materials supplied to Lekar at cost during the year amounted to ₹ 96.41 lakhs.	Utilisation of available capacity at processing charges levied in line with industry-wide accepted formula and reasonable margin/Sale of raw materials/ packing materials as a part of working capital management.
Unique Pharmaceutical Laboratories Limited (UPLL)	License Agreements for license of certain brands and logo to the Company	Ongoing	The Company is licensed the use of certain brand names and 'Unique' Logo by UPLL on payment of royalty @ 1% for use of brand names and @1% for use of aforesaid logo, calculated in the manner laid down in the agreements. Total royalty for the year was ₹ 1,120.02 lakhs.	To be able to continue to market the products and grow the sales and profits.
Jyotindra Family Trust	Leave and license agreement for various immovable properties[1]	Period of 3 years[2]	License fee payable monthly in advance and security deposit paid under certain agreements in line with market practice. Total license fee paid during the year amounted to ₹ 37.51 lakhs.	To continue to use the premises as residence/ office for the Company's executives at arm's length license fee.
Dinesh Family Trust	Leave and license agreement for residential premise at Bharuch, Gujarat	3 years from November 1, 2017	License fee payable monthly in advance and security deposit paid in line with market practice. Total license fee paid during the year amounted to ₹ 8.35 lakhs.	To continue to use premise as residential premises at arm's length license fee.
Shirish Family Trust	Leave and license agreement for residential premises at Bharuch, Gujarat	3 years from November 1, 2017	License fee payable monthly in advance and security deposit paid in line with market practice. Total license fee paid during the year amounted to ₹ 8.35 lakhs.	To continue to use premise as residential premises at arm's length license fee.
D. B. Mody (HUF)	Leave and license agreement for various immovable properties[2]	Period of 3 years[2]	License fee payable monthly in advance and security deposit paid in line with market practice. Total license fee paid during the year amounted to ₹ 29.16 lakhs.	To continue to use the premises as residence/ office for the Company's executives at arm's length license fee.
S. B. Mody (HUF)	Leave and license agreement for various immovable properties[3]	Period of 3 years[3]	License fee payable monthly in advance and security deposit paid in line with market practice. Total license fee paid during the year amounted to ₹ 29.16 lakhs.	To continue to use the premises as residence/ office for the Company's executives at arm's length license fee.

DIRECTORS' REPORT (Contd.)

ANNEXURE - F2 (Contd.)

Name of the related party	Nature of the contracts or arrangements	Duration of the contracts or arrangements	Broad terms of the contract or arrangement	Justification for the contract or arrangement
Jyotindra Mody Ventures LLP / D.B. Mody Enterprises LLP / Shirish Mody Property LLP	Leave and license agreement for office premises at Prabhadevi, Mumbai	5 years from November 4, 2015	License fee payable monthly in advance and security deposit in line with market practice. Total license fee paid during the year was ₹ 783.30 lakhs. Total re-imbursement for cost towards utilisation of utilities was ₹ 10.58 lakhs.	To use the premises as corporate office of the Company at arm's length license fee.
J. B. Mody Enterprises LLP / Dinesh Mody Ventures LLP / Shirish Mody Enterprises LLP	Leave and license agreement for office premises at Worli, Mumbai	3 years from June 1, 2017	License fee payable monthly in advance and security deposit in line with market practice. Total license fee paid during the year was ₹17.85 lakhs.	To continue to use the premises as office for the Company's executives at arm's length license fee.
Boxcare Packagings Private Limited	Vendor Agreement	Ongoing	Purchase by the Company of corrugated boxes of different sizes and specifications. Total purchases during the year amounted to ₹ 1,424.94 lakhs.	Reliability in timely supply and boxes of required quality and specification at arm's length prices to serve domestic and export orders.
Namplas Chemicals Private Limited (Namplas)	Job Work Agreement for processing of intermediate by Namplas	Ongoing	Namplas to process intermediate Sodium Methoxide (25% in Methanol) on job work basis based on raw materials and gas provided by the Company. Total job work charges paid during the year was ₹ 35.29 lakhs.	Processing at arm's length charges and supply of the processed material through pipeline resulting in optimisation in inventory holding and saving of transportation cost.
Bansi S. Mehta & Co.	Arrangement for provision of professional services	Period up to June 2018	Availment of professional services in relation to arm's length study of royalty payments. Total fee paid during the year was ₹ 1.77 lakhs.	Competent professional services.
Gemma Jewellery Private Limited	Purchase of gift articles	Ongoing	Purchase of gift articles made from precious metals and stones. Total purchases during the year amounted to ₹ 2.59 lakhs.	Good quality gift articles at competitive market rates.

[1] One leave and license agreement has been entered into in respect of office premises on 4th floor, Neelam Centre, Worli (Mumbai) w.e.f. 01-06-2017, One leave and license agreement has been entered into in respect of office premises in basement, Neelam Centre, Worli (Mumbai) w.e.f. 15-11-2017 and one leave and license agreement has been entered into in respect of residential premises in Bharuch (Gujarat) w.e.f. 01-11-2017.

[2] One leave and license agreement has been entered into in respect of office premises on 4th floor, Neelam Centre, Worli (Mumbai) w.e.f. 01-06-2017 and one leave and license agreement has been entered into in respect of office premises in basement, Neelam Centre, Worli (Mumbai) w.e.f. 15-11-2017.

[3] One leave and license agreement has been entered into in respect of office premises on 4th floor, Neelam Centre, Worli (Mumbai) w.e.f. 01-06-2017 and one leave and license agreement has been entered into in respect of office premises in basement, Neelam Centre, Worli (Mumbai) w.e.f. 15-11-2017.

DIRECTORS' REPORT (Contd.)

ANNEXURE - G

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(i) **The ratio of the remuneration of each executive director to the median remuneration of the employees of the Company:**

Name	Designation	Remuneration for 2018-19 (₹ in lakhs)	% increase in remuneration of 2018-19	Ratio of remuneration paid in 2018-19 to median remuneration
Jyotindra B. Mody	Chairman & Managing Director	640.76	*–	265:1
Dinesh B. Mody	Whole time director (Administration)	640.76	*–	265:1
Shirish B. Mody	Whole time director (Marketing)	640.76	*–	265:1
Bharat P. Mehta	Whole time director (Planning & Development)	281.08	*–	116:1
Pranabh Mody	President & Whole time director (Operations)	281.08	*–	116:1
Kamlesh L Udani	Executive director (Technical & Production)	181.80	12.50%	75:1

*These executive directors did not take increment for the year 2018-19. In the previous year, the Company did not pay them the full remuneration due to inadequacy of profits within the meaning of Section 197 read with Section 198 of the Companies Act, 2013.

(ii) The non-executive directors were only paid sitting fees during the year for attending meetings of the Board and Committees thereof. The principles governing increase in the remuneration of executive directors and increase in sitting fees payable to non-executive directors, as per the Company's remuneration policy, are different. Further, the amount of sitting fees received by a non-executive director depends on (a) amount of sitting fee fixed by the Board for meetings of the Board and a particular Committee, and (b) number of meetings of the Board and Committee(s) thereof attended by him. Therefore, the information as to ratio of sitting fee paid to the median remuneration of employees and percentage increase in remuneration of non-executive directors is not relevant and meaningful. However, the said information is given here below:

Name of independent director	Sitting fees paid during 2018-19 (₹ in lakhs)	Sitting fees paid during 2017-18 (₹ in lakhs)	% increase in 2018-19 over 2017-18[1]	Ratio of sitting fee paid during 2018-19 to median remuneration[1]
Mr. Durga Dass Chopra	8.60	9.60	(10.42)	3.55:1
Dr. Satyanarain Agarwala	9.80	10.80	(9.26)	4.05:1
Mr. Rajiv C. Mody	4.80	2.80	71.43	1.98:1
Ms. Krupa R. Gandhi	9.00	8.00	12.50	3.72:1
Mr. Devang Shah	6.60	5.60	17.86	2.73:1
Mr. Shaukat Merchant	4.00	4.00	–	1.65:1
Dr. Manoj Mashru	5.00	4.00	25.00	2.07:1

[1]Percentage increase in sitting fee and ratio of sitting fee to median remuneration would vary due to factors such as number of meetings held and attended during current year, number of committee positions held and the date of appointment.

(iii) **Increase in remuneration of Chief Financial Officer and Company Secretary:**
The increase in remuneration of Chief Financial Officer and Company Secretary during the year was 10% and 9% respectively.

(iv) The increase in the median remuneration of the employees in the financial year was 8%.

(v) As on March 31, 2019, the Company had 4,187 permanent employees on its rolls.

(vi) **Average percentile increase already made in the salaries of employees other than 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:**
The average increase in the remuneration of employees (other than the managerial personnel) during 2018-19 was 9.50% as against the increase of 12.50% given to an executive director. The increase in remuneration of executive director was based on his performance, performance of the Company and remuneration policy of the Company. There were no exceptional circumstances for increase in his remuneration.

(vii) It is affirmed that the remuneration of the directors and employees of the Company is as per remuneration policy of the Company.

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

Place : Mumbai
Date : May 21, 2019

DIRECTORS' REPORT (Contd.)

ANNEXURE - H

Information as per Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended on March 31, 2019.

(a) Name & age (years) (b) Designation (c) Gross remuneration received (₹) (d) Qualification(s) & experience (years) (e) Date of commencement of employment (f) Last employment held before joining the Company

(a) Joshi M.D. (Dr.) (55) (b) President-Global Regulatory Management (c) 17,891,130 (d) M.Sc., Ph.D. (33) (e) 07.12.1989 (f) Adonis Labs Private Limited-Executive Quality Assurance (a) Mehta B.P. (71) (b) Whole time director (Planning & Development) (c) 28,108,605 (d) B.Sc. (48) (e) 01.01.1977 (f) Unique Pharma Labs.-Production Manager (a) Mehta J.B. (41) (b) President - Global Business (Russia-CIS) & CRAMS (c) 18,219,590 (d) B.Sc.(Chem. Engg.) (14) (e) 01.10.2004 (f) Allergan Pharmaceuticals-Research Project-In charge (a) Mody D.B. (82) (b) Whole time director (Administration) (c) 64,076,775 (d) Exp. in Admn. (64) (e) 01.01.1977 (f) J.B. Chemicals & Pharmaceuticals Pvt. Ltd.-Whole time director (Administration) (a) Mody J.B. (90) (b) Managing Director (c) 64,076,735 (d) Inter Sc. (68) (e) 01.01.1977 (f) J.B. Chemicals & Pharmaceuticals Pvt. Ltd.-Managing Director (a) Mody N.S. (38) (b) President–Global Business & Business Development (c) 18,219,590 (d) B.Sc. in Business Admn. (14) (e) 13.07.2004 (f) Rodman & Renshaw-Equity Research Analyst (a) Mody P.D. (56) (b) President & Whole time director (Operations) (c) 28,107,707 (d) B. Pharm., M.B.A. (USA) (32) (e) 25.06.1987 (f) First employment (a) Mody S.B. (78) (b) Whole time director (Marketing) (c) 64,076,568 (d) B.Sc. (Tech.) (59) (e) 01.01.1977 (f) J.B. Chemicals & Pharmaceuticals Pvt. Ltd.- Director-Technical (a) Singh P.K. (54) (b) President (Global Business) (c) 15,325,873 (d) M. Pharm (32) (e) 01.12.2001 (f) Coral Laboratories-General Manager (International Division) (a) Udani K.L. (65) (b) Executive Director (Technical & Production) (c) 18,180,556 (d) B.E. (Elect.), M.B.A. (39) (e) 01.02.2001 (f) Unique Pharmaceutical Laboratories Ltd.-Managing Director (a) Sachi Savya (56) (b) Director (Domestic Business Unit) (c) 12,249,224 (d) LLB, Diploma in Business Management (32) (e) 17.02.2012 (f) Dr. Reddy's Laboratories Ltd.- Director Marketing.

Notes: (1) The nature of employment of the above employees is contractual in nature. The other terms and conditions of each of the above are as per the contract/letter of appointment and rules of the Company. (2) Mr. J.B. Mody, Mr. D.B. Mody and Mr. S.B. Mody are related to each other as brother. Mr. P.D. Mody is son of Mr. D. B. Mody. Mr. N.S. Mody is son of Mr. S. B. Mody. Mr. B.P. Mehta is son-in-law of Mr. J.B. Mody and Mr. J.B. Mehta is son of Mr. B.P. Mehta. (3) Mr. J. B. Mehta and Mr. N. S. Mody, employees of the Company in receipt of remuneration in excess of that drawn by a Whole time director hold 2.92% and 5.91% of equity shares of the Company respectively.

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

Place : Mumbai

Date : May 21, 2019

DIRECTORS' REPORT (Contd.)

ANNEXURE - I

Disclosure of details in respect of Company's Employee Stock Option Plan.

		Year of Grant		
		2004	**2005**	**2006**
(a)	Options granted	475,000	563,240	547,000
(b)	Exercise price	63	84	95
(c)	Options vested	475,000	563,240	547,000
(d)	Options exercised	271,800	204,250	148,925
(e)	The total number of shares arising as a result of exercise of option	271,800	204,250	148,925
(f)	Options lapsed	203,200	358,990	398,075
(g)	Variation of terms of options	Not Applicable	Not Applicable	Not Applicable
(h)	Money realised by exercise of options	17,123,400	17,157,000	14,147,875
(i)	Total number of options in force	Nil	Nil	Nil
(j)	Employee wise details of options granted to:			
	(i) Key Managerial Personnel;	Nil		
	(ii) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year;	No employee has received a grant in any one year of option amounting to 5% or more of option granted during that year.		
	(iii) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital of the Company at the time of grant.	No employee has been granted options equal to or exceeding 1% of the issued capital of the Company in any year.		

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

Place : Mumbai

Date : May 21, 2019

DIRECTORS' REPORT (Contd.)
ANNEXURE - J

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY DEVELOPMENTS

The domestic formulations industry at sales of over ₹ 134,700 crores (IQVIA, March, 2019) achieved value growth of 11%. The market continues to show intense competition with an increased number of brands being launched in the market.

OPPORTUNITIES & THREATS AND SEGMENTS WISE PERFORMANCE

Domestic Business:

The Company is engaged in only one segment viz. pharmaceuticals.

The domestic formulations industry has been growing well for last several years and the growth prospects going forward appear attractive. The future outlook for the industry and growth expectations remain positive in view of increased spending on health care. The per capita consumption of drugs is on increase due to spurt in chronic diseases coupled with increase in literacy rate, increase in per capita income, improved healthcare access, increasing market penetration and increasing health awareness. All these are expected to continue to provide growth opportunity in coming years. The brand building, new products introductions, product awareness programmes and penetration in Tier II and Tier III markets will remain growth enablers. For the Company, the domestic formulations business is a focus area and has been consistently growing at better than industry growth rate in last several years. In view of good long term growth prospects offered by the domestic industry and the Company's strengths in this business, the Company believes it has good growth potential in this business.

During the year 2018-19, domestic formulations business of the Company at sales of ₹ 622.54 crores registered growth of 14.50% against industry growth of 11%. Aggressive scientific promotion of the products, intensive training, coupled with strong focus and wider reach has helped achieve the growth. Increase in size of field force and creation of four divisions in the domestic formulations business has not only helped in right focus on the products but has also created capacity to efficiently handle more products in future. The field force size as at the year-end was over 2,000.

The Company's leading brands Cilacar (calcium channel blocker), Rantac (anti-peptic ulcerant), Nicardia (calcium channel blocker) and Metrogyl (amoebicides) registered good growth during the year. These four brands also feature in top 200 brands in unit terms (IQVIA, March, 2019). Over the years, the Company's cardiac range of products have attained leading position and this product group achieved 25% growth in sales during the year with Cilacar product group growing by 27%. The sustained promotional efforts resulted in increase in contribution of chronic range of products from 37.30% to 41.1% during the year.

During the year, the Company launched six new products across cardiac, gastro, wound healing and probiotic segment.

The Company's contrast media division at sales of ₹ 52.09 crores achieved growth of 17%. During the year, the Company launched next generation Macrocylic MRI contrast agent and re-launched ultrasound contrast media Definity™ manufactured by a US company. The Company has been aggressively focussed on government tenders to aid growth in this business.

The rising costs and increasing span of price control remain a concern. However, the Company is hopeful of growing the business in this segment.

International business:

Wide geographical presence in international market, increased focus on ANDA filings, focus on new products introduction in Russia-CIS market, focus on lucrative contract manufacturing business backed by State-of-the-art manufacturing facilities with approval from health authorities such as US FDA, UK MHRA, TGA Australia, EU GMP, SAHPRA South Africa, MoH Russia, Ukraine (PICs) and wide range of products across injectable, solid and semi-solid present a good opportunity in international business.

The Company's overall formulations exports during the year at ₹ 686.51 crores were 27.6% higher over the previous year. Exports to Rest of the world (other than Russia-CIS) markets at ₹ 484.88 crores were 21.80% higher in Rupee terms and 12.1% in US dollar terms, while exports for Russia-CIS markets at ₹ 114.47 crores were 24% higher after removing the base effect. Other formulations exports at ₹ 87.15 crores were 10% higher over the previous year.

The sales to US at ₹ 179.22 crores registered growth of 66.80% with Glipizide sales being major contributor. Besides US, sales to South Africa, Africa and South-East Asia also fared well. ANDA products and site transfer business continue to do well. These are focused business activities in formulations exports business and the Company has been investing accordingly. During the year, the Company received US FDA approval for two ANDAs, while two more ANDAs were submitted for approval. The Company also received a new product registration for Pantoprazole 20 mg. in Russia.

API sales at ₹ 83.45 crores were 10% lower due to lower off-take by a customer.

The Company perceives currency volatility, increased competition in generics business, price erosion and changing regulatory environment as a major concern in the international business.

OUTLOOK

In view of good business outlook both in domestic and international market as outlined above, the Company's manufacturing infrastructure of international standard, strong products portfolio with high growth brands, strong marketing capability and strong balance sheet present good outlook for the Company's business.

DIRECTORS' REPORT (Contd.)

ANNEXURE - J(Contd.)

RISKS AND CONCERNS

Your Company does not perceive any risks or concerns other than those that are common to the industry such as regulatory risks, exchange risk, cyber risks and other commercial and business related risks.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an adequate system of internal controls, which ensures that its assets are protected from loss and unauthorized use as well as business affairs are carried out in accordance with established procedures. These systems of internal controls also ensure that transactions are carried out based on authority and are recorded and reported in line with generally accepted accounting principles. The Company also has a system of regular internal audit carried out by competent professionals retained by the Company. The internal audit programme is approved by the Audit Committee, and findings of the internal auditor are placed before the Audit Committee and the Board at regular interval. The internal control system is adequate keeping in view size and nature of the Company's business.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Revenue from operations and total income for the year at ₹ 1,501.19 crores and ₹ 1,541.41 crores registered growth of 19.69 % and 19.49 % respectively over the previous year. EBITDA at ₹ 287.99 crores registered growth of 42.13% and was 19.67% of sales, while EBIT at ₹ 233.16 crores registered growth of 58.97% and was 15.92% of sales. Favourable product mix and higher realisation due to Rupee depreciation during the year improved the operating performance. Consequently, the profit before tax and profit after tax at ₹ 269.28 crores and ₹ 182.06 crores were 50.40% and 42.23% higher respectively.

Consolidated revenue from operations at ₹ 1,643.20 crores was 16.29% higher over the previous year, while consolidated EBIT at ₹ 249.75 crores was 55.77% higher over the previous year and was 15.54% of consolidated sales. Biotech Laboratories (Pty.) Ltd., Company's South African Subsidiary, registered growth of 20.76% in sales at 331.97 million Rand and its profit after tax at 20.83 million Rand registered growth of 38.51%. OOO Unique Pharmaceutical Laboratories, Company's Russian subsidiary, registered growth of 10.64% in sales at 626.47 million Rouble, while its profit after tax at 19.18 million Rouble was also higher.

HUMAN RESOURCE

There has been no material development on human resources and industrial relations front. The relationship with employees and workers continued to be cordial at all levels. As on March 2019, permanent employees strength and temporary employees strength was 4,187 and 464 respectively.

KEY FINANCIAL RATIOS

The key financial ratio for 2018-19 and changes therein as compared to the immediately preceding financial year along with detailed explanation in cases where the change is 25% or more is as under:

a) Debtors Turnover ratio: Net Credit Sales/Average account receivable

   This ratio for the year was 4.87 (times) as against 4.34 (times) in the previous year.

b) Inventory Turnover ratio: Cost of Goods sold/Average inventory

   This ratio for the year was 2.80 (times) as against 2.86 (times) in the previous year.

c) Interest Coverage ratio: EBITDA/Interest Payment

   This ratio for the year was 79.86 (times) as against 69.84 (times) in the previous year. For the purpose of this ratio, other income has been included in EBITDA as other income is available for servicing the debt.

d) Current Ratio: Current assets/Current liabilities

   This ratio for the year was 4.32 (times) as against 3.93 (times) in the previous year.

e) Debt-Equity ratio: Total Debt/Shareholders' Equity

   This ratio for the year was 0.02:1 (times) as against 0.02:1 (times) in the previous year.

f) Operating Profit Margin: EBIT/Sales

   Operating profit margin for the year was 15.92% as against 11.95% in the previous year. The operating profit margin improved due to favourable product mix that resulted in lower cost of materials, increase in realisations due to depreciation of Rupee during the year and lower depreciation.

g) Net Profit Margin: Net Profit/Sales

   Net profit margin (including other income) for the year was 12.43% as against 10.43% in the previous year. The net profit margin improved mainly due to favourable product mix that resulted in lower cost of materials, increase in realisations due to depreciation of Rupee during the year and higher other income.

RETURN ON NET WORTH

This financial performance is calculated by dividing net income by shareholders' equity. Return on Net worth or Return on Equity during the year was 12.39% as against 9.01% in the previous year. This return improved during the year mainly due to (a) higher operating profit on account of favourable product mix that resulted in lower cost of materials and increase in realisations due to depreciation of Rupee during the year, and (b) higher other income.

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

Place : Mumbai
Date : May 21, 2019

DIRECTORS' REPORT (Contd.)
ANNEXURE - K

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014.

I. **REGISTRATION & OTHER DETAILS:**

i	CIN	L24390MH1976PLC019380
ii	Registration Date	18-12-1976
iii	Name of the Company	J. B. Chemicals & Pharmaceuticals Ltd.
iv	Category/Sub-category of the Company	Public Company/ Limited by shares
v	Address of the Registered office & contact details	Neelam Centre, "B" Wing, 4th Floor, Hind Cycle Road, Worli, Mumbai, Maharashtra : 400 030 Tel No. (022) 2439 5200/ 2439 5500 Fax : (022) 2431 5334/ 2431 5331 email : secretarial@jbcpl.com
vi	Whether listed Company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Datamatics Business Solutions Ltd. Plot No. B-5, Part – B, Cross Lane,M.I.D.C., Andheri (E), Mumbai 400 093. Tel No. (022) 6671 2001-06 Fax : (022) 6671 2011 email : satish_patil@datamaticsbpm.com

II. **PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

Business activity contributing 10% or more of the total turnover of the Company is given below

Sl. No	Name and description of main products	NIC Code of the Product	% to total turnover of the Company
1	Manufacture of pharmaceutical products	2100	84.05%
2	Trading in pharmaceutical products	46497	15.10%

III. **PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

Sl No	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	000 Unique Pharmaceutical Laboratories 127944, Moscow, Tverskaya Str., 18, bldg. 1, office 609.	N.A.	Subsidiary	100%	2(87)
2	Unique Pharmaceutical Laboratories FZE Office#1116, Business Centres World Building JAFZA ONE, 11th Floor, Jebel Ali Freezone P.O Box: 262327, Dubai, United Arab Emirates.	N.A.	Subsidiary	100%	2(87)
3	Biotech Laboratories (Pty) Ltd. Block K West, Central Park, 400 16th Street, Randjespark, Midrand 1685 South Africa.	N.A.	Subsidiary	95.24%	2(87)

DIRECTORS' REPORT (Contd.)

ANNEXURE - K (Contd.)

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(i) Category-wise Shareholding

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
a)	Individual/HUF	45,730,050	0	45,730,050	54.72	44,092,733	0	44,092,733	54.95	0.23
b)	Bodies Corporate	131,045	0	131,045	0.16	126,681	0	126,681	0.16	0.00
c)	Any other : Firms and Trusts	515,666	0	515,666	0.62	497,251	0	497,251	0.62	0.00
	SUB TOTAL (A) (1)	**46,376,761**	0	**46,376,761**	**55.50**	**44,716,665**	0	**44,716,665**	**55.73**	**0.23**
(2)	Foreign									
a)	NRI- Individuals	286,517	0	286,517	0.34	234,097	0	234,097	0.29	(0.05)
	SUB TOTAL (A) (2)	**286,517**	0	**286,517**	**0.34**	**234,097**	0	**234,097**	**0.29**	**(0.05)**
	Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**46,663,278**	0	**46,663,278**	**55.84**	**44,950,762**	0	**44,950,762**	**56.02**	**0.18**
B.	**PUBLIC SHAREHOLDING**									
(1)	**Institutions**									
a)	Mutual Funds	7,727,951	1,050	7,729,001	9.25	9,981,018	1,050	9,982,068	12.44	3.19
b)	Banks/FI	55,315	2,000	57,315	0.07	55,397	2,000	57,397	0.07	0.00
c)	Insurance Companies	1,089,422	3,000	1,092,422	1.31	834,442	1,500	835,942	1.05	(0.26)
d)	FPIs	4,449,892	0	4,449,892	5.32	4,286,030	0	4,286,030	5.34	0.02
e)	Alternate Investment Funds	1,770,189	0	1,770,189	2.12	1,813,193	0	1,813,193	2.26	0.14
	SUB TOTAL (B)(1)	**15,092,769**	**6,050**	**15,098,819**	**18.07**	**16,970,080**	**4,550**	**16,974,630**	**21.16**	**3.09**
(2)	**Non-Institutions**									
a)	Bodies corporate:									
i)	Indian	2,823,364	14,696	2,838,060	3.40	927,971	7,696	935,667	1.17	(2.23)
b)	Individuals:									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	14,956,961	1,158,804	16,115,765	19.29	14,079,989	955,347	15,035,336	18.74	(0.55)
ii)	Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh	1,309,588	0	1,309,588	1.57	1,045,344	0	1,045,344	1.30	(0.27)
c)	Others									
(i)	Non Resident Indians & Foreign National	1,301,635	6,200	1,307,835	1.56	1,016,833	6,200	1,023,033	1.27	(0.29)
(ii)	NBFC registered with RBI	11,484	0	11,484	0.01	23,630	0	23,630	0.03	0.02
(iii)	Trusts & Clearing Member	87,684	0	87,684	0.10	91,597	0	91,597	0.11	0.01
(iv)	Investor Education & Protection Fund Authority	137,462	0	137,462	0.16	156,643	0	156,643	0.20	0.04
	SUB TOTAL (B)(2)	**20,628,178**	**1,179,700**	**21,807,878**	**26.09**	**17,342,007**	**969,243**	**18,311,250**	**22.82**	**(3.27)**
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**35,720,947**	**1,185,750**	**36,906,697**	**44.16**	**34,312,087**	**973,793**	**35,285,880**	**43.98**	**(0.18)**
C.	Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
	Grand Total (A+B+C)	**82,384,225**	**1,185,750**	***83,569,975**	**100**	**79,262,849**	**973,793**	***80,236,642**	**100**	**–**

* The difference in equity shares is due to buy-back of 3,333,333 equity shares on proportionate basis through tender offer in accordance with provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998.

DIRECTORS' REPORT (Contd.)

ANNEXURE - K (Contd.)

(ii) SHAREHOLDING OF PROMOTERS

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	Jyotindra B. Mody	5,300,518	6.34	0	5,111,209	6.37	0	0.03
2	Dinesh Bhagwanlal Mody	4,675,661	5.59	0	4,508,669	5.62	0	0.03
3	Dinesh B. Mody/ Kumud D. Mody	289	0.00	0	279	0.00	0	0.00
4	Shirish Bhagwanlal Mody	4,764,593	5.70	0	4,594,425	5.73	0	0.03
5	Shirish B. Mody/ Bharati S. Mody	224,527	0.27	0	216,508	0.27	0	0.00
6	Kumud Dinesh Mody	4,672,155	5.59	0	4,505,288	5.62	0	0.03
7	Kumud D. Mody/ Dinesh B. Mody	103,472	0.12	0	99,777	0.12	0	0.00
8	Bharati S. Mody/ Shirish B. Mody	216,874	0.26	0	209,129	0.26	0	0.00
9	Bharati S. Mody	4,680,176	5.60	0	4,513,022	5.63	0	0.03
10	Pallavi Bharat Mehta	4,825,330	5.77	0	4,652,992	5.80	0	0.03
11	Pallavi B. Mehta/ Bharat P. Mehta	306,759	0.37	0	295,804	0.37	0	0.00
12	Pranabh Dinesh Mody	4,699,554	5.63	0	4,531,708	5.65	0	0.02
13	Pranabh Dinesh Mody/ Dinesh B. Mody	88,804	0.11	0	85,633	0.11	0	0.00
14	Pranabh Dinesh Mody/ Sejal P. Mody	86,165	0.10	0	83,088	0.10	0	0.00
15	Sejal Pranabh Mody/ Pranabh D. Mody	49,336	0.06	0	47,574	0.06	0	0.00
16	Nirav Shirish Mody	4,703,138	5.63	0	4,535,164	5.65	0	0.02
17	Nirav Shirish Mody/ Shirish B. Mody	215,597	0.26	0	207,897	0.26	0	0.00
18	Jinali Pranabh Mody	2,961	0.00	0	2,856	0.00	0	0.00
19	Purvi Uday Asher/ Uday M. Asher	370,017	0.44	0	356,802	0.44	0	0.00
20	Jay Bharat Mehta	2,423,913	2.90	0	2,337,343	2.91	0	0.01
21	Jay Bharat Mehta/ Shilpi Jay Mehta	2,023	0.00	0	1,951	0.00	0	0.00
22	Dinesh Bhagwanlal Mody/ Jyotindra B. Mody (held for D B Mody HUF)	495,823	0.59	0	478,115	0.60	0	0.01
23	Uday M. Asher/ Purvi U. Asher	119,294	0.14	0	115,034	0.14	0	0.00
24	Uday Madhavdas Asher	13,913	0.02	0	13,417	0.02	0	0.00
25	Kantaben Vinaychandra Gosalia	19,160	0.02	0	0	0.00	0	(0.02)
26	Kantaben Vinaychandra Gosalia / Bhakti Ashok Patel	6,460	0.01	0	0	0.00	0	(0.01)
27	Priti Rajen Shah	9,868	0.01	0	9,516	0.01	0	0.00
28	Bharat P. Mehta/ Pallavi B. Mehta	169,527	0.20	0	163,473	0.20	0	0.00
29	Bharat P. Mehta	2,452,519	2.94	0	2,364,927	2.95	0	0.01
30	Vibha Anupam Mehta/ Anupam P. Mehta	2,500	0.00	0	1,000	0.00	0	0.00

DIRECTORS' REPORT (Contd.)
ANNEXURE - K (Contd.)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
31	Anupam Pravinchandra Mehta	2,500	0.00	0	1,000	0.00	0	0.00
32	P. D. Mody (held for P D Mody HUF)	6,907	0.01	0	6,661	0.01	0	0.00
33	Jyotindra Bhagwanlal Mody /Dinesh Bhagwanlal Mody (held for Mody Bros.)	18,871	0.02	0	18,198	0.02	0	0.00
34	Pallavi Bharat Mehta/ D. B. Mody / Bharati Shirish Mody (held for Mody Trading Co.)	52,775	0.06	0	50,891	0.06	0	0.00
35	Nirav Shirish Mody/ Shirish Bhagwanlal Mody (as a trustee of Priti Family Trust)	222,010	0.27	0	214,081	0.27	0	0.00
36	Nirav Shirish Mody/ Shirish Bhagwanlal Mody (as a trustee of Deepali Family Trust)	222,010	0.27	0	214,081	0.27	0	0.00
37	Synit Drugs Pvt. Ltd.	741	0.00	0	715	0.00	0	0.00
38	Namplas Chemicals Pvt. Ltd.	121,474	0.15	0	117,136	0.15	0	0.00
39	Boxcare Packagings Pvt. Ltd.	8,830	0.01	0	8,830	0.01	0	0.00
40	Rajniben Zaveri	11,337	0.01	0	0	0.00	0	(0.01)
41	Ila Dipak Parekh/ Dipak Hiralal Parekh	8,380	0.01	0	8,380	0.01	0	0.00
42	Bharat K. Doshi	25,402	0.03	0	5,402	0.01	0	(0.02)
43	Nitin Chandra Doshi	261,115	0.31	0	221,735	0.28	0	(0.03)
44	Nisha Divyesh Shah	0	0.00	0	19,160	0.02	0	0.02
45	Nisha Divyesh Shah/ Divyesh Shantilal Shah	0	0.00	0	3,595	0.00	0	0.00
46	Bhakti Ashok Patel	0	0.00	0	6,460	0.01	0	0.01
47	Bhakti Ashok Patel/ Ashok Nandlal Patel	0	0.00	0	500	0.00	0	0.00
48	Pallavi Suketu Shah	0	0.00	0	11,337	0.01	0	0.01
TOTAL		**46,663,278**	**55.84**	**0**	**44,950,762**	**56.02**	**0**	**0.18**

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

Sl. No.	Shareholding at the beginning of the Year		Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	46,663,278	55.84		
Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer /bonus /sweat equity etc)	refer Note			
At the end of the year	44,950,762	56.02		

DIRECTORS' REPORT (Contd.)

ANNEXURE - K (Contd.)

Note: The details of Increase/ decrease in shareholding in respect of members in Promoter group are as under. :

Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in Share holding	Reason	Cumulative Share-holding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018)/ at the end of the year (31-03-2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Jyotindra B. Mody	5,300,518	6.34	01-04-2018				
				01-11-2018	(189,309)	Shares accepted under buy-back by the Company	5,111,209	6.37
		5,111,209	6.37	31-03-2019				
2	Dinesh Bhagwanlal Mody	4,675,661	5.59	01-04-2018				
				01-11-2018	(166,992)	Shares accepted under buy-back by the Company	4,508,669	5.62
		4,508,669	5.62	31-03-2019				
3	Dinesh B. Mody/ Kumud D. Mody	289	0.00	01-04-2018				
				01-11-2018	(10)	Shares accepted under buy-back by the Company	279	0.00
		279	0.00	31-03-2019				
4	Shirish Bhagwanlal Mody	4,764,593	5.70	01-04-2018				
				01-11-2018	(170,168)	Shares accepted under buy-back by the Company	4,594,425	5.73
		4,594,425	5.73	31-03-2019				
5	Shirish B. Mody/ Bharati S. Mody	224,527	0.27	01-04-2018				
				01-11-2018	(8,019)	Shares accepted under buy-back by the Company	216,508	0.27
		216,508	0.27	31-03-2019				
6	Kumud Dinesh Mody	4,672,155	5.59	01-04-2018				
				01-11-2018	(166,867)	Shares accepted under buy-back by the Company	4,505,288	5.62
		4,505,288	5.62	31-03-2019				
7	Kumud D. Mody/ Dinesh B. Mody	103,472	0.12	01-04-2018				
				01-11-2018	(3,695)	Shares accepted under buy-back by the Company	99,777	0.12
		99,777	0.12	31-03-2019				
8	Bharati S. Mody/ Shirish B. Mody	216,874	0.27	01-04-2018				
				01-11-2018	(7,745)	Shares accepted under buy-back by the Company	209,129	0.27
		209,129	0.27	31-03-2019				
9	Bharati S. Mody	4,680,176	5.60	01-04-2018				
				01-11-2018	(167,154)	Shares accepted under buy-back by the Company	4,513,022	5.62
		4,513,022	5.62	31-03-2019				
10	Pallavi Bharat Mehta	4,825,330	5.77	01-04-2018				
				01-11-2018	(172,338)	Shares accepted under buy-back by the Company	4,652,992	5.80
		4,652,992	5.80	31-03-2019				
11	Pallavi B. Mehta/ Bharat P. Mehta	306,759	0.37	01-04-2018				
				01-11-2018	(10,955)	Shares accepted under buy-back by the Company	295,804	0.37
		295,804	0.37	31-03-2019				
12	Pranabh Dinesh Mody	4,699,554	5.63	01-04-2018				
				01-11-2018	(167,846)	Shares accepted under buy-back by the Company	4,531,708	5.65
		4,531,708	5.65	31-03-2019				
13	Pranabh Dinesh Mody/ Dinesh B. Mody	88,804	0.11	01-04-2018				
				01-11-2018	(3,171)	Shares accepted under buy-back by the Company	85,633	0.11
		85,633	0.11	31-03-2019				
14	Pranabh Dinesh Mody/ Sejal P. Mody	86,165	0.10	01-04-2018				
				01-11-2018	(3,077)	Shares accepted under buy-back by the Company	83,088	0.10
		83,088	0.10	31-03-2019				
15	Sejal Pranabh Mody/ Pranabh D. Mody	49,336	0.06	01-04-2018				
				01-11-2018	(1,762)	Shares accepted under buy-back by the Company	47,574	0.06
		47,574	0.06	31-03-2019				

DIRECTORS' REPORT (Contd.)
ANNEXURE - K (Contd.)

Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in Share holding	Reason	Cumulative Share-holding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018)/ at the end of the year (31-03-2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
16	Nirav Shirish Mody	4,703,138	5.63	01-04-2018				
				01-11-2018	(167,974)	Shares accepted under buy-back by the Company	4,535,164	5.65
		4,535,164	5.65	31-03-2019				
17	Nirav Shirish Mody/ Shirish B. Mody	215,597	0.26	01-04-2018				
				01-11-2018	(7,700)	Shares accepted under buy-back by the Company	207,897	0.26
		207,897	0.26	31-03-2019				
18	Jinali Pranabh Mody	2,961	0.00	01-04-2018				
				01-11-2018	(105)	Shares accepted under buy-back by the Company	2,856	0.00
		2,856	0.00	31-03-2019				
19	Purvi Uday Asher/ Uday M. Asher	370,017	0.44	01-04-2018				
				01-11-2018	(13,215)	Shares accepted under buy-back by the Company	356,802	0.44
		356,802	0.44	31-03-2019				
20	Jay Bharat Mehta	2,423,913	2.90	01-04-2018				
				01-11-2018	(86,570)	Shares accepted under buy-back by the Company	2,337,343	2.91
		2,337,343	2.91	31-03-2019				
21	Jay Bharat Mehta/ Shilpi Jay Mehta	2,023	0.00	01-04-2018				
				01-11-2018	(72)	Shares accepted under buy-back by the Company	1,951	0.00
		1,951	0.00	31-03-2019				
22	Dinesh Bhagwanlal Mody/ Jyotindra B. Mody (held for D B Mody HUF)	495,823	0.59	01-04-2018				
				01-11-2018	(17,708)	Shares accepted under buy-back by the Company	478,115	0.60
		478,115	0.60	31-03-2019				
23	Uday M. Asher/ Purvi U. Asher	119,294	0.14	01-04-2018				
				01-11-2018	(4,260)	Shares accepted under buy-back by the Company	115,034	0.14
		115,034	0.14	31-03-2019				
24	Uday Madhavdas Asher	13,913	0.02	01-04-2018				
				01-11-2018	(496)	Shares accepted under buy-back by the Company	13,417	0.02
		13,913	0.02	31-03-2019				
25	Kantaben Vinaychandra Gosalia	19,160	0.02	01-04-2018				
				28-12-2018	(19,160)	Transmission	0	0.00
		0	0.00	31-03-2019				
26	Kantaben Vinaychandra Gosalia	6,460	0.01	01-04-2018				
				07-12-2018	(6,460)	Transmission	0	0.00
		0	0.00	31-03-2019				
27	Priti Rajen Shah	9,868	0.01	01-04-2018				
				01-11-2018	(352)	Shares accepted under buy-back by the Company	9,516	0.01
		9,516	0.01	31-03-2019				
28	Bharat P. Mehta/ Pallavi B. Mehta	169,527	0.20	01-04-2018				
				01-11-2018	(6,054)	Shares accepted under buy-back by the Company	163,473	0.20
		163,473	0.20	31-03-2019				
29	Bharat P. Mehta	2,452,519	2.94	01-04-2018				
				01-11-2018	(87,592)	Shares accepted under buy-back by the Company	2,364,927	2.95
		2,364,927	2.95	31-03-2019				

DIRECTORS' REPORT (Contd.)
ANNEXURE - K (Contd.)

Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in Share holding	Reason	Cumulative Share-holding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018)/ at the end of the year (31-03-2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
30	Vibha Anupam Mehta/ Anupam P. Mehta	2,500	0.00	01-04-2018				
				08-06-2018	(1,000)	Market Sale	1,500	0.00
				01-11-2018	(500)	Shares accepted under buy-back by the Company	1,000	0.00
		1,000	0.00	31-03-2019				
31	Anupam Pravinchandra Mehta	2,500	0.00	01-04-2018				
				08-06-2018	(1,000)	Market Sale	1,500	0.00
				01-11-2018	(73)	Shares accepted under buy-back by the Company	1,427	0.00
				09-11-2018	(27)	Market Sale	1,400	0.00
				07-12-2018	(200)	Market Sale	1,200	0.00
				14-12-2018	(200)	Market Sale	1,200	0.00
		1,000	0.00	31-03-2019				
32	P. D. Mody (held for P D Mody HUF)	6,907	0.01	01-04-2018				
				01-11-2018	(246)	Shares accepted under buy-back by the Company	6,661	0.01
		6,661	0.01	31-03-2019				
33	Jyotindra Bhagwanlal Mody / Dinesh Bhagwanlal Mody (held for Mody Bros.)	18,871	0.02	01-04-2018				
				01-11-2018	(254)	Shares accepted under buy-back by the Company	18,198	0.02
		18,198	0.02	31-03-2019				
34	Pallavi Bharat Mehta/ D. B. Mody / Bharati Shirish Mody (held for Mody Trading Co.)	52,775	0.06	01-04-2018				
				01-11-2018	(1,884)	Shares accepted under buy-back by the Company	50,891	0.06
		50,891	0.06	31-03-2019				
35	Nirav Shirish Mody/ Shirish Bhagwanlal Mody (as a trustee of Priti Family Trust)	222,010	0.27	01-04-2018				
				01-11-2018	(7,929)	Shares accepted under buy-back by the Company	214,081	0.27
		214,081	0.27	31-03-2019				
36	Nirav Shirish Mody/ Shirish Bhagwanlal Mody (as a trustee of Deepali Family Trust)	222,010	0.27	01-04-2018				
				01-11-2018	(7,929)	Shares accepted under buy-back by the Company	214,081	0.27
		214,081	0.27	31-03-2019				
37	Synit Drugs Pvt. Ltd.	741	0.00	01-04-2018				
				01-11-2018	(26)	Shares accepted under buy-back by the Company	715	0.00
		715	0.00	31-03-2019				
38	Namplas Chemicals Pvt. Ltd.	121,474	0.15	01-04-2018				
				01-11-2018	(4,338)	Shares accepted under buy-back by the Company	117,136	0.15
		117,136	0.15	31-03-2019				
39	Rajniben Zaveri	11,337	0.01	01-04-2018				
				25-01-2019	(11,337)	Transmission	0	0.00
		0	0.00	31-03-2019				
40	Bharat K. Doshi	25,402	0.03	01-04-2018				
				12-06-2018	(3,000)	Market Sale	22,402	0.03
				13-06-2018	(17,000)	Market Sale	5,402	0.01
		5,402	0.01	31-03-2019				

DIRECTORS' REPORT (Contd.)
ANNEXURE - K (Contd.)

Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in Share holding	Reason	Cumulative Share-holding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018)/ at the end of the year (31-03-2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
41	Nitin Chandra Doshi	261,115	0.31	01-04-2018				
				01-11-2018	(9,194)	Shares accepted under buy-back by the Company	251,921	0.31
				21-02-2019	(30,186)	Market Sale	221,735	0.28
		221,735	0.28	31-03-2019				
42	Nisha Divyesh Shah	0	0.00	01-04-2018				
				28-12-2018	19,160	Shares received on transmission included in Promoter Group	19,160	0.02
		19,160	0.02	31-03-2019				
43	Nisha Divyesh Shah/ Divyesh Shantilal Shah	0	0.00	01-04-2018				
				28-12-2018	3,595	Shares held prior to transmission included in Promoter Group	3,595	0.00
		3,595	0.00	31-03-2019				
44	Bhakti Ashok Patel	0	0.00	01-04-2018				
				07-12-2018	6,460	Shares received on transmission included in Promoter Group	6,460	0.02
		6,460	0.02	31-03-2019				
45	Bhakti Ashok Patel/ Ashok Nandlal Patel	0	0.00	01-04-2018				
				07-12-2018	500	Shares held prior to transmission included in Promoter Group	500	0.00
		500	0.00	31-03-2019				
46	Pallavi Suketu Shah	0	0.00	01-04-2018				
				25-01-2019	11,337	Shares received on transmission included in Promoter Group	11,337	0.01
		11,337	0.01	31-03-2019				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in Share holding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018)/ at the end of the year (31-03- 2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Franklin India Smaller Companies Fund	2,981,497	3.57	01-04-2018				
				01-11-2018	(146,996)	Buy-back	2,834,501	3.53
				14-12-2018	300,000	Purchase	3,134,501	3.91
				21-12-2018	293,684	Purchase	3,428,185	4.27
				15-02-2019	15,670	Purchase	3,443,855	4.29
				22-02-2019	12,761	Purchase	3,456,616	4.31
		3,456,616	4.31	31-03-2019				
2	DSP Small Cap Fund	2,289,433	2.73	01-04-2018				
				01-11-2018	(96,595)	Buy-back	2,192,838	2.73
		2,192,838	2.73	31-03-2019				

DIRECTORS' REPORT (Contd.)
ANNEXURE - K (Contd.)

Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in Share holding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018)/ at the end of the year (31-03- 2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
3	DSP Tax Saver Fund	1,061,859	1.27	01-04-2018				
				03-08-2018	97,367	Purchase	1,159,226	1.40
				10-08-2018	100,200	Purchase	1,259,426	1.53
				01-11-2018	(53,137)	Buy-back	1,206,289	1.50
				16-11-2018	15,518	Purchase	1,221,807	1.52
				30-11-2018	40,000	Purchase	1,261,807	1.57
				07-12-2018	348,546	Purchase	1,610,353	2.01
				14-12-2018	247,850	Purchase	1,858,203	2.32
		1,858,203	2.32	31-03-2019				
4	DSP AIF Pharma Fund	1,345,785	1.61	01-04-2018				
				07-09-2018	(100,000)	Sale	12,45,785	
				01-11-2018	(52,562)	Buy-back	11,93,223	1.49
		1,193,223	1.49	31-03-2019				
5	ICICI Prudential Pharma Healthcare And Diaganostics (P.H.D) Fund	0	0.00	01-04-2018				
				03-08-2018	395,395	Purchase	395,395	0.48
				10-08-2018	209,141	Purchase	604,536	0.73
				17-08-2018	2,436	Purchase	606,972	0.74
				24-08-2018	542	Purchase	607,514	0.74
				31-08-2018	8,834	Purchase	616,348	0.75
				07-09-2018	149,276	Purchase	765,624	0.93
				12-09-2018	1,752	Purchase	767,376	0.93
				14-09-2018	10,226	Purchase	777,602	0.94
				21-09-2018	55,407	Purchase	833,009	1.01
				28-09-2018	130,168	Purchase	963,177	1.69
				05-10-2018	43,961	Purchase	1,007,138	1.22
				12-10-2018	31,944	Purchase	1,039,082	1.26
				19-10-2018	4,612	Purchase	1,043,694	1.27
				26-10-2018	34,786	Purchase	1,078,480	1.30
				01-11-2018	(8,608)	Buy-back	1,069,872	1.33
				18-01-2019	5,974	Purchase	1,075,846	1.34
				25-01-2019	46	Purchase	1,075,892	1.34
				01-02-2019	3,918	Purchase	1,079,810	1.35
		1,079,810	1.35	31-03-2019				
6	Credit Suisse (Singapore) Limited	920,358	1.10	01-04-2018				
				27-04-2018	(3,381)	Sale	916,977	1.10
				25-05-2018	(2,883)	Sale	914,094	1.09
				08-06-2018	(20,500)	Sale	893,594	1.07
				15-06-2018	(4,199)	Sale	889,395	1.06
				29-06-2018	(6,483)	Sale	882,912	1.06
				06-07-2018	(14,976)	Sale	867,936	1.04
				13-07-2018	(74,882)	Sale	793,054	0.94
				03-08-2018	(4,483)	Sale	788,571	0.94
				10-08-2018	(2,338)	Sale	786,233	0.94
				24-08-2018	(2,457)	Sale	783,776	0.94
				31-08-2018	(2,212)	Sale	781,564	0.94

DIRECTORS' REPORT (Contd.)
ANNEXURE - K (Contd.)

Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in Share holding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018)/ at the end of the year (31-03- 2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
				07-09-2018	(4,039)	Sale	777,525	0.93
				12-09-2018	(3,374)	Sale	774,151	0.93
				14-09-2018	(4,120)	Sale	770,031	0.92
				21-09-2018	(14,593)	Sale	755,438	0.90
				28-09-2018	(2,619)	Sale	752,819	0.90
				05-10-2018	(3,362)	Sale	749,457	0.90
				12-10-2018	(15,519)	Sale	733,938	0.88
				19-10-2018	(2,246)	Sale	731,692	0.88
				26-10-2018	(2,017)	Sale	729,675	0.87
				01-11-2018	(59,478)	Buy-back	670,197	0.84
				30-11-2018	(4,051)	Sale	666,146	0.83
				07-12-2018	(5,822)	Sale	660,324	0.82
				14-12-2018	(12,534)	Sale	647,790	0.81
				21-12-2018	(45,675)	Sale	602,115	0.75
				15-03-2019	(2,256)	Sale	599,859	0.75
				29-03-2019	(2,380)	Sale	597,479	0.75
		597,479	0.75	31-03-2019				
7	General Insurance Corporation of India Ltd.	741,034	0.88	01-04-2018				
				11-03-2018	(40,034)	Sale	701,000	0.84
				01-11-2018	(25,000)	Buy-back	676,000	0.84
				08-03-2019	(116,955)	Sale	559,045	0.70
				15-03-2019	(36,456)	Sale	522,589	0.65
				29-03-2019	(21,589)	Sale	501,000	0.62
		501,000	0.62	31-03-2019				
8	Al Mehwar Commercial Investments LLC	0	0.00	01-04-2018				
				08-06-2018	2,24,884	Purchase	224,884	0.27
				12-10-2018	21,500	Purchase	246,384	0.30
				26-10-2018	2,08,000	Purchase	454,384	0.54
				01-11-2018	(8,075)	Buy-back	446,309	0.56
		446,309	0.56	31-03-2019				
9	White Oak India Equity Fund	413,404	0.49	01-04-2018				
				06-04-2018	94,391	Purchase	507,795	0.61
				14-09-2018	33,500	Purchase	541,295	0.65
				19-10-2018	(90,000)	Sale	451,295	0.54
				01-11-2018	(18,221)	Buy-back	433,074	0.54
		433,074	0.54	31-03-2019				
10	India Acorn Fund Ltd.	450,000	0.54	01-04-2018				
				14-09-2018	67,517	Purchase	517,517	0.62
				19-10-2018	(70,000)	Sale	4,47,517	0.54
				01-11-2018	(16,158)	Buy-back	4,31,359	0.54
		4,31,359	0.54	31-03-2019				

DIRECTORS' REPORT (Contd.)
ANNEXURE - K (Contd.)

Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in Share holding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018)/ at the end of the year (31-03- 2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
11	ICICI Lombard General Insurance Company Ltd	2,000,000	2.39	01-04-2018				
				12-10-2018	(16,831)	Sale	1,983,169	2.37
				19-10-2018	(44,342)	Sale	1,938,827	2.32
				26-10-2018	(10,000)	Sale	1,928,827	2.31
				01-11-2018	(155,645)	Buy-back	1,773,182	2.21
				09-11-2018	(56,300)	Sale	1,716,882	2.14
				16-11-2018	(20,184)	Sale	1,696,698	2.12
				23-11-2018	(23,077)	Sale	1,673,621	2.09
				30-11-2018	(58,536)	Sale	1,615,085	2.01
				07-12-2018	(610,378)	Sale	104,707	1.25
				14-12-2018	(624,530)	Sale	380,177	0.47
				21-12-2018	(380,177)	Sale	0	0.00
		0	0.00	31-03-2019				

Note : Date mentioned for increase /decrease in shareholding is end-date of weekly beneficial ownership position provided by the depositories.

(v) Shareholding of Directors & Key Managerial Personnel

Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018)/ at the end of the year (31-03-2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
A DIRECTORS:								
1	Mr. Jyotindra B. Mody	5,300,518	6.34	01-04-2018		Shares accepted		
	Chairman & Managing Director			01-11-2018	(189,309)	under buy-back	5,111,209	6.37
		5,111,209	6.37	31-03-2019		by the Company		
2	Mr. Dinesh B. Mody	4,675,950	5.59	01-04-2018		Shares accepted		
	Whole time Director			01-11-2018	(167,002)	under buy-back	4,508,948	5.62
	(Administration)	4,508,948	5.62	31-03-2019		by the Company		
3	Mr. Shirish B. Mody	4,989,120	5.97	01-04-2018		Shares accepted		
	Whole time Director			01-11-2018	(178,187)	under buy-back	4,810,933	6.00
	(Marketing)	4,810,933	6.00	31-03-2019		by the Company		
4	Mr. Bharat P. Mehta	2,622,046	3.13	01-04-2018		Shares accepted		
	Whole time Director (Planning			01-11-2018	(93,646)	under buy-back	2,528,400	3.15
	& Development)	2,528,400	3.15	31-03-2019		by the Company		
5	Mr. Pranabh Mody	4,874,523	5.84	01-04-2018		Shares accepted		
	President & Whole time			01-11-2018	(174,094)	under buy-back	4,700,429	5.86
	Director (Operations)	4,700,429	5.86	31-03-2019		by the Company		
6	Mr. Durga Dass Chopra	301,998	0.36	01-04-2018		Shares accepted		
	Independent Director			01-11-2018	(10,845)	under buy-back	291,153	0.36
		291,153	0.36	31-03-2019		by the Company		

DIRECTORS' REPORT (Contd.)
ANNEXURE - K (Contd.)

Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018)/ at the end of the year (31-03-2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
7	Mr. Kamlesh L. Udani Executive Director (Technical & Production	56,628 54,596	0.07 0.07	01-04-2018 01-11-2018 31-03-2019	(2,032)	Shares accepted under buy-back by the Company	54,596	0.07
8	Dr. Satyanarain Agarwala Independent Director	1,570 1,570	0.00 0.00	01-04-2018 31-03-2019	–	–	1,570	0.00
9	Mr. Rajiv C. Mody Independent Director	1,725 1,725	0.00 0.00	01-04-2018 31-03-2019	–	–	–	0.00
10	Ms. Krupa R. Gandhi Independent Director	0 0	0.00 0.00	01-04-2018 31-03-2019	–	–	–	0.00
11	Mr. Devang R. Shah Independent Director	17,495 16,855	0.02 0.02	01-04-2018 01-11-2018 31-03-2019	(640)	Shares accepted under buy-back by the Company	16,855	0.02
12	Mr. Shaukat H. Merchant Independent Director	0 0	0.00 0.00	01-04-2018 31-03-2019	–	–	–	0.00
13	Dr. Manoj R. Mashru Independent Director	0 0	0.00 0.00	01-04-2018 31-03-2019	–	–	–	0.00
B	**KEY MANAGERIAL PERSONNEL :**							
1.	Mr. M. C. Mehta Company Secretary	0 0	0.00 0.00	01-04-2018 31-03-2019	–	–	–	0.00
2	Mr. Vijay Bhatt Chief Financial Officer	0 0	0.00 0.00	01-04-2018 31-03-2019	–	–	–	0.00

V. INDEBTNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment. (₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
Indebtedness				
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,588.37	259.25	–	2,847.62
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	**2,588.37**	**259.25**	**–**	**2,847.62**
Change in Indebtedness during the financial year				
Additions	2,325.52	–	–	2,325.52
Reduction	2,588.37	5.00	–	2,593.37
Net Change	**(262.85)**	**(5.00)**	**–**	**(267.85)**
Indebtedness at the end of the financial year				
i) Principal Amount	2,325.52	254.25	–	2,579.77
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	**2,325.52**	**254.25**	**–**	**2,579.77**

DIRECTORS' REPORT (Contd.)

ANNEXURE - K (Contd.)

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director and Whole time Directors :

(₹ in lakhs)

Particulars of Remuneration	Name of the MD/WTD						Total Amount
	Mr. Jyotindra B. Modys	Mr. Dinesh B. Mody	Mr. Shirish B. Mody	Mr. Bharat P. Mehta	Mr. Pranabh Mody	Mr. Kamlesh L. Udani	
Gross salary							
(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	564.77	551.77	556.99	232.93	241.72	158.98	2,307.16
(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	43.98	56.98	51.76	31.80	23.00	11.71	219.23
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Stock option	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sweat Equity	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Commission							
as % of profit	Nil	Nil	Nil	Nil	Nil	Nil	Nil
others	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (A)	**608.75**	**608.75**	**608.75**	**264.73**	**264.72**	**170.69**	**2,526.39**
Ceiling as per the Act							**2,716.97**

B. Remuneration to other Directors:

(₹ in lakhs)

Particulars of Remuneration	Name of the director							Total Amount
	Mr. Durga Dass Chopra	Dr. Satyanarain Agarwala	Mrs. Krupa R. Gandhi	Mr. Rajiv C. Mody	Mr. Devang Shah	Mr. Shaukat Merchant	Dr. Manoj R. Mashru	
(a) Fee for attending Board/ Committee meetings	8.60	9.80	9.00	4.80	6.60	4.00	5.00	47.80
(b) Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	**8.60**	**9.80**	**9.00**	**4.80**	**6.60**	**4.00**	**5.00**	**47.80**
Total Managerial Remuneration								**2,574.19**
Overall Ceiling as per the Act								**2,768.97**

DIRECTORS' REPORT (Contd.)

ANNEXURE - K (Contd.)

C Remuneration to Key Managerial Personnel other than MD/ WTD (₹ in lakhs)

Particulars of Remuneration	Key Managerial Personnel		Total Amount
	Company Secretary	CFO	
Gross Salary			
(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	62.79	71.10	133.89
(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	Nil	Nil	Nil
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil
Stock Option	Nil	Nil	Nil
Sweat Equity	Nil	Nil	Nil
Commission			
as % of profit	Nil	Nil	Nil
others	Nil	Nil	Nil
Others	Nil	Nil	Nil
Total	**62.79**	**71.10**	**133.89**

VI PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

No penalty, punishment or compounding fees has been imposed on the Company, or its directors and officers during the year ended on March 31, 2019.

DIRECTORS' REPORT (Contd.)

ANNEXURE - L

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

[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,
J. B. Chemicals & Pharmaceuticals Limited
Neelam Centre, B wing,
4th Floor, Hind Cycle Road,
Worli, Mumbai 400030.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by J. B. Chemicals & Pharmaceuticals Limited (hereinafter called the Company). The Secretarial Audit was conducted in a manner, which provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and 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 March 31, 2019 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, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made there under;

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

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

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment;

(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, 2009; (Not applicable to the Company during audit period);
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during audit period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during audit period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during audit period); and
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998;

(vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in Annexure I.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

DIRECTORS' REPORT (Contd.)

ANNEXURE - L (Contd.)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any are captured and recorded as part of the minutes.

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

We further report that during the audit period the Company has passed following special resolutions which are having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

1. To alter Memorandum of Association of the Company by addition of new clause 4 in the main objects of the Company set out in Para III A of the Memorandum of Association of the Company.

For Ashish Bhatt & Associates

Ashish Bhatt
Practicing Company Secretary
FCS No: 4650
C.P. No. 2956

Place : Thane
Date : May 21, 2019

Annexure I

List of applicable laws to the Company

Under the Major Group and Head

1. Drugs & Cosmetics Act, 1940;
2. Drugs (Prices Control) Order 2013;
3. Factories Act, 1948;
4. Industries (Development & Regulation) Act, 1951;
5. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
6. Acts prescribed under prevention and control of pollution;
7. Acts prescribed under Environmental protection;
8. Acts as prescribed under Direct Tax and Indirect Tax;
9. Labour Welfare Act of respective States;
10. Trade Marks Act 1999;
11. The Legal Metrology Act, 2000.

For Ashish Bhatt & Associates

Ashish Bhatt
Practicing Company Secretary
FCS No: 4650
C.P. No. 2956

Place : Thane
Date : May 21, 2019

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on code of governance is aimed at assisting the management and the Board of Directors in efficient conduct of the business and in meeting its obligations to all stakeholders, and is guided by the principles of transparency, fairness, accountability and integrity. The philosophy also includes insistence on strict adherence to the governance mechanism laid down in the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). These practices are intended to achieve balance between enhancement of stakeholder value and achievement of financial objective.

BOARD OF DIRECTORS

(i) (a) Composition, Attendance and Other Directorships:

The strength of the Board of Directors of the Company as on the year end was thirteen. Six directors, including Mr. Jyotindra B. Mody, Chairman & Managing Director, are executive directors, while seven directors are independent directors.

The information on composition and category of directors as well as attendance of each director at the meetings of the Board of Directors held during the year ended on March 31, 2019 and at the last annual general meeting and their directorships in other companies* and committee membership in other public companies as of the year-end is as under:

Name of director	Category	No. of board meetings attended	Attendance at last AGM	No. of other directorship(s)	Other committee position	
					Member	Chairman
Mr. Jyotindra B. Mody	Executive (Promoter)	5	No	2	—	—
Mr. Dinesh B. Mody	Executive (Promoter)	5	Yes	2	—	—
Mr. Shirish B. Mody	Executive (Promoter)	5	Yes	3	—	—
Mr. Bharat P. Mehta	Executive (Promoter Group)	5	Yes	2	—	—
Mr. Pranabh Mody	Executive (Promoter Group)	5	Yes	3	2	—
Mr. Kamlesh L. Udani	Executive	5	Yes	3	—	—
Mr. Durga Dass Chopra	Non-Executive & Independent	4	No	1	—	—
Dr. Satyanarain Agarwala	Non-Executive & Independent	4	Yes	2	—	—
Mr. Rajiv C. Mody	Non-Executive & Independent	4	Yes	2	1	—
Ms. Krupa R. Gandhi	Non-Executive & Independent	5	Yes	1	—	—
Mr. Devang R. Shah	Non-Executive & Independent	5	Yes	4	—	—
Mr. Shaukat Merchant	Non-Executive & Independent	4	Yes	2	—	—
Dr. Manoj Mashru	Non-Executive & Independent	5	No	—	—	—

* excludes Companies incorporated outside India.

CORPORATE GOVERNANCE REPORT (Contd.)

(b) Directorship in other listed entities:

The directorship held by the Board members in other listed entities are as under:

Name of director	Name of listed entity	Category of directorship
Mr. Rajiv C. Mody	Sasken Technologies Limited	Executive director
	Centum Electronics Limited	Non-Executive & Independent director
Mr. Shaukat Merchant	Rubfila International Limited	Non-Executive & Independent director
Mr. Pranabh Mody	Sasken Technologies Limited	Non-Executive director (Promoter)

(c) Meetings and Review:

5 meetings of the Board of Directors were held during the year ended on March 31, 2019. These meetings were held on May 25, 2018, August 10, 2018, August 31, 2018, November 2, 2018 and February 8, 2019.

The Board of Directors reviews compliance of applicable laws on quarterly basis. The Board has formulated risk management plan and periodically reviews the mitigations measures taken by the management. The Company has also laid down system to inform Board members about risk assessment and minimization procedures. The Company has a succession plan in place for orderly succession for appointment to the Board of Directors and senior management personnel. The Company places all information, as and when applicable, as specified in Part A of Schedule II of the Listing Regulations before the Board of Directors.

(d) Code of Conduct:

The Board has laid down the code of conduct for members of the Board and senior management personnel of the Company. Board members and senior management personnel has affirmed compliance with the code and based thereon a declaration by Managing Director of the Company in this regard has been annexed to this report.

(e) CEO/CFO Certification:

The Managing Director and Chief Financial Officer have provided certificate as specified in Part B of Schedule II of the Listing Regulations to the Audit Committee and the Board of Directors.

(f) Independent directors and confirmation of independence:

Independent directors of the Company met once in the year without the presence of non-independent directors and members of management for review and assessment of the matters, *inter alia,* set out in Regulation 25(4) of the Listing Regulations. The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and rules made there under.

Independent directors have furnished declaration that they fulfil the criteria of independence specified in the Listing Regulations and the Companies Act, 2013 as well as confirmed that he/she is not aware of any circumstance or situation, which exists or may reasonably be anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgment and without any external influence. Based on assessment of veracity of the same, the Board of Directors confirm that, in their opinion, the Independent Directors fulfil the conditions of independence specified in the Listing Regulations and are independent of the management.

Mr. D.D. Chopra and Dr. Satyanarain Agarwala, who have attained age of seventy five years, have been appointed as independent director for a second term of five (5) consecutive years from 1-4-2019, by the members by special resolution passed at annual general meeting held on 4-9-2018.

The Company has purchased Directors & Officers Liability insurance for independent directors against comprehensive risks and for appropriate quantum of sum insured.

(g) Performance Evaluation:

The Board of Directors (excluding director being evaluated) have carried out performance evaluation of Independent directors for the year 2018-19 as well as evaluation of fulfilment of independence criteria as specified in the Listing Regulations and their independence from the management.

CORPORATE GOVERNANCE REPORT (Contd.)

(ii) Relationship between directors inter-se:

Mr. Jyotindra B. Mody, Mr. Dinesh B. Mody and Mr. Shirish B. Mody are related to each other as brothers. Mr. Bharat Mehta is related to Mr. Jyotindra B. Mody as son-in-law. Mr. Pranabh Mody is son of Mr. Dinesh B. Mody.

(iii) The number of equity shares held by the non-executive directors in the Company as on March 31, 2019 are as under:

Name	No. of shares held
Mr. Durga Dass Chopra	291,153
Dr. Satyanarain Agarwala	1,570
Mr. Rajiv C. Mody	1,725
Ms. Krupa R. Gandhi	–
Mr. Devang Shah	16,855
Mr. Shaukat Merchant	–
Dr. Manoj Mashru	–

(iv) The Company conducted a familiarisation programme for its independent directors to familiarize them with (a) business of the Company along with over view of the industry and regulations governing it (b) type of products manufactured by the Company (c) business model of the Company in domestic and international market (d) markets where the Company does the business and growth prospects in such markets (e) Company's business activities in each business unit (f) major brands of the Company (g) Company's manufacturing facilities, and (h) role, rights, responsibilities and duties of Independent directors. The Company has posted the details of familiarisation programme imparted to independent directors on its website and web link thereto is http://www.jbcpl.com/investors/pdf/2015_2016/Familarization-programme.pdf.

(v) List of core competency and expertise

The Company is a listed entity engaged in the business of manufacture and marketing of pharmaceutical formulations, herbal products, active pharmaceutical ingredients and provision of product development services. Major competency and expertise, as identified by the Board, required in the context of this business for the Company to function effectively include the following.

	Core competency/expertise
1.	Leadership & Decision making
2.	New product development
3.	Manufacturing
4.	Marketing
5.	Supply chain management
6.	Corporate strategy
7.	Corporate finance
8.	National & international regulatory compliance
9.	Accountancy & audit
10.	Legal
11.	Medicine
12.	Management; and
13.	Administration.

AUDIT COMMITTEE

The composition of the Audit Committee complies with the requirement laid down in the Listing Regulations as well as Companies Act, 2013. Mr. D. D. Chopra, Chartered Accountant, was Chairman of the Audit Committee until he resigned from the Committee from May 21, 2019. Ms. Krupa R. Gandhi, Chartered Accountant, Chairperson of the Committee, while Mr. Dinesh B. Mody, Dr. Satyanarain Agarwala and Mr. Devang Shah (from May 21, 2019) are the other members of the Audit Committee. M.C. Mehta, Company Secretary,

CORPORATE GOVERNANCE REPORT (Contd.)

acts as Secretary to the Audit Committee. The Audit Committee, *inter alia,* discharges the role specified in Section A of Part C of Schedule II of the Listing Regulations and reviews information specified in Section B of Part C of the said Schedule, to the extent applicable.

The terms of reference of the Audit Committee are as per the provisions of Section 177 of the Companies Act, 2013 and the Listing Regulations. The terms of reference are: (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible; (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company; (3) Approval of payment to statutory auditors for any other services rendered by them; (4) Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval; (5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval; (6) Monitoring the end use of funds raised through public offers and related matters; (7) 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 utilized 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 up steps in this matter; (8) Review and monitor the auditors' independence and performance, and effectiveness of audit process; (9) Approval or any subsequent modification of transactions of the Company with related parties; (10) Scrutiny of inter-corporate loans and investments; (11) Valuation of undertakings or assets of the Company, wherever it is necessary; (12) Evaluation of internal financial controls and risk management systems; (13) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems; (14) Reviewing the adequacy of internal audit function, if any, 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; (15) Discussion with internal auditors of any significant findings and follow up there on; (16) 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; (17) 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; (18) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors; (19) To review the functioning of the Whistle Blower mechanism; (20) Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; (21) Approval or any subsequent modifications of transactions of the Company with related parties as per the Companies Act, 2013 and Listing Regulations; (22) Examination of the financial statements and the auditors' report thereon; (23) To review the utilisation of loans and /or advance from/ investment by the Company in the subsidiary company exceeding the prescribed limits, upon coming into effect of the said provision from 01-04-2019; and (24) Such other items of business as the Companies Act, 2013, rules made there under and the Listing Regulations for the time being in force requires or may hereinafter require the audit committee to consider, review, evaluate, examine, scrutinise, value, approve, monitor, report, note or otherwise.

Four meetings of the Audit Committee were held during the year ended on March 31, 2019. These meetings were held on May 25, 2018, August 10, 2018, November 2, 2018 and February 8, 2019. The information with regard to attendance of the members is as under:

Name	Position held	Category	No. of meetings attended
Mr. Durga Dass Chopra	Chairman	Non-executive & Independent director	3
Mr. Dinesh B. Mody	Member	Executive director (Promoter)	4
Dr. Satyanarain Agarwala	Member	Non-executive & Independent director	3
Ms. Krupa R. Gandhi	Member	Non–executive & Independent director	4

The Chairman & Managing Director, President & Whole time director (Operations), Chief Financial Officer, statutory auditor and internal auditor are regular invitees to the Audit Committee meetings.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of three independent directors viz. Dr. Satyanarain Agarwala, Chairman, Mr. Rajiv C. Mody and Mr. Devang R. Shah. The terms of reference of the Committee is as per the provisions of the Companies Act, 2013 and the Listing Regulations.

The terms of reference of the Committee are: (1) To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other

CORPORATE GOVERNANCE REPORT (Contd.)

employees; (2) To formulate criteria of persons who may be appointed in senior management; (3) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal; (4) To devise a policy on board diversity (including diversity of thought, experience, knowledge, perspective and gender); (5) To specify the manner (including formulation of criteria for performance evaluation) for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance; (6) To determine remuneration package for executive directors; (7) To recommend to the Board, all remuneration, in whatever form, payable to senior management; (8) To decide as to whether to extend or continue the term of appointment of independent director, on the basis of the report of performance evaluation of independent directors and make recommendation to the Board in this behalf; and (9) To carry out such other function and duty as is or may be prescribed under the Companies Act, 2013, rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, from time to time.

Two meetings of Nomination and Remuneration Committee were held during the year on May 23, 2018 and February 5, 2019. The information with regard to attendance of the members is as under:

Name	Position held	Category	No. of meetings attended
Dr. Satyanarain Agarwala	Chairman	Non-executive & Independent director	2
Mr. Rajiv C. Mody	Member	Non-executive & Independent director	1
Mr. Devang Shah	Member	Non-executive & Independent director	2

The Nomination and Remuneration Committee has, *inter alia,* laid down criteria for evaluation of performance of independent directors, which are also adopted by the Board for the purpose. The criteria for performance evaluation of the Independent directors are (1) active participation in Board meetings and committee meetings (2) devotion of time to the Company's affairs as per Company's requirement and regular attendance of Board meetings and committee meetings (3) adequate preparation for the Board meetings (4) objectivity and independent judgement to the proceedings and deliberations of the Board (5) observance and promotion of corporate governance (6) open and constructive communication, and (7) attendance at the meetings.

REMUNERATION OF DIRECTORS

(i) Remuneration of Non-executive directors

The non-executive directors at present are only paid sitting fees for attending meetings of the Board and Committee(s) thereof. Role and responsibilities of non-executive directors, being the criteria relied upon by the Board, the Board unanimously decides the amount of sitting fees to be paid from time to time, in accordance with the Remuneration Policy of the Company. The sitting fee presently fixed does not require prior approval of the shareholders. The information on amount of sitting fees paid to the non-executive directors for attending meetings of the Board and Committee(s) thereof held during the year ended on March 31, 2019 is as under:

Name	Sitting Fees (₹)
Mr. Durga Dass Chopra	860,000
Dr. Satyanarain Agarwala	980,000
Mr. Rajiv C. Mody	480,000
Ms. Krupa R. Gandhi	900,000
Mr. Devang Shah	660,000
Mr. Shaukat Merchant	400,000
Dr. Manoj Mashru	500,000

During the year under report, the non-executive directors' neither had any other pecuniary relationship nor entered into any other transaction vis-à-vis the Company.

CORPORATE GOVERNANCE REPORT (Contd.)

(ii) Remuneration of Executive directors

The remuneration of the executive directors of the Company for the year ended on March 31, 2019 summarized under major elements is as under:

(₹ in lakhs)

Name	Salary	Allowances & Perquisites	Retiral benefits	Total
Mr. Jyotindra B. Mody	254.27	317.84	68.65	640.76
Mr. Dinesh B. Mody	254.27	317.84	68.65	640.76
Mr. Shirish B. Mody	254.27	317.84	68.65	640.76
Mr. Bharat P. Mehta	123.83	123.82	33.43	281.08
Mr. Pranabh Mody	123.83	123.82	33.43	281.08
Mr. Kamlesh L. Udani	80.09	80.09	21.62	181.80

Notes:

1. All the above remuneration components are fixed in nature.
2. The appointment of each executive director is for a period of five years from the respective date of appointment.
3. The Company has entered into contract with each executive director setting out terms and conditions of appointment, which contract can be terminated by either party by giving three months' notice to the other. The contract so entered into does not provide for payment of severance fees.

STAKEHOLDERS RELATIONSHIP COMMITTEE

After end of the year, the Stakeholders Relationship Committee has been re-constituted and its terms of reference has been revised in line with changes in the Listing Regulations. The Committee now consists of Mr. Durga Dass Chopra, Chairman, Mr. Shaukat Merchant, Mr. Dinesh B. Mody and Mr. Shirish B. Mody. M. C. Mehta, Company Secretary & Vice President-Compliance is compliance officer and acts as Secretary to the Committee. The terms of reference of the Committee is as under: (1) Resolving the 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 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 the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and (5) Such other items of business as prescribed under the Companies Act, 2013, rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time.

The complaints received from the investors are being regularly attended to and are believed to be resolved to their satisfaction. The status of the investors' complaints is reviewed by the Stakeholders Relationship Committee generally on quarterly basis. During the year, the Company received 10 investor complaints all of which have been resolved before the end of the year, and believed to have been resolved to the satisfaction of the investors. Thus, no investor grievance was pending at the year-end.

GENERAL BODY MEETINGS

The information relating to the location and time of last three annual general meetings and the special resolutions passed thereat is as under:

Year	Location	Date	Time	Whether any special resolution passed
15-16	Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400020.	August 23, 2016	3.30 p.m.	No.
16-17		September 19, 2017	3.30 p.m.	Yes. Six special resolutions passed.
17-18		September 4, 2018	3.30 p.m.	Yes. Five special resolutions passed.

The Company has neither passed any special resolution through postal ballot during 2018-19 nor at present proposes to conduct any special resolution through postal ballot.

CORPORATE GOVERNANCE REPORT (Contd.)

MEANS OF COMMUNICATION

The quarterly results are generally published in Business Standard and Sakal, and also displayed on the Company's website www.jbcpl.com. The official news releases are also displayed on the Company's website. During the year, the Company has not made any presentation to institutional investors or analysts.

GENERAL SHAREHOLDER INFORMATION

AGM: Date, Time and Venue	August 23, 2019 at 3.30 p.m. at Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020.
Record Date (for electronically held Shares)	August 16, 2019
Date of Book Closure (for physically held Shares)	August 17, 2019 to August 23, 2019 (both days inclusive)
Financial year	April to March
Dividend Payment Date	August 26, 2019
Listing on Stock Exchanges	-BSE Limited Address: Phiroze Jeejebhoy Towers, Dalal Street, Mumbai 400 001. -National Stock Exchange of India Limited Address: Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051. The Company has paid the annual listing fees for the period April 1, 2019 to March 31, 2020 to both the Exchanges.
Stock Code	BSE: 506943 NSE: JBCHEPHARM
Market Price Data	Annexure A.
Performance in comparison to BSE Sensex	Annexure B.
Registrar and Share Transfer Agents	Datamatics Business Solutions Ltd. Plot No. B-5, Part B Cross Lane, MIDC, Andheri (E), Mumbai - 400 093. Tel. No.: (022) 6671 2001 - 06 Fax No.: (022) 6671 2011 Email: investorquery@datamaticsbpm.com
Share Transfer System	The power of share transfer was delegated by the Board to a committee of directors. The Share Transfer Committee met regularly to consider and approve transfer of shares held in physical form. From April 1, 2019, transfer of shares is allowed only if the shares are held in the dematerialised form.
Distribution of Shareholding as on 31-03-2019.	Annexure C.
Shareholding pattern	Annexure D.
Dematerialization of shares and liquidity	Annexure E.
Outstanding GDR/ADR/ Warrants or any convertible instruments, conversion date and impact on equity.	The Company has not issued any GDRs/ADRs/warrants or any other convertible instruments.
Commodity price risk and hedging activities	The Company does not have material commodities price risk. Hence, no hedging activities are undertaken.
Foreign exchange risk and hedging activities	The significant sales of the Company come from exports to a number of countries. The Company transacts its business in international markets in various foreign currencies such as USD, EURO, RUB, AUD, AED and GBP. Therefore, exchange risk assumes significance for the Company and volatility of currencies bears direct relationship on performance of the Company.

CORPORATE GOVERNANCE REPORT (Contd.)

	Primarily the foreign exchange exposure is under USD, EURO and RUB and exposure under these currencies is hedged by taking forward cover for appropriate period of time on past performance basis under respective currencies / equivalent USD as per the guidelines prescribed by the Reserve Bank of India (RBI).
Plant Locations	-Plot No. 215 to 219, 304 to 310 and 4 & 5, Phase IV, GIDC Industrial Area, Panoli 394 116, Gujarat. -Plot No.128/1, 128/1/1, 128/2, 129/1 & 129/B1, GIDC Industrial Area, Ankleshwar 393 002, Gujarat. -Survey No. 101/2 & 102/1, Daman Industrial Estate, Airport Road, Kadaiya, Daman 396 210.
Address for correspondence	Corporate Office: Cnergy IT Park, Unit A2, 3rd floor, Appa Saheb Marathe Marg, Prabhadevi, Mumbai 400 025. Tel. No.(022) 2439 5500 / 2439 5200 Fax No. (022) 2431 5331 / 2431 5334 E-mail: secretarial@jbcpl.com The investors may register their grievance on investorelations@jbcpl.com, an exclusive e-mail ID for registration of complaints by the investors.
Credit rating	During 2018-19, the Company has not obtained any credit rating for any debt instrument, fixed deposit programme or any fund mobilisation scheme or proposal.

DISCLOSURES

- The Company has not entered into any materially significant related party transaction with any related party that may have potential conflict with the interest of the Company at large.
- To the best of the Company's knowledge, there has been no incidence of non-compliance with requirement of stock exchange, SEBI or other statutory authority, on matters relating to capital markets during last three years. During last three years, no penalty or stricture has been imposed on the Company by the Stock Exchanges, SEBI or any statutory authority on any matter related to capital market.
- The Board of Directors of the Company has established vigil mechanism in the form of whistle blower policy, the details whereof are provided in the Board's report, which forms part of this Annual Report. The Whistle Blower Policy is available on the Company's website www.jbcpl.com. It is affirmed that none of the personnel has been denied access to the Audit Committee.
- The Company is in compliance with all mandatory requirements of the Listing Regulations. The status on adoption of discretionary requirements is set out in this report.
- The Company has formulated (a) the Policy for determining material subsidiaries and has posted the same on its website www.jbcpl.com. The web link thereto is https://www.jbcpl.com/investors/pdf/policy/Policy for determining Material Subsidiaries.pdf (b) the Policy on dealing with Related Party Transactions and has posted the same on its website www.jbcpl.com. The web link thereto is http://www.jbcpl.com/investors/pdf/policy/Related_Party_Transactions.pdf.
- The Company does not have material commodities price risk. Hence, no hedging activities are undertaken.
- The Company has not raised any funds through preferential allotment or qualified institution placement.
- A certificate from Mr. Ashish Bhatt, proprietor of Ashish Bhatt & Associates, a company secretary in practice, certifying that none of the directors of the Company is disqualified or have been debarred from being appointed or continuing as directors of Company by the SEBI or Ministry of Corporate Affairs or any such statutory authority is enclosed as Annexure F.
- During the year, there was no incidence of non-acceptance by Board of directors of any recommendation of any committee of the Board, which is mandatorily required.
- The Company and its subsidiaries have paid an amount of ₹ 43.42 lakhs, on consolidated basis, as statutory audit fee for 2018-19. No payment for any service has been made to any entity in the network firm/network entity of which the statutory auditor is a part.
- During the period under report, the Company has not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redresssal) Act, 2013.

CORPORATE GOVERNANCE REPORT (Contd.)

CORPORATE GOVERNANCE COMPLIANCE

The Company has complied with all requirements of corporate governance report of sub-paras (2) to (10) of Part C of Schedule V of the Listing Regulations. The Company has also submitted to the Exchanges periodical compliance reports on corporate governance within the prescribed period.

DISCRETIONARY REQUIREMENTS

The extent of adoption of discretionary requirements set out in Part E of Schedule II of the Listing Regulations is as under:

- **The Board:** The Chairman of the Company is executive and hence the provision with regard to maintenance of chairman's office as contained in the discretionary requirement is not relevant.
- **Shareholders rights:** The half-yearly financial results are published in the newspapers as mentioned above as well as posted on the Company's website. The significant news, if any, too are posted on the Company's website. In view of this, the same are not separately sent to the shareholders.
- **Modified opinion(s) in the audit report:** The Company's financial statement is with unmodified audit opinion.
- **Reporting of Internal Auditor:** Internal auditor reports to both Audit Committee as well as the Board of Directors.

VIGIL MECHANISM

The Board of Directors has established vigil mechanism in the form of Whistle Blower Policy to enable directors, employee and other stakeholders to make written protected disclosures (as defined in the Policy) to the Chairman of the Redressal Committee constituted under the Policy for evaluation and investigation of such disclosure. The Policy provides for adequate safeguards against any kind of victimisation or unfair treatment of whistle blowers. The Policy also provides for access of whistle blower to the Chairman of the Audit Committee in appropriate or exceptional circumstances.

RELATED PARTY TRANSACTIONS

Disclosures in respect of the related party transactions in compliance with accounting standard on "Related Party Disclosures" have been made in the note No. 47 of the accompanying financial statement of the Company for the year ended on March 31, 2019, forms part of this annual report. None of the related party transactions are material within the meaning of Regulation 23 of the Listing Regulations.

The Company has formulated a policy on materiality of related party transactions and on dealing with related party transactions. All related party contracts or arrangements have been entered into with prior approval of the Audit Committee and the Board of Directors. In case of omnibus approvals by the Audit Committee, the conditions mentioned in the Companies Act, 2013 and Listing Regulations have been complied with while granting omnibus approval. The related party transactions entered into by the Company are at arm's length and in ordinary course of business and none of them is material in nature.

SUBSIDIARY COMPANIES

The Audit Committee reviews the financial statement of the subsidiary companies including the investments, if any, made by the subsidiary companies. The minutes of meetings of the board of directors of subsidiaries have been placed at the meeting of the Board of Directors of the Company. Presently, the Company is not required to appoint its independent director on the board of subsidiary company.

SECRETARIAL AUDIT

Secretarial audit report given by a company secretary in practice for financial year 2018-19 has been annexed to Directors' report and forms part of this annual report.

SENIOR MANAGEMENT

All members of senior management submit on quarterly basis letter of disclosure of interest to the Board relating to all material, financial and commercial transactions, where they have personal interest, if any, that may have a potential conflict with the interest of the Company at large.

QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE

During the year 2018-19, the Company has submitted to the Exchanges quarterly compliance report on corporate governance within the prescribed time and have placed such report before the Board of Directors at the next meeting.

CORPORATE GOVERNANCE REPORT (Contd.)

DIVIDEND DISTRIBUTION POLICY

Dividend Distribution Policy formulated by the Company pursuant to Clause 43A of the Listing Regulations is set out in Annexure G.

DISCLOSURES ON WEBSITE

The Company has, *inter alia,* disseminated the following information on its website www.jbcpl.com:

(a) Terms and conditions of appointment of independent directors.

(b) Composition of various Committees of the Board of Directors.

(c) Code of Conduct for Board of Directors and Senior Management Personnel.

(d) Details of establishment of vigil mechanism/Whistle Blower Policy.

(e) Criteria for making payment to non-executive directors, which forms part of Remuneration policy.

(f) Policy on dealing with related party transactions.

(g) Policy for determining material subsidiary.

(h) Details of familiarisation programme imparted to independent directors.

(i) Dividend Distribution Policy.

(j) Business Responsibility Policy.

SHARES SUSPENSE ACCOUNT

No shares issued by the Company are unclaimed. Thus, no shares have been transferred to demat suspense account or unclaimed suspense account.

DECLARATION

I hereby declare that the members of Board of directors and senior management personnel have affirmed compliance with the code of conduct, for the year ended on March 31, 2019.

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

Place : Mumbai
Date : May 21, 2019

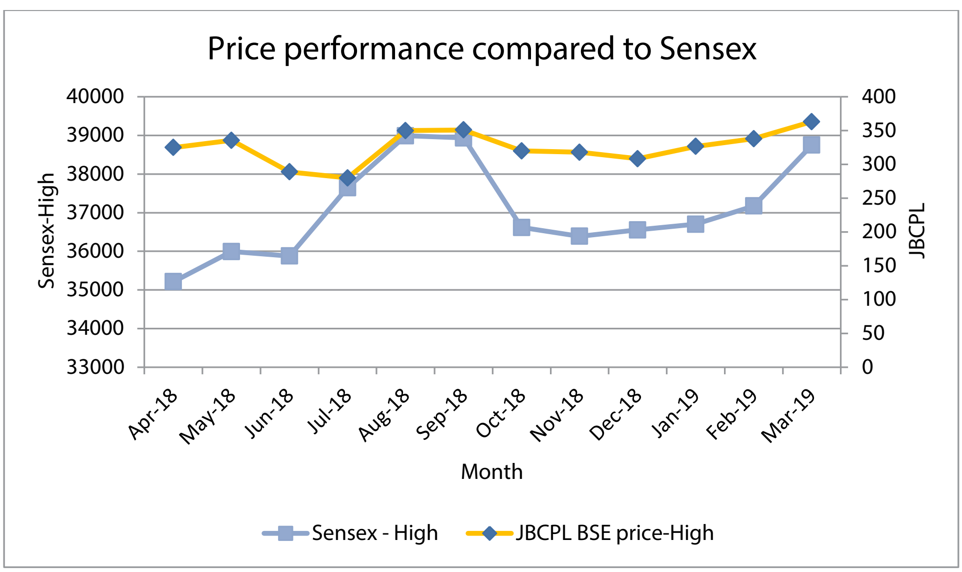
CORPORATE GOVERNANCE REPORT (Contd.)

ANNEXURE A

The high and low prices of the Company's equity shares (face value of ₹ 2 each) on BSE Limited (BSE) and on National Stock Exchange of India Limited (NSE) during each month in the financial year 2018-19 were as under:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume of shares traded	High (₹)	Low (₹)	Volume of shares traded
April, 2018	324.95	298.20	148,433	327.95	298.65	1,448,216
May, 2018	335.50	278.00	129,388	336.65	278.60	895,516
June, 2018	289.00	252.00	355,500	289.30	250.10	793,653
July, 2018	279.80	236.00	116,667	280.00	239.95	1,120,375
August, 2018	350.00	268.00	650,276	351.00	268.10	4,884,136
September, 2018	351.00	283.70	298,269	352.30	282.00	2,217,510
October, 2018	319.95	280.50	146,047	313.00	281.00	1,066,999
November, 2018	318.00	289.20	74,578	317.50	272.30	600,205
December, 2018	308.35	290.00	168,627	320.00	288.90	2,067,508
January, 2019	326.55	296.80	120,558	327.85	297.60	730,740
February, 2019	338.00	302.80	263,433	338.80	295.00	1,135,356
March, 2019	363.15	322.00	119,800	364.10	322.50	1,127,053

ANNEXURE B



CORPORATE GOVERNANCE REPORT (Contd.)

ANNEXURE C

Distribution of shareholding as on March 31, 2019 is as under:

Range of equity shares held	No. of shareholders	% of shareholders	No. of equity shares held	% of capital
Upto 500	27,228	81.56	3,533,358	4.40
501 – 1000	2,588	7.75	2,060,536	2.57
1001 – 2000	1,810	5.42	2,776,506	3.46
2001 – 3000	785	2.35	1,986,488	2.48
3001 – 4000	296	0.89	1,059,412	1.32
4001 – 5000	164	0.49	763,897	0.95
5001 – 10000	256	0.77	1,807,056	2.25
10001 – 50000	185	0.55	3,729,893	4.65
50001 and above	71	0.21	62,519,496	77.92
Total	**33,383**	**100**	**80,236,642**	**100**

ANNEXURE D

Shareholding pattern as on March 31, 2019 is as under:

Category	No. of shares	% holding
Promoters & Promoter Group	44,950,762	56.02
Other directors & their relatives	381,981	0.48
Mutual Funds, Banks & Insurance Companies	10,875,407	13.55
Foreign Portfolio Investors	4,286,030	5.34
Alternate Investment Funds	1,813,193	2.26
IEPF Authority	156,643	0.20
Others	17,772,626	22.15
Total	**80,236,642**	**100.00**

ANNEXURE E

The position as to dematerialization of shares as on March 31, 2019 is as under:

Category	No. of shares	% of shares	No. of Shareholders	% of Shareholders
Electronic Form	79,262,849	98.79	32,532	97.45
Physical Form	973,793	1.21	851	2.55
Total	**80,236,642**	**100.00**	**33,383**	**100.00**

The information as to liquidity of shares (i.e. number of shares traded) is provided in Annexure A above.

CORPORATE GOVERNANCE REPORT (Contd.)

ANNEXURE F

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,
J. B. Chemicals & Pharmaceuticals Limited
Neelam Centre, B wing,
4th Floor, Hind Cycle Road,
Worli, Mumbai 400030.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of J. B. Chemicals & Pharmaceuticals Limited having CIN L24390MH1976PLC019380 and having registered office at Neelam Centre, B wing, 4th Floor, Hind Cycle Road, Worli, Mumbai 400030 (hereinafter referred to as 'the Company'), 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 & its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 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:

Sr. No	Name of Director	DIN
1	Mr. Jyotindra B. Mody, Chairman & Managing Director	00034851
2	Mr. Dinesh B. Mody, Whole time Director (Administration)	00034992
3	Mr. Shirish B. Mody, Whole time Director (Marketing)	00035051
4	Mr. Bharat P. Mehta, Whole time Director (Planning & Development)	00035444
5	Mr. Pranabh D. Mody, President & Whole-time Director (Operations)	00035505
6	Mr. Durgadass Chopra, Director	00036036
7	Dr. Satyanarain Agarwala, Director	00036079
8	Mr. Rajiv C. Mody, Director	00092037
9	Mr. Kamlesh L. Udani, Executive Director (Technical & Production)	00036215
10	Mrs. Krupa R. Gandhi, Director	00294629
11	Mr. Devang R. Shah, Director	00232606
12	Mr. Shaukat H. Merchant, Director	00075865
13	Dr. Manoj R. Mashru, Director	07624554

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 Ashish Bhatt & Associates

Ashish Bhatt
Practicing Company Secretary
FCS No: 4650
C.P. No. 2956

Place : Thane
Date : May 21, 2019

CORPORATE GOVERNANCE REPORT (Contd.)

ANNEXURE G

Dividend Distribution Policy

1. Preamble and Objective:

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("Regulations") requires top 500 listed companies (by market capitalisation) to formulate a dividend distribution policy including certain specified parameters as well as disclose the same in annual report and on its website.

J.B. Chemicals & Pharmaceuticals Limited ("Company") has, in past, regularly paid dividends and this Policy reflects intent of the Company to continue to reward shareholders by sharing a portion of its profit after retaining sufficient cash for its growth. The objective of this Policy is to set out the broad framework that the Board of Directors of the Company shall keep in view before declaring a dividend. The Board of Directors shall declare or recommend a dividend in compliance with the provisions of the Companies Act, 2013, Rules made there under, other applicable legal provisions and this Policy. The decision to pay dividend and quantum thereof is at discretion of the Board of Directors and this policy does not aim to substitute the discretion and decision making of the Board of Directors.

2. Dividend Pay out:

Dividend for any financial year will be declared out of profit after tax of the Company. Unrealised gains and such other item of income as the Board considers appropriate will not be considered for the purpose of declaration or recommendation of dividend.

Keeping in view the provisions of this Policy, the Board will endeavour to achieve dividend pay out (including dividend distribution tax) in the range of 10% to 30% of profit after tax after considering the long term plans and other parameters/factors stated hereunder. However, the actual quantum of dividend pay-out may vary in any financial year on account of financial/internal and external parameters specified hereunder.

3. Financial Parameters/Internal factors:

The Board of Directors will consider all relevant financial parameters/internal factors, including but not limited to the following before recommending or declaring any dividend for any financial year as such parameters/factors has direct bearing on dividend distribution decision.

1. Existing and expected operational/financial performance;
2. Profit available for distribution;
3. Availability of free cash;
4. Stability of earnings;
5. Liquidity position;
6. Working capital requirement;
7. Capital expenditure requirement;
8. Cash required to repay debt; and
9. Buy-back of shares or any other measure involving return of cash to shareholders.

4. External Factors:

The Board of Directors will consider relevant external factors, including but not limited, to the following before recommending or declaring any dividend for any financial year as such factors influence dividend distribution decisions as well as future earnings.

1. Macro-economic conditions; national and international;
2. Industry outlook;
3. Overall economic and regulatory environment;
4. Impact of currencies;
5. Capital market condition;
6. Statutory provisions; and
7. Dividend payout followed by similar sized companies in the same industry.

As such, the actual dividend payout may vary in a given year depending on the above stated or similar parameters/factors.

CORPORATE GOVERNANCE REPORT (Contd.)

5. **Circumstances under which the shareholders of the company may or may not expect dividend:**

   The Shareholders may expect dividend in a financial year when the Company has earned sufficient profit after tax. However, the Shareholders may not expect dividend when the Board believes (a) that resources need to be conserved for the business of the Company or (b) the available cash is proposed to be used for any purpose set out in 3 above or (c) there are no profit or inadequate profit in any year.

6. **Interim Dividend/Special Dividend:**

   The Board may declare Interim dividend/Special one-time dividend if they so deem fit in case of availability of distributable surplus, profits during the year, any exceptional gain accruing to the Company or otherwise keeping in view parameters/factors mentioned above.

7. **Utilisation of retained earnings:**

   The retained earnings will be used, *inter alia,* for pursuing Company's growth plans, meeting working capital requirement, making long-term investments, meeting contingencies, issue of bonus shares, buy-back of shares and every other purpose permitted by or under law. Further, retained earnings may also be utilised as a part of overall scheme of any merger, acquisition or any other form of restructuring.

   Subject to provisions of the Companies Act and the Rules made there under, the free reserves may also be utilised for payment of dividend in the year of no profit or inadequate profit.

8. **Parameters with regard to other classes of shares:**

   The share capital of the Company currently comprises of only equity shares. All aspects of this Policy accordingly apply to equity shares. In case of issue of other class of shares, the Board shall appropriately modify this Policy.

9. **Disclosure:**

   As required under the Regulations, this Policy shall be disclosed in the Company's annual report and on its website www.jbcpl.com.

10. **Miscellaneous:**

    a) The Board may revise, modify or alter this Policy from time to time if they deem fit or necessary. Such revised Policy shall be disclosed as mentioned above.

    b) In case of any doubt arising out of this Policy, clarification provided or decision taken by the Board of the Company shall be final and binding.

    c) This Policy does not intend to give or shall not be taken as giving assurance of any guaranteed returns on equity shares of the Company.

CORPORATE GOVERNANCE REPORT (Contd.)

Independent Auditors' Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members of J. B. Chemicals & Pharmaceuticals Ltd.

1. The accompanying Corporate Governance Report prepared by J. B. Chemicals & Pharmaceuticals Limited ("the Company"), contains details as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019. This Report is required by the Company for annual submission to the Stock exchange and annexing the same with report of the Board of the Directors to the Shareholders.

Managements' Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specified requirement of the Listing Regulations referred to in paragraph 1 above.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Reports for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditors' judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures includes, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.

8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.

CORPORATE GOVERNANCE REPORT (Contd.)

Other matters and Restriction on Use

10. This Report 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.

11. This Report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to Corporate Governance Report accompanied with by a report thereon from the Statutory Auditors and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

For D N V & Co
Chartered Accountants
Firm Registration No 102079W

CA Bharat Jain
Partner
Membership No: 100583

Place: Mumbai
Date : May 21, 2019

BUSINESS RESPONSIBILITY REPORT

The following is the Business Responsibility Report pursuant to Regulation 34(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations").

SECTION A: General information about the Company

1	Corporate Identity Number (CIN) of the Company	L24390MH1976PLC019380
2	Name of the Company	J .B. Chemicals & Pharmaceuticals Ltd.
3	Registered address	Neelam Centre, 'B' Wing, 4th Floor, Hind Cycle Road, Worli, Mumbai - 400 030.
4	Website	www.jbcpl.com
5	E-mail id	secretarial@jbcpl.com
6	Financial Year reported	April 1, 2018 to March 31, 2019
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Pharmaceuticals
8	List three key products that the Company manufactures (as in balance sheet)	Cilnidipine, Ranitidine and Metronidazole.
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 has representative office in Russia and Ukraine. Excepting this, the Company does not have its own location outside India.
(b)	Number of National Locations	Nine manufacturing facilities across Ankleshwar, Panoli and Daman, 27 distribution locations across the country, one area office in Delhi and Kolkata, R & D Centre at Thane (Maharashtra), Panoli and Daman (Gujarat) and a Registered and Corporate office at Mumbai.
10	Markets served by the Company	India and over 50 countries across Asia and South East Asia, Gulf & Middle East, USA, EU, Canada, Australia, New Zealand, Latin & Central America, Africa & South Africa and Russia-CIS.

SECTION B: Financial details of the Company

1	Paid up Capital (INR)	₹ 1,604.73 lakhs
2	Total Turnover (INR)	₹ 146,444.85 lakhs
3	Total profit after taxes (INR)	₹ 18,205.92 lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company's total spending of ₹ 410.73 lakhs on CSR during FY 2018-19 was 2.26% of the profit after tax for the year.
5	List of activities in which expenditure in 4 above has been incurred	Expenditure on CSR has been incurred on activities/projects in the area of (i) Promoting health care including preventive health care (ii) Promotion of education, and (iii) Eradication of poverty. For details of such activities/projects, please refer to Annexure-E to the Directors' Report.

SECTION C: Other Details

1	Does the Company have Subsidiary Companies?	Yes.
2	Do the Subsidiary Companies participate in the BR Initiatives of the parent company?	No.
3	Do any other entity (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?	No.

BUSINESS RESPONSIBILITY REPORT (Contd.)

SECTION D: BR Information

1 Details of Director responsible for BR

(a) Details of the Director responsible for implementation of the BR policies

No.	Particulars	Details
1	DIN Number	00036215
2	Name	Kamlesh L. Udani
3	Designation	Executive Director (Technical & Production)

No.	Particulars	Details
1	DIN Number	Not applicable
2	Name	Mayur C. Mehta
3	Designation	Company Secretary & Vice President – Compliance
4	Telephone number	(022) 2439 5200 / 5500
5	e-mail id	secretarial@jbcpl.com

2 Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	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 being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The Company has formulated Code of conduct and anti-bribery policy which meet industry standards. BR Policy conform to principles laid down in NVG on Social, Environmental and Economic Responsibilities of Business.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ CEO/ appropriate Board Director?	Yes. It is signed by the Chairman & Managing Director.								
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
6	Indicate the link for the policy to be viewed online ?	http://www.jbcpl.com/investors/pdf/code/code_of_conduct_for_directors.pdf http://www.jbcpl.com/investors/pdf/policy/Anti_Bribery_Policy.pdf for P1 http://www.jbcpl.com/investors/pdf/policy/Business_Res_Policy0001.pdf for P2 to P9								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the 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?	No. However, working of the policies is monitored by the functional heads. Formal evaluation will be carried out when deemed appropriate.								

BUSINESS RESPONSIBILITY REPORT (Contd.)

3 Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	This is an annual process.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published ?	This BR report will be published annually as per the Regulations. This report is available at http://www.jbcpl.com/investors/pdf/policy/Business Responsibility Report.pdf

SECTION E: Principle-Wise Performance

Principle 1: Ethics, Transparency and accountability

1 **Does the policy relating to ethics, bribery and corruption cover only the company?**

Yes.

Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

No.

2 **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

The Company did not receive any complaint in the past financial year from any stakeholder in relation to BR Policies.

Principle 2: Product safety and sustainability

1 **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

Being in pharmaceutical business, the products are manufactured as per pharmacopoeial standard. Hence, this question does not have direct relevance to nature of products manufactured by the Company. However, the Company complies with prescribed terms and conditions during the course of treatment and discharge of effluents. The Company's API manufacturing facility is zero water discharge facility.

2 **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company has a well-established procedure of Vendor Development. The vendors' facilities and documentations are audited before being included in the approved vendor list. The Quality Assurance teams audit all key vendors every 2 years. The Company also has approved vendors for transportation of goods. There is a process of identifying and developing alternate vendors for critical materials sourced from single vendor.

3 **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Currently, 70% of the Company's procurement is from local and small vendors and 30% from International vendors. The vendors are made aware of best practices during the audits and necessary guidance is given to enable them to upgrade their manufacturing process capabilities.

4 **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Being in pharmaceutical business, recycling of products is not permitted. Waste water generated at manufacturing facilities is re-used in cooling towers and boilers after effluent treatment. The Company disposes off other wastes generated in API manufacturing process, as per GPCB approval except one solvent viz. ethoxy ethanol, which is recycled and used in manufacturing process, which is 5-10% of total waste generated in API manufacturing process. Further, hazardous waste having calorific value is sent for co-processing to cement kilns and the same is used in place of fossil fuel in cement industry.

Principle 3: Employee well-being

1 **Please indicate the total number of employees.**

Total permanent employees as on March 31, 2019 were 4,187.

2 **Please indicate the total number of employees hired on temporary/contractual/casual basis.**

Total temporary workers as on March 31, 2019 were 464, while total workers hired through contract labour contractors were 906.

BUSINESS RESPONSIBILITY REPORT (Contd.)

3 Please indicate the number of permanent women employees.

464

4 Please indicate the number of permanent employees with disabilities

Nil

5 Do you have an employee association that is recognized by management.

The Company does not have employee association.

6 What percentage of your permanent employees is members of this recognized employee association?

Not applicable.

7 Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No. of complaints filed during the year	No. of complaints pending as on end of the financial year
1	Child labour / forced labour/ involuntary labour	Nil	Not applicable
2	Sexual harassment	Nil	Not applicable
3	Discriminatory employment	Nil	Not applicable

8 What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a)	Permanent Employees	Safety training & Skill up-gradation at all locations: 100%.
(b)	Permanent Women Employees	Safety training at all locations: 100%.
(c)	Casual/Temporary/ Contractual Employees	Safety training at all locations: 100%.
(d)	Employees with Disabilities	Not Applicable

Principle 4: Stakeholder Engagement

1 Has the company mapped its internal and external stakeholders? Yes/No

Yes.

2 Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

No.

3 Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company has not identified any stakeholder as disadvantaged, vulnerable and marginalized stakeholders.

Principle 5: Human Rights

1 Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/Others?

It covers only the Company.

2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company did not receive any complaint from any stakeholder in the past financial year.

Principle 6: Environment

1 Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.

It covers only the Company.

2 Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

The Company has not formulated specific policy to address this issue. However, the Company is a responsible corporate committed to improve climate within its sphere of its activities. The Company's API unit is zero liquid discharge unit and it otherwise takes steps to discharge and dispose off effluents and waste in a manner that does not affect environment adversely. The Company uses Soil Biotechnology (green technology) for treatment of domestic waste water. This information is not separately placed on the Company's website.

3 Does the company identify and assess potential environmental risks?

Yes. In case of setting up a unit or modification in manufacturing process, the Company carries out environmental risk assessment before undertaking such project and addresses potential environmental risks.

BUSINESS RESPONSIBILITY REPORT (Contd.)

4 Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company at present does not have such project. The Company files environment compliance report in respect of environment clearances granted to it.

5 Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. The Company regularly takes initiatives to use energy efficient devices and equipment to optimize on use of power. Some of initiatives taken during the year include (i) use of SBT technology for waste water treatment (ii) high thermal efficiency boiler with waste heat recovery (iii) use of efficient chillers that reduced power consumption by 25% (iv) hazardous waste with CV usage as RDF at cement plant instead of incineration (v) waste water recovery and reuse instead of treatment and disposal, and (vi) replacement of conventional bulbs and lights with LED. This information is not separately placed on the Company's website.

Besides the above, the Company is contemplating (i) purchase of solar power on long term basis, and (ii) use of briquette fired boiler in place of gas.

6 Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes.

7 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Consequent to fire/explosion at Plant No. 8 at API manufacturing facility, GPCB ordered closure of the said affected plant no. 8. This will be resolved after rebuilding of the said plant no. 8, which is in progress. Other than this, there were no show cause/legal notice received from CPCB/SPCB.

Principle 7: Policy Advocacy

1 Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

Yes. The major ones that our business deals with are as under:

(a) Indian Pharmaceutical Alliance,

(b) Indian Drugs Manufacturers' Association,

(c) Pharmaceuticals Export Promotion Council,

(d) Federation of Indian Export Organisations, and

(e) Ayurvedic Drug Manufacturers Association.

2 Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas.

No.

Principle 8: Inclusive growth and equitable development

1 Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company through its CSR activities supports social development. The Company regularly incurs CSR expenditure in the area of promoting health care with object to make medical facility available to unprivileged and needy local community. Besides this, the Company also contributes to activities/projects in the area of education.

2 Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The projects are undertaken by way of contribution to NGOs.

3 Have you done any impact assessment of your initiative?

In respect of contributions made to hospitals, we carry out assessment of number of patients availing the services and also the services that are required by them. This helps to upgrade the facilities.

4 What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.

The Company's contribution to community development project is through CSR activities undertaken every year. During 2018-19, the Company spent ₹ 410.73 lakhs on such projects/activities. Please refer to Annexure-E to Directors' Report for details of the projects / activities undertaken during 2018-19.

5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Such steps are taken keeping in view the nature of community development measure taken.

BUSINESS RESPONSIBILITY REPORT (Contd.)

Principle 9: Customer value

1 **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

No customer complaints/consumer cases are pending as on the end of financial year. No customer complaint was received during the year.

2 **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**

Yes. The Company provides information such as (a) indication of the dosage in terms of the units of the dosage forms (for all solid dosage form other than prescription drugs.) (b) direction for use of the drug, and (c) cautionary statement (in case of large-volume injections) not to use the injection if drug is not clear or the bottle or container containing it is found damaged or leaking.

3 **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No.

4 **Did your company carry out any consumer survey/ consumer satisfaction trends?**

No. Not relevant keeping in view business of the Company.

INDEPENDENT AUDITORS' REPORT

To the Members of **J. B. Chemicals & Pharmaceuticals Limited**

Report on the Audit of the Standalone Financial Statements

1. Opinion

We have audited the standalone financial statements of J. B. Chemicals & Pharmaceuticals Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2019 and the standalone statement of Profit and Loss (including other comprehensive income), standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 ("the 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") prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules as amended, of the state of affairs of the Company as at March 31, 2019, its profit and other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Description of Key Audit Matter:

Revenue Recognition:

Key Audit matter	How the matter was addressed in our Audit
Considering the change in the revenue recognition and measurement principles with adoption of Ind AS 115 and the fact that it involves management judgement/ estimates, "Revenue Recognition and measurement" principles is being considered as key Audit matter with the perspective of review of policies and processes followed by the Company. Revenue from the sale of pharmaceutical products is recognised when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery. **(Refer note no 2.4 of standalone financial statement for policies in respect of revenue recognition)**	**Our procedures in respect of recognition of revenue included the following:** We considered the appropriateness of the Company's revenue recognition accounting policies, including the recognition and classification criteria with applicable accounting standards. We observed that the Company has defined policy for revenue recognition and has been following the same consistently. For the purpose of our audit and to test the operativeness of the policy, several tests like: • Review of Distributor's Prices (DP) and Discount Policy; • Discussion with business and finance officials to understand the contractual terms and conditions which may have bearing on revenue recognition; and • Performed cut off procedures and review of credit notes subsequent to balance sheet dates.

INDEPENDENT AUDITORS' REPORT(Contd.)

Impairment of Property, Plant and Equipment (PPE) and Intangible Assets:

Key Audit matter	How the matter was addressed in our Audit
The carrying amount of Property, Plant and Equipment is ₹ 54,254.09 lakhs and Intangible Assets is ₹ 957.01 lakhs, which represents 30.81% of the total assets. The Company have intangibles in form of Product Dossier with indefinite useful economic life. The Company has substantial amount of PPE mainly, assets at manufacturing sites. The value in use of these PPE have been determined based on certain assumptions and estimates of future performance. Management reviews the assets regularly and performs impairment test annually either individually or at cash generating unit level and accordingly, provide for the same if found significant and required. Due to the significance of the value of the PPE and Intangible Assets, the inherent uncertainty and judgment involved in forecasting performance and the estimates involved in determining future performance, we have considered these estimates to be significant to our overall audit strategy and planning. **Refer note no 2.9, 2.10 and 2.12 of standalone financial statement for policies in respect of Property, Plant and Equipment and Intangible Assets**	In view of the significance of the matter our procedures in this area included the following: As regards PPE, • Verification of records on test basis relating to few big / critical assets at manufacturing sites from operational perspective and its economic value. • Testing the design, implementation and operating effectiveness of key controls over the impairment review process including the review and approval of future performance. • evaluating the past performances where relevant and assessing historical accuracy of the forecast produced by management. • In respect of intangibles in form of Product Dossier with indefinite useful economic life, we have taken cognizance of: • Value recorded in the books (at cost) with contract of purchase for the product dossiers; • the most recent recoverable amount realized and resulted in an amount that exceeded the asset's carrying amount by a substantial margin on sale of some of the product dossier; and • Company's plans to develop few products in house out of the acquired dossier formulae. We have also considered whether events or transactions that occurred after the balance sheet date but before the reporting date affect the conclusions reached on the carrying values of the assets and associated disclosures made in the standalone financial statements.

Insurance Claim:

Key Audit matter	How the matter was addressed in our Audit
During the year, the bulk drug manufacturing unit at Panoli, Gujarat met with an accident and assets, worth book value of ₹ 767.27 lakhs got damaged due to fire and the Company has written off these assets in books of accounts. Since the Company had taken insurance policy on replacement costs basis, the management believes that the final loss, if any, when determined on due completion of claim settlement process, will not materially impact the financials of the Company. The Company has shown the said write off along with other expenditure aggregating to ₹ 998.74 lakhs under Claim Receivable under the head "Current Financial Assets – Others". **(Refer note no 43 of standalone financial statement)**	In view of the significance of the matter, our procedure in this area includes the following: • Insurance policy and its coverage; • Claim submitted with the insurance Company for reinstatement and repairs of assets and loss of stock; • Response of external agencies and Insurance Company appointed Surveyor on preliminary/ final assessment; • Correspondence with the insurance Company and letter stating the approval of interim payment to the Company; • Management assessment of estimated loss based on the claim submission, discussion with the surveyor and other external agencies; • Reviewed the alternative procurement plan till re-built up of damaged plant and its impact on continuity of the business; and • Reviewed Accounting treatment and disclosure made in standalone financial statement.

INDEPENDENT AUDITORS' REPORT(Contd.)

4. Information other than the Standalone Financial Statements and Auditor's Report Thereon ("Other Information")

The Company's management and Board of Directors are responsible for the preparation of 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.

Our opinion on the standalone financial statements does not cover the other information and we do 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 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.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 judgements 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 AUDITORS' REPORT(Contd.)

- 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.
- 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Report on Other Legal and Regulatory Requirements

I. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

II. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure "A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

III. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Company has no branch offices whose accounts are audited by branch auditors.

(d) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

(e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(f) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(g) With respect to the adequacy of the internal financial controls over financial reporting of

INDEPENDENT AUDITORS' REPORT(Contd.)

the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 38 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **D N V & Co**
Chartered Accountants
Firm's registration No.: 102079W

CA. Bharat Jain
Partner
Membership No.: 100583

Place: Mumbai
Date: May 21, 2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT(Contd.)

(Referred to in paragraph -II under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of J. B. Chemicals & Pharmaceuticals Limited of even date).

(i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.

(ii) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the discrepancies noticed on physical verification between physical stock and the book records were not material and have been adequately dealt with in the books of account.

(iii) The Company has not granted loans to the companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the investments made and guarantees given.

(v) In our opinion and according to the information and explanations given to us, the Company, during the year, has not accepted the deposits from the public.

(vi) We have broadly reviewed the books of account maintained by the Company, pursuant to the rules made by the Central Government for the maintenance of cost records, under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have generally been maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

(vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

ANNEXURE ‘A’ TO THE INDEPENDENT AUDITORS’ REPORT(Contd.)

b) According to information and explanation given to us, details of disputed income tax, sales tax, excise duty and service tax demands that have not been deposited on account of disputes are given below:

Name of Statue	Nature of Dues	Amount (₹ In lakhs)	Period to which amount relates	Forum where dispute pending
Income Tax Act, 1961	Income Tax	(#)50.81	2012-2013	Commissioner (Appeals)
The UP Sales Tax Act	Sales Tax	0.25	1992-1993	Supreme Court of India
MVAT Act, 2002	Interest	4.22	2012-2013	Commissioner (Appeals)
Tamilnadu VAT Act, 2006	VAT Tax	3.44	2006-2007 to 2011-2012	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty & Penalty	7.19	2006-2009	CESTAT
		46.87	2011-12 to 2014-15	
		1.22	July 2010 to October 2011	
		0.67	November 2011 to March 2012	
		7.74	November 2013 to March 2016	
		4.32	April 2017 to June 2017	
		0.85	April 2016 to June 2017	
		1.70	April 2012 to September 2013	
		22.30	July 2015 to March 2017	
		9.11	July 2015 to March 2017	
		27.46	November 2015 to March 2016	
Central Excise Act, 1944	Excise Duty & Penalty	20.26	2010 -2011	Commissioner (Appeals)
The Finance Act, 1994	Service Tax & Penalty	1.46	2010-2011	Commissioner (Appeals)

(#) pertaining to the order passed in the case of erstwhile amalgamating companies.

(viii) According to the records of the Company, it has not defaulted in repayment of dues to any banks.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit for the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **D N V & Co**
Chartered Accountants
Firm’s registration No.: 102079W

CA. Bharat Jain
Partner
Membership No.: 100583

Place: Mumbai
Date: May 21, 2019

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph III (g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of J. B. Chemicals & Pharmaceuticals Limited on the Standalone financial statements for the year ended March 31, 2019]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Standalone Financial Statement of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of J. B. Chemicals & Pharmaceuticals Limited (hereinafter referred to as "the Company") as of that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting 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 control over financial reporting includes 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

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **D N V & Co**
Chartered Accountants
Firm's registration No.: 102079W

CA. Bharat Jain
Partner
Membership No.: 100583

Place: Mumbai
Date: May 21, 2019

STANDALONE BALANCE SHEET

As at March 31, 2019

(₹ in lakhs)

Particulars	Note No.	As at March 31,2019	As at March 31,2018
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	5	**54,254.09**	55,993.76
(b) Capital work-in-progress		**1,508.99**	1,740.23
(c) Other Intangible assets	6	**957.01**	997.01
(d) Financial Assets			
(i) Investments	7	**22,884.24**	18,292.47
(ii) Trade receivables	8	**–**	–
(iii) Loans	9	**358.86**	332.67
(iv) Other financial assets	10	**15.82**	15.11
(e) Other non-current assets	11	**577.87**	755.07
Total Non-Current Assets		**80,556.88**	78,126.32
Current Assets			
(a) Inventories	12	**20,810.42**	17,581.44
(b) Financial Assets			
(i) Investments	13	**36,064.99**	38,376.60
(ii) Trade receivables	14	**30,092.38**	30,054.05
(iii) Cash and cash equivalents	15	**1,936.77**	1,297.29
(iv) Bank balances other than (iii) above	15	**140.03**	198.04
(v) Loans	16	**70.95**	104.86
(vi) Others	17	**1,476.34**	89.26
(c) Current Tax Assets (Net)	18	**666.22**	806.28
(d) Other current assets	19	**7,396.56**	10,052.93
Total Current Assets		**98,654.66**	98,560.75
TOTAL ASSETS		**179,211.54**	176,687.07
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	20	**1,604.73**	1,671.40
(b) Other Equity	21	**146,851.50**	143,667.41
Total Equity		**148,456.23**	145,338.81
Liabilities			
Non-Current Liabilities			
(a) Provisions	22	**572.89**	967.36
(b) Deferred tax liabilities (Net)	23	**7,115.12**	4,970.15
(c) Other non-current liabilities	24	**220.29**	360.01
Total Non-Current Liabilities		**7,908.30**	6,297.52
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	**2,579.77**	2,847.62
(ii) Trade payables	26		
A) Dues of Micro Enterprises and Small Enterprises		**787.01**	74.50
B) Dues of creditors other than Micro Enterprises and Small Enterprises		**6,884.33**	9,947.60
(iii) Other financial liabilities	27	**10,424.65**	10,141.03
(b) Other current liabilities	28	**1,646.80**	1,148.76
(c) Provisions	29	**134.09**	891.23
(d) Current Tax Liabilities (Net)	30	**390.36**	–
Total Current Liabilities		**22,847.01**	25,050.74
TOTAL EQUITY AND LIABILITIES		**179,211.54**	176,687.07

See accompanying notes to the Standalone financial statements

As per our report of even date
For D N V & Co.
Chartered Accountants
Firm Registration No. 102079W

Bharat Jain
Partner
Membership No. 100583

Place: Mumbai
Date: May 21, 2019

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director
DIN : 00034851

D. B. Mody
Whole time Director (Administration)
DIN : 00034992

S. B. Mody
Whole time Director (Marketing)
DIN : 00035051

Vijay D. Bhatt
Chief Financial Officer

M. C. Mehta
Company Secretary
ACS : 8854

Place: Mumbai
Date: May 21, 2019

STANDALONE PROFIT AND LOSS STATEMENT

For the year ended on March 31, 2019

(₹ in lakhs)

	Particulars	Note No.	2018-19	2017-18
	INCOME			
I	Revenue From Operations	31	**150,118.70**	125,420.37
II	Other Income	32	**4,022.50**	3,578.58
III	**Total Income (I+II)**		**154,141.20**	128,998.95
IV	**EXPENSES**			
	Cost of materials consumed	33	**45,375.37**	38,701.68
	Purchases of stock-in-trade		**10,426.13**	9,304.46
	Changes in inventories of finished goods, stock-in -trade and work-in-progress	34	**(2,165.74)**	(38.81)
	Employee benefits expense	35	**25,797.86**	21,730.93
	Finance costs	36	**411.51**	341.36
	Depreciation and amortization expense	5,6	**5,482.49**	5,594.85
	Other expenses	37	**41,886.05**	35,460.18
	Total Expenses		**127,213.67**	111,094.65
V	**Profit before tax (III-IV)**		**26,927.53**	17,904.30
VI	**Tax Expense:**	30		
	Current tax		**7,500.00**	4,665.00
	Deferred tax		**1,129.78**	278.44
	Earlier years tax		**91.83**	160.72
VII	**Profit for the year (V-VI)**		**18,205.92**	12,800.14
VIII	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	Re-measurement of the defined benefit plan		**44.96**	(369.51)
	Income tax on above		**(15.71)**	127.88
	Total other comprehensive income		**29.25**	(241.63)
	Total Comprehensive Income for the year(VII+VIII)		**18,235.17**	12,558.51
X	**Earnings per equity share**	48		
	Basic		**22.15**	15.24
	Diluted		**22.15**	15.24

See accompanying notes to the Standalone financial statements

As per our report of even date
For D N V & Co.
Chartered Accountants
Firm Registration No. 102079W

Bharat Jain
Partner
Membership No. 100583

Place: Mumbai
Date: May 21, 2019

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director
DIN : 00034851

D. B. Mody
Whole time Director (Administration)
DIN : 00034992

S. B. Mody
Whole time Director (Marketing)
DIN : 00035051

Vijay D. Bhatt
Chief Financial Officer

M. C. Mehta
Company Secretary
ACS : 8854

Place: Mumbai
Date: May 21, 2019

STANDALONE CASH FLOW STATEMENT

For the year ended on March 31, 2019

(₹ in lakhs)

	Particulars	2018-19		2017-18	
A.	**Cash Flow from Operating Activities**				
	Net Profit before Tax		**26,927.53**		17,904.30
	Adjustment For :				
	Depreciation	**5,482.49**		5,594.85	
	Foreign Exchange Fluctuation (Net)	**567.12**		(664.36)	
	Interest Expense	**378.85**		305.93	
	(Profit)/ Loss on Sale/Discard of Assets (Net)	**(232.84)**		(190.84)	
	Profit on sale of Investment designated as FVTPL	**(1,545.93)**		(4,322.41)	
	Net (Gain)/Loss arising from Financial instruments designated as FVTPL	**(1,771.53)**		1,696.04	
	Interest Income	**(136.46)**		(88.15)	
	Dividend Income	**(88.36)**		(20.00)	
	Government Grant	**(68.65)**		(87.91)	
	Re-measurement of the defined benefit plan	**44.96**		(369.51)	
	Excess provision written back	**(7.57)**		(537.14)	
	Provision for Doubtful debts written back	**(18.92)**		(63.03)	
	Provision for Doubtful debts/ Bad debts	**6.90**		219.48	
			2,610.06		1,472.95
	Operating Profit Before Working Capital Changes		**29,537.59**		19,377.25
	Adjustment For :				
	Trade and Other Receivables	**1,547.66**		(4,956.12)	
	Inventories	**(3,228.98)**		(1,585.87)	
	Trade Payable	**(2,610.76)**		2,546.92	
			(4,292.08)		(3,995.07)
	Cash Generated From Operations		**25,245.51**		15,382.18
	Direct Taxes Paid (Net)		**(6,107.53)**		(3,795.15)
	Net Cash from Operating Activities		**19,137.98**		11,587.03
B.	**Cash Flow from Investing Activities**				
	Purchase of Fixed Assets	**(4,749.49)**		(3,521.00)	
	Sale of Fixed Assets	**714.28**		643.91	
	Purchase of Investments	**(42,522.84)**		(42,006.00)	
	Sale of Investments	**43,560.13**		42,340.34	
	(Increase)/Decrease in other bank balances	**58.01**		36.14	
	Interest Received	**136.40**		89.22	
	Dividend Received	**88.36**		20.00	
	Net Cash used in Investing Activities		**(2,715.15)**		(2,397.39)

STANDALONE CASH FLOW STATEMENT (Contd.)

For the year ended on March 31, 2019

(₹ in lakhs)

	Particulars	2018-19		2017-18	
C.	**Cash Flow from Financing Activities**				
	Buy-back of shares	**(13,102.79)**		(5,000.00)	
	Proceeds/(Repayment) from/of Short Term Borrowing (Net)	**(5.00)**		395.00	
	Interest Paid	**(333.25)**		(305.93)	
	Dividend Paid (Including Dividend Distribution Tax)	**(2,079.45)**		(1,033.54)	
	Net Cash used in Financing Activities		**(15,520.49)**		(5,944.47)
	Net Increase in Cash and Cash Equivalents		**902.34**		3,245.17
	Cash and Cash Equivalents as at 01.04.18*	**708.92**		(2,536.25)	
	Cash and Cash Equivalents as at 31.03.19*	**1,611.26**	**902.34**	708.92	3,245.17

*Cash and Cash Equivalents comprises the following : (₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Balances with banks	**607.63**	730.69
Cheques on hand	**–**	102.00
Cash on hand	**19.54**	24.00
Post Office Saving Account	**0.60**	0.60
Fixed Deposits with maturity of less than 3 months	**1,309.00**	440.00
	1,936.77	1,297.29
Less : Bank Overdraft	**325.52**	588.37
Cash and Cash Equivalents	**1,611.26**	708.92

Note: The Cash Flow Statement is prepared using the " Indirect method" set out in Ind AS 7 - " Statement of Cash Flows".

As per our report of even date

For D N V & Co.
Chartered Accountants
Firm Registration No. 102079W

Bharat Jain
Partner
Membership No. 100583

Place: Mumbai
Date: May 21, 2019

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director
DIN : 00034851

S. B. Mody
Whole time Director (Marketing)
DIN : 00035051

Place: Mumbai
Date: May 21, 2019

D. B. Mody
Whole time Director (Administration)
DIN : 00034992

Vijay D. Bhatt
Chief Financial Officer

M. C. Mehta
Company Secretary
ACS : 8854

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019

1. GENERAL INFORMATION

J. B. Chemicals & Pharmaceuticals Limited ("the Company") is a public limited company incorporated in India (CIN: L24390MH1976PLC019380) having its registered office in Mumbai. The Company is engaged in the business of manufacture and marketing of diverse range of pharmaceutical formulations, herbal remedies and APIs.

These standalone financial statements for the year ended March 31, 2019 were approved for the issue by the Board of Directors vide their resolution dated May 21, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. BASIS OF PREPARATION:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2016 and the other relevant provisions of the Act and Rules thereunder.

The financial statements have been prepared on a historical cost basis except for certain financial assets and financial liabilities (including financial instruments) which have been measured at fair value at the end of each reporting period as explained in the accounting policies stated below.

2.2. FUNCTIONAL AND PRESENTATION CURRENCY AND ROUNDING OFF OF THE AMOUNTS:

The Functional and presentation currency of the Company is Indian Rupees. Accordingly, all amounts disclosed in the financial statements and notes have been shown in Indian Rupees and all values are shown in lakhs and are rounded to two decimals except when otherwise indicated.

2.3. CURRENT VERSUS NON-CURRENT CLASSIFICATION :

The company has classified all its assets and liabilities under current and non-current as required by Ind AS 1 - Presentation of Financial Statements. The asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

All liabilities are 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 liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

2.4. REVENUE RECOGNITION:

The Company derive revenue primarily from manufacturing and marketing of diverse range of pharmaceutical products.

Effective April 1, 2018, the Company has applied Ind AS 115 "Revenue from Contracts with Customers" which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts". The impact of the adoption of the standard on the financial statements of the Company is insignificant.

The Company follows specific recognition criteria as described below before the revenue is recognised.

- **Sale of Goods;**

  Revenue from contracts with customers is recognised when the entity satisfies a performance obligation by delivering a promised goods or services to customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

  Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment but excluding taxes or duties collected on behalf of the government and net of returns and allowances, trade discounts and volume rebates.

- **Product Development Service;**

  Revenue from product development service is recognised upon by reference to the stage of completion of service and the amount of revenue can be measured reliably.

- **Other Operating Revenue;**

  Other Operating revenue comprises of following items:

  - Manufacturing charges
  - Export incentives
  - Sale of scrap

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

Revenue from manufacturing charges is recognised on completion of contractual obligation of manufacturing and delivery of product manufactured.

Revenue from export incentives are recognised upon adherence to the compliance as may be prescribed with regard to export and / or realisation of export proceeds as per foreign trade policy and its related guidelines.

Revenue from sale of scrap is recognised on delivery of scrap items.

- **Other Income;**

  Other income comprises of interest income, dividend from investment and profits from redemption of investments and mark to market gain / loss on the investments which are held on the balance sheet date.

  Interest income from financial assets is recognized when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis by reference to the principal outstanding and at the effective rate applicable, which is the rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

  Dividend income from investment is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably).

  Profits / Loss on redemption of investment is recognized by exercise of power by the Company to redeem the investment held by it in any particular security / instrument (non-current as well as current investment).

2.5. FOREIGN CURRENCY TRANSACTION:

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities at the Balance Sheet date are translated at the exchange rate prevailing on the date of Balance Sheet.

Exchange rate differences resulting from foreign currency transactions settled during the period including year-end translation of assets and liabilities are recognized in the Statement of Profit and Loss.

Non-monetary assets, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or Statement of Profit and Loss are also recognized in OCI or Statement of Profit and Loss, respectively).

Effective April 1, 2018, the Company has adopted Appendix B to Ind AS 21, Foreign Currency Transaction and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expenses or income when an entity has received or paid advance consideration in a foreign currency. The impact of the adoption of the amendment on the financial statements of the Company is insignificant.

2.6. GOVERNMENT GRANTS:

Monetary government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

The grant related to an expense item is recognized as income in the year in which it is received. The grant related to an asset in the form of EPCG License is recognized in the Balance Sheet as deferred income and is transferred to Statement of Profit and Loss in equal amounts over the periods during which obligation attached to the License is to be fulfilled. Grant in the form of cash benefit is recognized in the Balance Sheet as deferred income and it is transferred to Statement of Profit and Loss over the useful life of the concerned asset.

2.7. EMPLOYEE BENEFITS:

Short Term and Other Long Term Employee Benefits:

A liability is recognised for benefits accruing to employees in respect of short term employee benefits. In the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

A liability is recognised for benefits accruing to employees in respect of other long term employee benefits are measured at the present value of the estimated future

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

Long Term Employee Benefits:

- **Defined Contribution Plan:**

  Payments to defined contributions retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contributions.

- **Defined Benefit Plan:**

  For defined retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at end of each annual reporting period. Re-measurements, comprising of actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable), and the return on plan assets (excluding interest), is reflected immediately in the Balance Sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in Other Comprehensive Income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss in subsequent periods. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or assets. Defined benefit costs are categorized as follows:

- Service Cost (including current service cost, past service cost, as well as gains or losses on curtailments and settlements).
- Net interest expense or income; and
- Re-measurement

  The Company presents the first two components defined benefit cost in Statement of Profit and Loss in the line items "Employee Benefit Expenses" and "Finance Cost" respectively. Curtailment gain and losses are accounted for as past service cost.

  The retirement benefit obligation recognized in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reduction in future contributions to the plan.

2.8. TAX EXPENSES:

The tax expense for the period comprises current and deferred tax. Taxes are recognised in the Statement of Profit and Loss, except to the extent that it relates to the items recognised in the comprehensive Income or in Equity. In which case, the tax is also recognised in the comprehensive Income or in Equity.

Current Tax:

Current tax payable is calculated based on taxable profit for the year. Current tax is recognized based on the amount expected to be paid to or recovered from the tax authorities based on applicable tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary timing difference. Deferred tax assets are recognized for deductible temporary differences to the extent that they are probable that taxable profit will be available against which the deductible temporary difference can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted on the reporting date.

Current and deferred tax for the year are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax (MAT) Credit:

MAT credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

2.9. PROPERTY, PLANT AND EQUIPMENT:

Freehold Land is stated at historical cost.

Premium paid for the leasehold land is amortized over the lease period.

All other items of Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

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 entity and the cost can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. All other repairs and maintenance costs are recognized as expense in the Statement of Profit and Loss account as and when incurred.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital work- in- progress.

Cost of the assets less its residual value is depreciated over its useful life. Depreciation is calculated on a straight line basis over the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The management believes that the estimated useful lives are realistic and reflects fair approximation of the period over which the assets are likely to be used. At each financial year end, management reviews the residual values, useful lives and method of depreciation of property, plant and equipment and values of the same are adjusted prospectively where needed.

2.10. INTANGIBLE ASSETS:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles are not capitalized and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

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 entity and the cost can be measured reliably.

Intangible assets other than Product Dossiers are amortized on a straight line basis over a period of 3 years. The useful lives of intangible assets like Product Dossiers are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

2.11. BORROWING COST:

Borrowing Costs directly attributed to the acquisition of fixed assets are capitalized as a part of the cost of asset up to the date the asset is put to use. Other Borrowing Costs are charged to the Statement of Profit and Loss account in the year in which they are incurred.

2.12. IMPAIRMENT OF ASSETS:

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognized in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.13. INVENTORIES:

Inventories are stated at the lower of cost or net realizable value. Cost is determined on the basis of Moving Average method. The cost of work in progress (other than those lying at third party manufacturing site which is valued at material cost) and finished goods comprise direct material, direct labour and other direct cost and related production overheads.

2.14. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions are recognized when the Company has present obligation (legal or constructive) as a result of past event and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense related to a provision is presented in the Statement of Profit and Loss net of any reimbursement/contribution towards provision made.

If the effect of the time value of money is material, estimate for the provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liability:

Contingent liability is disclosed in the case:

- When there is a possible obligation which could arise from past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- A present obligation that arises from past events but is not recognized as expense because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Commitments:

- Commitments include the value of the contracts for the acquisition of the assets net of advances.

Contingent asset:

- Contingent asset is disclosed in case a possible asset arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

  Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.15. LEASES:

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The determination of whether an arrangement is a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is considered as a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

2.16. FINANCIAL INSTRUMENTS:

The Company recognizes financial assets and financial liabilities when it becomes party to the contractual provision of the instrument.

I. Financial Assets:

Initial recognition and measurement:

Financial assets are initially measured at its fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the concerned financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognized immediately in profit or loss. However, trade receivable that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

For subsequent measurement, the Company classifies financial asset in following broad categories:

- Financial asset carried at amortized cost.
- Financial asset carried at fair value through other comprehensive income (FVTOCI).
- Financial asset carried at fair value through profit or loss (FVTPL).

Financial asset carried at amortized cost (net of any write down for impairment, if any):

Financial assets are measured at amortized cost when 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. Such financial assets are subsequently measured at amortized costs using Effective Interest Rate (EIR) method less impairment, if any. The losses arising from impairment are recognized in the Statement of Profit and Loss. Cash and bank balances, trade receivables, loans and other financial asset of the Company are covered under this category.

Under the EIR method, the future cash receipts are exactly discounted to the initial recognition value using EIR. The cumulative amortization using the EIR method of the difference between the initial recognition amount and maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at amortized cost at each reporting date. The corresponding effect of the amortization under EIR method is recognized as interest income over the relevant period of the financial asset. The same is included under "other income" in the Statement of Profit and Loss. The amortized cost of the financial asset is also adjusted for loss allowance, if any.

Financial asset carried at FVTOCI:

Financial asset under this category are measured initially as well as at each reporting date at fair value, when asset is held with a business model whose objective is to hold asset for both collecting contractual cash flows and selling financial assets. Fair value movements are recognized in the other comprehensive income.

Financial asset carried at FVTPL:

Financial asset under this category are measured initially as well as at each reporting date at fair value. Changes in fair value are recognized in the Statement of Profit and Loss.

Investment in subsidiaries:

The Company has accounted for its investments in subsidiaries at cost.

Other Equity Investments:

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss.

Derecognition:

A financial asset is primarily derecognized when rights to receive cash flows from the asset have expired or the Company has transferred its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risk and reward of the ownership of the financial asset.

Impairment of financial asset:

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

II. Financial Liabilities:

Initial recognition and measurement:

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. The Company classifies all financial liabilities as subsequently measured at amortised cost or FVTPL.

All financial liabilities are recognized initially at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through EIR amortization process. Amortized 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 amortization is included as finance costs in the Statement of Profit and Loss.

Derecognition of financial liabilities:

A financial liability is derecognized 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 recognized in the Statement of Profit and Loss.

III. Derivative Financial Instrument:

Company uses derivative financial instruments, such as forward currency contracts to mitigate its foreign currency fluctuation risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of heading instrument is recognized in the Statement of Profit and Loss.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derecognition:

On derecognition of hedged item, the unamortized fair value, of the hedging instrument adjusted to the hedged items is recognized in the Statement of Profit and Loss.

2.17. FAIR VALUE:

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

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

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 — inputs that are unobservable for the asset or liability.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.18. EMPLOYEE STOCK OPTION PLAN:

The accounting value of stock options representing the excess of the market price over the exercise price of the shares granted under "Employee Stock Option Scheme" (ESOP) of the Company is amortized on straight line basis over the vesting period as "Deferred Employee Compensation".

2.19. RESEARCH AND DEVELOPMENT EXPENDITURE:

Revenue expenditure on research and development is charged to the Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on research and development is treated as fixed assets.

2.20. CASH AND CASH EQUIVALENT:

Cash and Cash Equivalents comprise of cash on hand and cash at bank including fixed deposit/highly liquid investments with original maturity period of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.21. CASH FLOW STATEMENTS:

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of Company is segregated.

3. STANDARDS ISSUED BUT NOT YET EFFECTIVE:

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 & Companies (Indian Accounting Standards) Second Amendment Rules, 2019 (the 'Rules') on March 30, 2019. The Rules shall be effective from reporting periods beginning on or after April 1, 2019. Amendments to Ind AS as per these Rules are mentioned below:

a) Ind AS 116:

Ind AS 116 - 'Leases', will replace Ind AS 17 - 'Leases'. The new standard shall require lessees to recognize the leases on their balance sheet with limited exemptions related to low value asset and assets with a lease term lower than 12 months.

Lessees will use a single accounting model for all leases. Accordingly, the lessee is required to recognize "Right-of-Use" asset representing its right to use the underlying asset and a "Lease Liability" representing its obligation to make lease payments.

The Company is required to adopt Ind AS 116 - 'Leases' from 1st April 2019. The Company will have to recognize "Right-of-Use" assets and "Lease Liability" for its operating leases. Upon application of the new standard, the nature of expenses related to the leases will change and accordingly the Company will recognize a depreciation charge for right-of-use assets and interest expense on unwinding of lease liabilities as against lease expenses recognized up to 31st March 2019. The new standard also provides two broad alternative transition approach - Retrospective Method and Cumulative Effect Method with practical expedient.

The Company is in the process of evaluating the impact of this amendment on its financial statements.

b) Amendment to Existing issued Ind AS:

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

  This amendment clarifies how the recognition and measurement requirements of Ind AS 12 - 'Income Taxes', are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority.

- Prepayment Features with Negative Compensation, Amendments to Ind AS 109

  The amendment to Ind AS 109 – 'Financial Instruments' enables entities to measure certain pre-payable financials assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit and loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

- Plan Amendment, Curtailment or Settlement, Amendments to Ind AS 19

  The amendment to Ind AS 19 - 'Employee Benefits' clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement.

- Annual Improvements to Ind AS

  Ind AS 23 - "Borrowing Cost"- clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

  Ind AS 12 - "Income Taxes"- clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends.

  These amendments are effective for annual periods beginning on or after April 1, 2019. The Company is in process of evaluating the impact of this amendments on its financial statements.

4. KEY ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS :

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company evaluates these estimates and assumption based on the most recently available information.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

a) Income taxes and Deferred tax assets:

The Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. The management assumes that taxable profit will be available while recognizing the deferred tax assets.

b) Property, Plant and Equipment:

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life as prescribed in the Schedule II of the Companies Act, 2013 and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

c) Intangible assets:

Internal technical or user team assesses the remaining useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

d) Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

e) **Impairment of financial assets:**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

f) **Recognition and measurement of defined benefit obligation:**

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

g) **Recognition and measurement of other provisions:**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may, therefore, vary from the figure included in other provisions.

h) **Contingencies:**

Management's judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against Company as it is not possible to predict the outcome of pending matters with accuracy.

i) **Allowances for uncollected trade receivable and advances:**

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated amounts which are irrecoverable. Individual trade receivables are written off when management deems them not collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

5. PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	Gross Block				Accumulated Depreciaion				Net Block	
	As at 1st April 2018	Additions	Disposals (Refer Note No. 43)	As at 31st March 2019	As at 1st April 2018	Depreciation charge for the year	On Disposals (Refer Note No. 43)	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
Land (Freehold)	57.16	–	–	**57.16**	–	–	–	–	**57.16**	57.16
Land (Leasehold)	1,423.20	79.03	420.59	**1,081.64**	129.63	13.79	30.62	**112.80**	**968.84**	1,293.57
Factory Buildings	20,958.97	451.22	453.87	**20,956.32**	5,027.90	633.52	80.82	**5,580.60**	**15,375.72**	15,931.07
Other Buildings (Note 1)	5,816.86	–	70.78	**5,746.08**	419.09	93.92	28.22	**484.79**	**5,261.29**	5,397.77
Plant & Equipments	52,454.40	3,154.03	579.26	**55,029.17**	27,948.74	3,537.46	138.35	**31,347.85**	**23,681.32**	24,505.66
Furniture & Fixtures	3,240.25	292.37	7.64	**3,524.98**	1,299.00	230.79	1.02	**1,528.77**	**1,996.21**	1,941.25
Vehicles	1,248.72	386.74	214.37	**1,421.09**	579.41	137.17	176.25	**540.33**	**880.76**	669.31
Office Equipments	3,411.19	424.81	6.41	**3,829.59**	2,406.85	338.86	3.81	**2,741.90**	**1,087.69**	1,004.34
Airconditioners	7,402.60	233.68	91.50	**7,544.78**	2,208.97	421.51	30.80	**2,599.68**	**4,945.10**	5,193.63
Total	96,013.35	5,021.88	1,844.42	**99,190.81**	40,019.59	5,407.02	489.89	**44,936.72**	**54,254.09**	55,993.76

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

5. PROPERTY, PLANT AND EQUIPMENT (Contd.)

(₹ in lakhs)

Particulars	Gross Block				Accumulated Depreciaion				Net Block	
	As at 1st April 2017	Additions	Disposals	As at 31st March 2018	As at 1st April 2017	Depreciation charge for the year	On Disposals	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Land (Freehold)	57.16	–	–	57.16	–	–	–	–	57.16	57.16
Land (Leasehold)	1,423.20	–	–	1,423.20	114.41	15.22	–	129.63	1,293.57	1,308.79
Factory Buildings	20,774.91	184.06	–	20,958.97	4,396.93	630.97	–	5,027.90	15,931.07	16,377.98
Other Buildings (Note 1)	5,816.86	–	–	5,816.86	324.81	94.28	–	419.09	5,397.77	5,492.05
Plant & Equipments	51,365.62	1,088.78	–	52,454.40	24,274.72	3,674.02	–	27,948.74	24,505.66	27,090.90
Furniture & Fixtures	3,199.56	40.69	–	3,240.25	1,067.11	231.89	–	1,299.00	1,941.25	2,132.45
Vehicles	1,087.30	312.11	150.69	1,248.72	580.85	123.20	124.64	579.41	669.31	506.45
Office Equipments	2,974.68	436.51	–	3,411.19	2,106.96	299.89	–	2,406.85	1,004.34	867.72
Airconditioners	7,306.89	95.71	–	7,402.60	1,773.78	435.19	–	2,208.97	5,193.63	5,533.11
Total	94,006.18	2,157.86	150.69	96,013.35	34,639.57	5,504.66	124.64	40,019.59	55,993.76	59,366.61

Notes:

1) Value of buildings includes a sum of ₹ 2,500/- (Previous year ₹ 3,000/-)being the cost of shares in the societies.

2) No depreciation has been claimed on assets to the extent of CENVAT/GST claimed.

6. OTHER INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Gross Block				Accumulated Amortisation				Net Block	
	As at 1st April 2018	Additions	Deductions	As at 31st March 2019	As at 1st April 2018	Amortisation for the year	Deductions	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
Trade Marks	3.67	–	–	**3.67**	3.66	–	–	**3.66**	**0.01**	0.01
Computer Software	1,046.03	35.47	–	**1,081.50**	954.31	75.47	–	**1,029.78**	**51.72**	91.72
Product Dossier	905.28	–	–	**905.28**	-	–	–	–	**905.28**	905.28
Total	1,954.98	35.47	–	**1,990.45**	957.97	75.47	–	**1,033.44**	**957.01**	997.01

Particulars	Gross Block				Accumulated Amortisation				Net Block	
	As at 1st April 2017	Additions	Deductions	As at 31st March 2018	As at 1st April 2017	Amortisation for the year	Deductions	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Trade Marks	3.67	–	–	3.67	3.66	–	–	3.66	0.01	0.01
Computer Software	1,034.22	11.81	–	1,046.03	864.12	90.19	–	954.31	91.72	170.10
Product Dossier	1,332.30	–	427.02	905.28	–	–	–	-	905.28	1,332.30
Total	2,370.19	11.81	427.02	1,954.98	867.78	90.19	–	957.97	997.01	1,502.41

7. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in lakhs)

Particulars		As at March 31,2019	As at March 31,2018
A.	**Investment in Equity Instruments (unquoted)**		
	i) In Subsidiary Companies : (At cost)		
	Investment in OOO Unique Pharmaceutical Laboratories, Russia (No. of shares are not denominated as per Law of Russian Federation)	**3,881.92**	3,881.92
	51,885,000 (Previous year 51,885,000) Ordinary Shares of AED 1 each of Unique Pharamaceutical Laboratories FZE, Dubai	**9,414.76**	9,414.76
	Total	**13,296.68**	13,296.68
	ii) In Other Companies : (At Fair Value through Profit & Loss)		
	3,866 (Previous year 5,866) Equity Shares of ₹ 10/- each of Bharuch Enviro Infrastructure Ltd.	**12.62**	0.59
	612,032 (Previous year 612,032) Equity Shares of ₹ 10/- each of Narmada Clean Tech Ltd.	**126.39**	61.20
	20,000 (Previous year 20,000) Equity Shares of ₹ 10/- each of Enviro Technology Ltd.	**28.64**	2.00
	60,000 (Previous year 60,000) Equity Shares of ₹ 10/-each of Panoli Enviro Technology Ltd.	**16.77**	6.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

7. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in lakhs)

	Particulars	As at March 31,2019	As at March 31,2018
	50,000 (Previous year 50,000) Equity Shares of ₹ 10/- each of Ankleshwar Research & Analytical Infrastructure Limited	**2.55**	5.00
	2,000,000 (Previous year 2,000,000) Equity Shares of ₹ 10/- each of Asian Heart Institute & Research Centre Pvt. Ltd.	**1,016.50**	935.18
	Total	**1,203.47**	1,009.97
	Total Investment in Equity Instruments	**14,500.15**	14,306.65
B.	**In Government Securities : Unquoted (At amortised cost):**		
	National Saving Certificates	**0.29**	0.29
	Total	**0.29**	0.29
C.	**In Mutual Funds : Quoted (At fair value through Profit & Loss)**		
	10,000,000 (Previous year 10,000,000) units of ₹ 10/- each of HDFC FMP 370D March 2014 (1)-Growth	**1,483.52**	1,381.46
	10,000,000 (Previous year 10,000,000) units of ₹ 10/- each of DSP Black Rock FMP Series 210-36 M-Direct-Growth	**1,145.25**	1,064.25
	5,000,000(Previous year 5,000,000) units of ₹ 10/- each of HDFC FMP 1165D April 2017 (1)-Direct Growth-Series 38	**572.92**	533.20
	2,000,000 (Previous year 2,000,000) units of ₹ 10/- each of DSP Black Rock FMP Series 221-40M-Regular-Growth	**217.47**	202.64
	2,000,000 (Previous year 2,000,000) units of ₹ 10/- each of DSP Black Rock FMP Series 223-39M-Regular-Growth	**216.95**	201.80
	2,000,000 (Previous year 2,000,000) units of ₹ 10/- each of DSP Black Rock FMP Series 226-39M-Regular-Growth	**215.71**	200.73
	2,000,000 (Previous year 2,000,000) units of ₹ 10/- each of IDFC Fixed Term Plan Series 144-1141Day -Growth	**215.47**	200.76
	2,000,000 (Previous year 2,000,000) units of ₹ 10/- each of HDFC FMP 1147 Days March 2018 (1) Series 39 Direct -Growth	**215.73**	200.69
	10,000,000 (Previous year Nil) units of ₹ 10/- each of HDFC FMP 1134 Days May 2018(1) Series 40 Direct Growth	**1,087.61**	–
	2,000,000 (Previous year Nil) units of ₹ 10/- each of ICICI Prudential FMP Series 83 1105 Days Plan A	**217.66**	–
	6,000,000 (Previous year Nil) units of ₹ 10/- each of HDFC FMP 1113 Days June 2018(1) Series 41 Direct Growth	**648.08**	–
	5,000,000 (Previous year Nil) units of ₹ 10/- each of DSP Black Rock FMP Series 235 36 M Direct Growth	**537.37**	–
	5,000,000 (Previous year Nil) units of ₹ 10/- each of ICICI Prudential FMP Series 83 1100 Days Plan O Direct Growth	**538.01**	–
	5,000,000 (Previous year Nil) units of ₹ 10/- each of ICICI Prudential FMP Series 83 1107 Days Plan Q Direct Growth	**536.48**	–
	5,000,000 (Previous year Nil) units of ₹ 10/- each of IDFC FMP Series 156 1103 Days Direct Growth	**535.57**	–
	Total	**8,383.80**	3,985.53
	Total Non-Current Investment	**22,884.24**	18,292.47
	Aggregate amount of quoted investments - At Cost	**7,300.00**	3,500.00
	Aggregate amount of quoted investments - At Market Value	**8,383.80**	3,985.53
	Aggregate amount of unquoted investments	**14,500.44**	14,306.94
	Category-wise Non-Current Investment		
	Financial assets carried at cost	**13,296.68**	13,296.68
	Financial assets measured at fair value through Profit & Loss	**9,587.27**	4,995.50
	Financial assets carried at amortised cost	**0.29**	0.29
	Total Non-Current Investment	**22,884.24**	18,292.47

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

8. NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Unsecured Credit Impaired	–	10.04
Less: Provision for Doubtful Debts	–	10.04
Total	–	–

9. NON-CURRENT FINANCIAL ASSETS - LOANS

Unsecured Considered Good (₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Loans to Employees	**20.01**	19.87
Security Deposits for leased premises	**338.85**	312.80
Total	**358.86**	332.67

10. NON-CURRENT FINANCIAL ASSETS - OTHERS

Unsecured Considered Good (₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Fixed Deposit having maturity more than 12 months*	**15.82**	15.11
Total	**15.82**	15.11

*These Fixed Deposits are placed with various Government Authorities/ Institutions.

11. NON CURRENT ASSETS - OTHERS

Unsecured Considered Good (₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Capital Advances	**226.26**	337.97
Other Security Deposits	**308.62**	328.99
Prepaid Expenses	**27.23**	51.85
Prepaid Lease Rent	**15.76**	36.26
Total	**577.87**	755.07

12. CURRENT ASSETS- INVENTORIES

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials (stock-in-transit Nil, Previous year ₹ 935.22)	**7,662.06**	6,498.13
Packing Materials (stock in transit ₹ 0.15, Previous year ₹ Nil)	**2,258.00**	2,366.85
Work-in-progress	**1,928.71**	1,981.00
Finished goods (stock-in-Transit ₹ 570.76, Previous year ₹ 375.31)	**6,981.17**	5,015.30
Stock-in-trade	**1,947.48**	1,695.32
Fuel	**33.00**	24.84
Total	**20,810.42**	17,581.44

The write down of inventories to net realisable value during the year amounted to ₹ 43.48 lakhs (Previous year ₹ 76.23 lakhs). The write downs are included in changes in inventories of finished goods.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

13. CURRENT FINANCIAL ASSETS - INVESTMENT

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
In Mutual Funds : Quoted (At fair value through Profit & Loss)		
Nil (Previous year 7,381,837.65) units of ₹ 10/- each of Aditya Birla Sun Life Dynamic Bond Fund Growth (formerly known as Birla Sun Life Dynamic Bond Fund-Retail-Growth)	**–**	2,213.26
6,628,677.94 (Previous year 6,628,677.94) units of ₹ 10/- each of Aditya Birla Sun Life Corporate Bond Fund Growth (formerly known as Birla Sun Life Short Term Fund-Growth)	**4,751.34**	4,404.54
9,600,000 (Previous year 9,600,000) units of ₹ 10/- each of HDFC Short Debt Fund Regular Plan Growth (formerly known as HDFC Short Term Opportunities Fund-Growth)	**1,981.39**	1,840.77
Nil (Previous year 112,584.469) units of ₹ 1,000/- each of DSP Black Rock Strategic Bond-Institutional Plan-Growth	**–**	2,274.35
14,960,414.311 (Previous year 14,960,414.311) units of ₹ 10/- each of HDFC Corporate Bond Fund Regular Plan Growth (formerly known as HDFC Medium Term Opportunities Fund Growth)	**3,113.34**	2,888.99
1,258,152.830 (Previous year 1,258,152.830) units of ₹ 10/- each of Aditya Birla Sun Life Banking & PSU Debt Fund Regular Plan Growth (formerly known as Birla Sun Life Treasury Optimiser Plan Growth)	**2,995.77**	2,787.64
1,926,292.692(Previous year 671,214.160) units of ₹ 10/- each of HDFC Hybrid Equity Fund Growth (formely known as HDFC Balanced Fund Growth)	**1,048.75**	978.66
614,895.941 (Previous year 614,895.941) units of ₹ 10/- each of ICICI Prudential Equity & Debt Fund Growth (formerly known as ICICI Prudential Balanced Fund Growth)	**826.67**	768.01
562,478.145 (Previous year 562,478.145) units of ₹ 10/- each of Franklin India Equity Hybrid Fund Growth (formerly known as Franklin India Balanced Fund Growth)	**679.81**	631.87
14,217,069.097(Previous year 14,217,069.097) units of ₹ 10/- each of HDFC Corporate Bond Fund Direct Growth (formerly known as HDFC Medium Term Opportunities Fund Direct Growth)	**2,976.44**	2,759.21
11,225,181.561(Previous year 11,225,181.561) units of ₹ 10/- each of ICICI Prudential Bond Fund Direct Growth (formerly known as ICICI Prudential Income Opportunities Fund Direct Growth)	**2,965.79**	2,779.35
1,192,242.539 (Previous year 1,192,242.539) units of ₹ 10/- each of Aditya Birla Sun Life Banking & PSU Debt Direct Growth (formerly known as Birla Treasury Optimizer Fund Direct Growth)	**2,885.28**	2,676.86
21,310,563.677 (Previous year 21,310,563.677) units of ₹ 10/- each of IDFC Corporate Bond Fund Direct Growth	**2,740.62**	2,550.94
Nil (Previous year 485,440.146) units of ₹ 10/- each of DSP Black Rock Balance Fund -Growth	**–**	691.43
1,692,906.721 (Previous year 1,692,906.721) units of ₹ 10/- each of ICICI Prudential All Seasons Bond Fund Direct Growth (formerly known as ICICI Prudential Long Term Fund Direct Growth)	**404.16**	376.46
Nil (Previous year 42,693.24) units of ₹ 10/- each of DSP Black Rock Liquidity Fund Growth	**–**	1,061.06
Nil (Previous year 18,565,450.072) units of ₹ 10/- each of HDFC Banking and PSU Debt Fund-Growth	**–**	2,634.17

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

13. CURRENT FINANCIAL ASSETS - INVESTMENT

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
7,434,577.867 (Previous year 7,434,577.867) units of ₹ 10/- each of ICICI Prudential Banking and PSU Debt Fund Regular Growth	**1,577.97**	1,485.28
Nil (Previous year 4,519,447.180) units of ₹ 10/- each of DSP Black Rock Bond Fund-Growth	–	2,573.75
11,327,020.350 (Previous year Nil) units of ₹ 10/- each of Kotak Equity Arbitrage Fund -Direct Monthly Dividend Reinvest	**1,246.83**	–
6,630,670.045 (Previous year Nil) units of ₹ 10/- each of Reliance Arbitrage Fund -Direct Monthly Dividend Reinvest	**729.16**	–
87,547.676 (Previous year Nil) units of ₹ 10/- each of Aditya Birla Sunlife Equity Hybrid 95 Fund -Direct Growth	**710.03**	–
245,116.801 (Previous year Nil) units of ₹ 10/- each of HDFC Balanced Advantage Fund-Direct Growth	**512.50**	–
37,379.613 (Previous year Nil) units of ₹ 10/- each of IDFC Cash Fund-Direct Growth	**847.22**	–
2,936,159.078 (Previous year Nil) units of ₹ 10/- each of HDFC Corporate Bond Fund Direct Growth	**614.71**	–
7,051,465.652 (Previous year Nil) units of ₹ 10/- each of IDFC Banking and PSU Debt Fund Regular Growth	**1,133.78**	–
3,807,179.07 (Previous year Nil) units of ₹ 10/- each of IDFC Banking and PSU Debt Fund Direct Growth	**617.77**	–
926,487.824 (Previous year Nil) units of ₹ 10/- each of SBI Short Term Debt Fund Direct Growth	**204.13**	–
17,005.154 (Previous year Nil) units of ₹ 10/- each of Axis Banking & PSU Debt Fund Direct Growth	**300.92**	–
11,478.633 (Previous year Nil) units of ₹ 10/- each of Axis Banking & PSU Debt Fund Regular Growth	**200.61**	–
Total	**36,064.99**	38,376.60
Aggregate amount of quoted investments - At Cost	**35,802.06**	31,793.22
Aggregate amount of quoted investments - At Market Value	**36,064.99**	38,376.60

14. CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Considered Good	**30,406.38**	30,368.05
Less: Allowance as per expected credit loss model	**314.00**	314.00
	30,092.38	30,054.05
Credit Impaired	**6.20**	19.28
Less : Provision for Doubtful Debts	**6.20**	19.28
	–	–
Total	**30,092.38**	30,054.05

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

15. CURRENT FINANCIAL ASSETS - CASH AND BANK BALANCE

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Cash and cash equivalents		
Balances with banks	**607.63**	730.69
Cheques on hand	**–**	102.00
Cash on hand	**19.54**	24.00
Post Office Saving Account	**0.60**	0.60
Fixed Deposits with maturity of less than 3 months	**1,309.00**	440.00
	1,936.77	1,297.29
Other Bank balance		
Unclaimed Dividend A/cs *	**132.40**	196.89
Fixed Deposits with maturity of more than 3 months but less than 12 months**	**7.63**	1.15
	140.03	198.04
Total	**2,076.80**	1,495.33

*The amount is to be utilised towards settlement of respective unpaid dividends.

** These Fixed Deposits are placed with various Government Authorities/ Institutions.

16. CURRENT FINANCIAL ASSETS - LOANS

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Loan & Advances to Employees	**38.63**	37.85
Security Deposits- Considered Good	**32.32**	67.01
	70.95	104.86
Security Deposits- Credit Impaired	**29.46**	–
Less: Provision for Doubtful Security Deposits	**(29.46)**	–
	–	–
Total	**70.95**	104.86

17. CURRENT FINANCIAL ASSETS - OTHERS

Unsecured Considered Good

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Accrued interest on Deposits	**4.89**	4.83
Claim Receivable (Refer Note No. 43)	**998.74**	–
Forward Contract Receivable	**374.74**	–
Others	**97.97**	84.43
Total	**1,476.34**	89.26

18. CURRENT TAX ASSETS (NET)

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Taxes Paid	**46,941.72**	46,944.36
Less: Provision for taxes	**46,275.50**	46,138.08
Total	**666.22**	806.28

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

19. OTHER CURRENT ASSETS

Unsecured Considered Good

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Advances to Suppliers	**1,342.97**	1,015.23
Prepaid Expenses	**726.03**	531.99
Gratuity Fund Balance with LIC	**293.41**	–
Lease rent-deferred	**22.25**	21.86
Balance/Recoverable with/from Government Authorities	**4,482.99**	8,007.33
Other receivables	**528.91**	476.52
Total	**7,396.56**	10,052.93

20. EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Authorised		
101,500,000 (Previous year 101,500,000) Equity Shares of ₹ 2/- each	**2,030.00**	2,030.00
Issued, Subscribed & Fully Paid up		
80,236,642 (Previous year 83,569,975) Equity Shares of ₹ 2/- each	**1,604.73**	1,671.40
Total	**1,604.73**	1,671.40

Reconciliation of the shares outstanding and amount of Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	₹ in lakhs	Number	₹ in lakhs
Shares Outstanding at the beginning of the year	**83,569,975**	**1,671.40**	84,819,975	1,696.40
Less : Buy-back of shares	**3,333,333**	**66.67**	1,250,000	25.00
Shares outstanding at the year end	**80,236,642**	**1,604.73**	83,569,975	1,671.40

The Company has only one class of issued shares having par value of ₹ 2/- each. Holder of equity shares is entitled to one vote per share and carries identical right as to dividend. These shares are not subject to any restrictions.

Buy-back of Equity Shares

The Board of Directors, at its meeting held on August 31, 2018, approved a proposal for the Company to buy-back its fully paid-up equity shares of face value of ₹ 2/- each from the eligible equity shareholders of the Company for an aggregate amount not exceeding ₹ 13,000 lakhs, representing 9.46% of the aggregate paid up equity share capital and free reserves (including securities premium account) as per audited standalone financial statement of the Company as at March 31, 2018 and was within the statutory limit applicable for buy-back. The Buy-back offer comprised a purchase of 3,333,333 equity shares representing 3.99% of the total number of paid up equity shares of the Company at a price of ₹ 390/- per equity share. The buy-back was offered to all eligible equity shareholders of the Company as on the Record Date (i.e. September 12, 2018) on a proportionate basis through the "Tender offer" route. The Company completed the buy-back on November 1, 2018 and extinguished 3,332,395 equity shares held in electronic form by way of Corporate Action via CDSL on November 2, 2018 whereas 938 equity shares held in physical form were physically extinguished on November 5, 2018. The Company has funded the buy-back from its general reserve. In accordance with Section 69 of the Companies Act, 2013, the Company has created 'Capital Redemption Reserve' of ₹ 66.67 lakhs equal to the nominal value of the shares bought back as an appropriation from general reserve.

Details of Shareholders holding more than 5% shares.

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No of Shares	% of Holding	No of Shares	% of Holding
Jyotindra Bhagawanlal Mody	**5,111,209**	**6.37**	5,300,518	6.34
Dinesh Bhagwanlal Mody	**4,508,948**	**5.62**	4,675,950	5.60
Shirish Bhagwanlal Mody	**4,810,933**	**6.00**	4,989,120	5.97
Kumud Dinesh Mody	**4,605,065**	**5.74**	4,775,627	5.71
Bharati Shirish Mody	**4,722,151**	**5.89**	4,897,050	5.86
Pallavi Bharat Mehta	**4,948,796**	**6.17**	5,132,089	6.14
Pranabh Dinesh Mody	**4,700,429**	**5.86**	4,874,523	5.83
Nirav Shirish Mody	**4,743,061**	**5.91**	4,918,735	5.89

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

21. OTHER EQUITY

(₹ in lakhs)

Particulars	Reserves and Surplus								Other Comprehensive Income- remeasurement of net defined benefit plan	Total Other Equity
	Capital Reserves (transferred from amalgamating company)		Other Reserves							
	Investment allowance Reserve (utilised)	Capital Reserve	Capital Reserve	Contingency Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings		
Balance as on April 1, 2017	**34.86**	**63.53**	**4.21**	**2,020.00**	**4,946.15**	**–**	**48,548.06**	**81,774.33**	**(301.41)**	**137,089.73**
Profit for the year	–	–	–	–	–	–	–	12,800.14	–	12,800.14
Dividend including Dividend Distribution Tax	–	–	–	–	–	–	–	(1,005.83)	–	(1,005.83)
Transfer to Capital Redemption Reserve on buy-back of shares	–	–	–	–	–		(25.00)	–	–	(25.00)
Transfer from General Reserve on buy-back of shares	–	–	–	–	–	25.00	–	–	–	25.00
Re- measurement of the defined benefit plan(net of deferred tax)	–	–	–	–	–	–	–	–	(241.63)	(241.63)
Buy-back of shares	–	–	–	–	–	–	(4,975.00)	–	–	(4,975.00)
Balance as on March 31, 2018	**34.86**	**63.53**	**4.21**	**2,020.00**	**4,946.15**	**25.00**	**43,548.06**	**93,568.64**	**(543.04)**	**143,667.41**
Profit for the year	–	–	–	–	–	–	–	18,205.92	–	18,205.92
Dividend including Dividend Distribution Tax	–	–	–	–	–	–	–	(2,014.96)	–	(2,014.96)
Transfer to Capital Redemption Reserve on buy-back of shares	–	–	–	–	–	–	(66.67)	–	–	(66.67)
Transfer from General Reserve on buy-back of shares	–	–	–	–	–	66.67	–	–	–	66.67
Re- measurement of the defined benefit plan(net of deferred tax)	–	–	–	–	–	–	–	–	29.25	29.25
Buy-back of shares	–	–	–	–	–	–	(13,036.12)	–	–	(13,036.12)
Balance as on March 31, 2019	**34.86**	**63.53**	**4.21**	**2,020.00**	**4,946.15**	**91.67**	**30,445.27**	**1,09,759.60**	**(513.79)**	**146,851.50**

Nature and purpose of Reserves

A. Capital Reserves (transferred from amalgamating company)

This Reserve was created on amalgamation of J. B. Chemicals and Pharmaceuticals Pvt. Ltd. with this Company w.e.f. April 1, 1984 (appointed date).

B. Capital Reserves

Arose pursuant to forfeiture and reissue of shares.

C. Contingency Reserve

This Reserve has been created out of retained earnings, as a matter of prudence, to take care of any unforseen adverse contingencies.

D. Securities Premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium . In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as Securities Premium .

E. Capital Redemption Reserve

Transfer from General Reserve on account of buy-back of shares as per Section 69 of the Companies Act, 2013.

F. General Reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to General Reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to General Reserve is not required under the Companies Act, 2013.

G. Retained Earnings

Retained Earnings are the profits that the Company has earned till date, less any transfer to General Reserve, dividends or other distribution paid to shareholders.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

22. NON-CURRENT LIABILITIES - PROVISIONS

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Provision for Employee Benefits		
Gratuity	–	422.28
Leave Encashment	**572.89**	545.08
Total	**572.89**	967.36

23. DEFERRED TAX LIABILITIES(NET)

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Deferred Tax Liability		
Depreciation	**5,401.93**	5,038.42
Fair Valuation of Investment designated as FVTPL	**2,231.31**	1,800.55
	7,633.24	6,838.97
Deferred Tax Assets		
Retirement Benefits	**247.05**	643.22
MAT credit entitlement	–	999.47
Others	**271.07**	226.13
	518.12	1,868.82
Total	**7,115.12**	4,970.15

24. NON-CURRENT LIABILITIES - OTHERS

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Deferred Government Grant	**220.29**	360.01
Total	**220.29**	360.01

Government grant has been received for the purpose of purchase of certain items of Property, Plant & Equipment. The condition against which the grant is received is the export obligation to be fulfilled within certain specified period.

25. CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Secured (At amortised cost)#		
Bank Overdraft	**325.52**	588.37
Export Packing Credit in Rupees	**2,000.00**	2,000.00
	2,325.52	2,588.37
Unsecured (At amortised cost)		
Deposit from Distributors / Customers	**254.25**	259.25
	254.25	259.25
Total	**2,579.77**	2,847.62

Working capital borrowings from the banks are secured by first pari passu charge on the stocks and book debts of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

26. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Dues of Micro Enterprises and Small Enterprises	**787.01**	74.50
Dues of creditors other than Micro Enterprises and Small Enterprises	**6,884.33**	9,947.60
Total	**7,671.34**	10,022.10

The details of amount outstanding to Micro and Small Enterprise based on available information with the Company is as under:

(₹ in lakhs)

	Particulars	As at March 31,2019	As at March 31,2018
a)	The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	• Principal	**787.01**	74.50
	• Interest due thereon*	**51.17**	104.09
b)	The amount of interest paid by the buyer in terms of S. 16 of Micro, Small and Medium Enterprise Development Act, 2006.	**–**	–
c)	The amount of payment made to supplier beyond the appointed day during the each accounting year.	**3,083.16**	357.05
d)	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 interest specified under the Micro, Small and Medium Enterprise Development Act, 2006.	**–**	–
e)	The amount of interest accrued and remaining unpaid at the end of each accounting year.*	**51.17**	104.09
f)	The amount of further interest remaining due and payable even in succeeding years, until such date when interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under S. 23 of Micro, Small and Medium Enterprise Development Act, 2006.*	**51.17**	104.09

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

The delayed payment has been computed having regard to specified credit period for 45 days under Micro, Small and Medium Enterprise Development Act, 2006.

* Net of interest written back which was provided in earlier years due to reclassification of trade payable from MSME to others.

27. CURRENT FINANCIAL LIABILITIES-OTHERS

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Unclaimed Dividends	**132.40**	196.89
Creditors for capital expenditure	**180.61**	369.88
Forward contract payable	**–**	8.77
Other payables	**10,105.64**	9,559.49
Security Deposit from Customers	**6.00**	6.00
Total	**10,424.65**	10,141.03

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

28. OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Advance from Customers	**1,192.96**	753.33
Deferred Government Grant	**71.32**	84.25
Other payable	**382.52**	311.18
Total	**1,646.80**	1,148.76

29. CURRENT LIABILITIES - PROVISIONS

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Provision for employee benefits		
Gratuity	**–**	733.35
Leave Encashment	**134.09**	157.88
Total	**134.09**	891.23

30. CURRENT TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Provision for Taxes	**7,500.00**	–
Less: Taxes Paid	**7,109.64**	–
Total	**390.36**	**–**

A. The major components of income tax expense for the year are as under:

(₹ in lakhs)

	Particulars	As at March 31,2019	As at March 31,2018
i.	**Income tax recognized in the Statement of Profit and Loss**		
	Current Tax:		
	Current tax on profit for the year	**7,500.00**	4,665.00
	Earlier years' tax	**91.83**	160.72
	Deferred tax :		
	Deferred Tax expenses	**1,129.78**	278.44
	Total Income tax recognized in the Statement of Profit and Loss	**8,721.61**	5,104.16
ii.	**Income tax recognized in other comprehensive income**		
	Deferred Tax :		
	Deferred Tax expenses on re-measurement of defined benefit plan	**(15.71)**	127.88
	Total Income tax recognized in other comprehensive income	**(15.71)**	127.88

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

B. Reconciliation of tax expense and the accounting profit for the year is under (₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Accounting Profit before income tax expenses	**26,927.53**	17,904.30
Enacted tax rate in India (%)	**34.94**	34.61
Expected income tax expense	**9,409.56**	6,196.32
Tax effect of :		
Expenses/ (Income) not deductible/ (allowable)	**(449.82)**	896.95
Allowances and concessions	**(182.50)**	(1,985.11)
Deductible expenses (Net)	**(147.46)**	(164.72)
Tax expenses	**8,629.78**	4,943.44
Adjustment recognised in current year in relation to the current tax of earlier years	**91.83**	160.72
Tax expenses recognized in Statement of Profit and Loss	**8,721.61**	5,104.16
Effective tax rate (%)	**32.05**	27.61

31. REVENUE FROM OPERATIONS (₹ in lakhs)

Particulars	2018-2019	2017-2018
Sales of Products :		
Sale of Pharmaceuticals Products	**145,208.39**	122,362.34
Export of Product Development Service	**150.02**	496.85
Exchange Rate Difference realised	**1,086.44**	(78.63)
	146,444.85	122,780.56
Other Operating Revenues :		
Manufacturing Charges	**86.04**	86.06
Export Incentives	**2,924.84**	2,089.12
Sale of Scrap	**267.27**	256.73
Government Grant	**68.65**	87.91
Insurance Claims	**29.35**	22.02
Others	**297.70**	97.97
	3,673.85	2,639.81
Total	**150,118.70**	125,420.37

32. OTHER INCOME (₹ in lakhs)

Particulars	2018-2019	2017-2018
Interest Income:		
Bank Deposit	**7.31**	4.35
Others	**129.15**	83.80
Dividend From Investment	**88.36**	20.00
Profit on sale of Investment	**1,545.93**	4,322.41
Fair value changes of Investment designated as FVTPL	**1,771.53**	(1,696.04)
Profit on sale of Assets (Net)	**232.84**	190.84
Provision for Doubtful debts Written Back/Recovered	**18.92**	63.03
Excess provision written back	**7.57**	537.14
Others	**220.89**	53.05
Total	**4,022.50**	3,578.58

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

33. COST OF MATERIAL CONSUMED

(₹ in lakhs)

Particulars	2018-2019	2017-2018
Opening Inventories	**8,864.98**	7,304.78
Purchases	**46,430.45**	40,261.88
	55,295.43	47,566.66
Less: Closing Inventories	**9,920.06**	8,864.98
Total	**45,375.37**	38,701.68

34. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in lakhs)

Particulars	2018-2019	2017-2018
Inventories at the beginning		
Finished Goods	**5,015.30**	5,962.38
Work-in-progress	**1,981.00**	1,414.03
Stock-in-trade	**1,695.32**	1,276.40
	8,691.62	8,652.81
Less: Inventories at the end		
Finished Goods	**6,981.17**	5,015.30
Work-in-progress	**1,928.71**	1,981.00
Stock-in-trade	**1,947.48**	1,695.32
	10,857.36	8,691.62
Total	**(2,165.74)**	(38.81)

35. EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

Particulars	2018-2019	2017-2018
Salaries and Other Benefits	**23,577.62**	19,696.15
Contribution to Provident Fund and Other Funds	**1,590.12**	1,441.08
Gratuity Expense	**230.97**	221.91
Staff Welfare	**399.15**	371.79
Total	**25,797.86**	21,730.93

36. FINANCE COST

(₹ in lakhs)

Particulars	2018-2019	2017-2018
Interest on working capital borrowings	**239.34**	224.53
Interest cost Employee Benefit	**90.83**	81.40
Other Borrowing Cost :		
Loan Processing Charges	**19.70**	21.07
Guarantee Charges	**12.96**	14.36
Other Interest	**48.68**	–
Total	**411.51**	**341.36**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

37. OTHER EXPENSES

(₹ in lakhs)

Particulars	2018-2019	2017-2018
Manufacturing charges	**976.79**	818.19
Stores and spares	**501.10**	564.62
Power and fuel	**6,328.60**	5,828.03
Excise duty	**–**	459.74
Compensation rent	**871.91**	858.20
Rates and taxes	**111.43**	154.19
Insurance	**245.17**	220.62
Freight and transport charges	**4,737.01**	4,505.53
Repairs to :		
Building	**330.20**	224.36
Machinery	**1,390.38**	917.79
Others	**558.33**	765.32
Sales promotion and publicity	**7,832.27**	3,656.07
Selling commission	**2,658.90**	2,288.00
Travelling and conveyance	**3,677.92**	3,673.71
Labour Hire Charges	**2,106.71**	1,787.74
Laboratory Expenses	**2,388.47**	2,512.96
Directors' fees	**47.80**	44.80
Royalty	**1,000.02**	1,000.00
Payment to Auditors :		
Audit fees	**30.00**	30.00
CSR Activity Expenses	**410.73**	295.41
Donations	**30.61**	11.89
Net (Gain)/loss on foreign currency transactions and translation	**369.40**	(346.12)
Bad debts	**4.86**	76.66
Provision for doubtful debts/expected credit loss	**2.04**	142.82
Miscellaneous expenses	**5,275.40**	4,969.65
Total	**41,886.05**	35,460.18

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

38. COMMITMENTS & CONTINGENCIES:

COMMITMENTS

- **Capital Commitments:**

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided (Net of Advance)	**1,580.94**	794.97

- **Other Commitments:**

The Company has imported capital goods including spares under the Export Promotion Capital Goods Scheme (EPCG) utilizing the benefit of zero rate or concessional rate of Customs duty. These benefits are subject to the fulfilment of certain export obligation within the stipulated period of time under the EPCG Scheme. Such export obligation remaining to be fulfilled at the year-end is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Export obligations under EPCG Scheme	**187.43**	8,928.81

CONTINGENCIES

- **Claim against the Company not acknowledged as debts:**

Pharmaceutical Division of Unique Pharmaceutical Laboratories Ltd. (UPLL) which was acquired by the Company on a going concern basis, has received demand notices from Dept. of Chemicals & Fertilizers, Govt. of India, New Delhi demanding a sum of ₹ 461.47 lakhs in respect of the Bulk Drug Metronidazole and a further sum of ₹ 591.05 lakhs in respect of the Bulk Drug Oxyphenbutazone. These amounts were claimed on hypothetical basis in 1996, under para 7(2) of DPCO 79 read with para 14 of DPCO 87 and para 12 of DPCO 95, long after repeal of DPCO 79 and DPCO 87 and gains allegedly notionally made by it by procuring the Bulk Drugs at alleged lower cost. UPLL has filed review petition against each of these claims disputing the jurisdiction, power and legal or rational basis for making such demands, particularly in view of the repeal of DPCO 79 and DPCO 87. The Company has filed Writ Petitions bearing No. 446 of 2008 in respect of demand for Oxyphenbutazone & Writ Petition No. 2623 of 2007 in respect of demand for Metronidazole in Bombay High Court. These Writ Petitions have been admitted and the Hon. High Court has restrained the Government from adopting coercive steps to recover the amount till the disposal of the Writ Petition on the Company furnishing security as per the Orders. The Company has already furnished the Bank Guarantee of ₹ 402.35 lakhs as Security. As per the legal advice received by the Company, there is no liability and accordingly no provision is being made in the accounts for these claims and demands.

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Central Excise & Service tax demands / show causes (against which the Company has made pre deposit of ₹ 11.92 lakhs, Previous year ₹ 14.47 lakhs)	**493.38**	615.58
Income Tax (against which the Company has made pre deposit of ₹ 7.63 lakhs, Previous year ₹ 7.63 lakhs)	**389.69**	308.96
Sales Tax (against which the Company has made pre deposit of ₹ 0.43 lakhs, Previous year ₹ 0.43 lakhs)	**8.34**	8.34
Letter of Credit opened by the Banks	**2,297.47**	2,661.11
Guarantees issued by bank on behalf of the Company	**1,609.76**	1,451.49
Corporate guarantee given by the Company to a bank in respect of loan taken by a Wholly Owned Subsidiary Company. (USD 4 Million)	**2,766.00**	2,606.80

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

39. Travelling expenses of field personnel include incidental expenses on conveyance, postage, stationery and miscellaneous expenses etc.

40. Details of Research & Development Expenditure incurred during the year at the following R&D Centers:

(₹ in lakhs)

Particulars	Thane		Panoli-API		Panoli-formulation & Development		Daman	
	2018-19	**2017-18**	**2018-19**	**2017-18**	**2018-19**	**2017-18**	**2018-19**	**2017-18**
Revenue Expenditure:								
Staff Cost	**863.62**	892.27	**54.73**	38.39	**201.27**	171.80	**87.80**	61.78
Power & Fuel	**88.79**	86.53	**–**	–	**–**	–	**26.86**	23.95
Traveling & Conveyance	**14.59**	39.77	**0.02**	–	**2.11**	–	**–**	–
R & D Raw Materials	**21.16**	103.38	**17.46**	0.40	**242.34**	276.33	**47.26**	174.31
Product Registration & Other Fees	**–**	113.21	**–**	–	**241.05**	–	**–**	–
Clinical Trial & Bioequivalence Studies	**475.96**	240.08	**–**	–	**184.59**	–	**–**	–
Laboratory Expenses	**135.39**	378.45	**12.42**	6.02	**366.49**	326.51	**1.81**	3.24
Others	**131.97**	178.39	**12.62**	18.27	**54.42**	85.36	**1.61**	0.23
Fees	**17.66**	22.90	**4.50**	–	**19.69**	–	**–**	–
Repairs & Maintenance Bldg.	**0.54**	0.79	**–**	0.02	**2.90**	5.46	**0.19**	–
Total Revenue Expenditure	**1,749.69**	2,055.76	**101.75**	63.10	**1,314.86**	865.46	**165.53**	263.51
Capital:								
R & D Equipments	**–**	128.31	**–**	–	**61.77**	84.99	**–**	–
Laboratory Equipments	**–**	–	**–**	–	**–**	2.01	**–**	–
EDP Equipments	**–**	8.08	**–**	0.29	**–**	0.83	**–**	–
Office Equipments	**0.31**	1.08	**–**	–	**–**	–	**–**	–
Furniture & Fixtures	**–**	0.53	**–**	–	**1.84**	–	**–**	–
Air Conditioners	**–**	9.81	**–**	–	**–**	–	**–**	–
Total Capital Expenditure	**0.31**	147.81	**–**	0.29	**63.61**	87.83	**–**	-
TOTAL	**1,750.00**	2,203.57	**101.75**	63.39	**1,378.47**	953.29	**165.53**	263.51

41. Excise Duty under "Other expenses" includes the differential excise duty on closing stock and opening stock of finished goods and excise duty paid on the goods distributed as free goods/medical samples amounting to ₹ Nil (Previous Year ₹ (39.28) lakhs).

42. In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the period April 1, 2017 to June 30, 2017 were reported gross of Excise Duty and net of Value Added Tax (VAT)/ Sales Tax. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from July 1, 2017, VAT/ Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognized as part of sales as per the requirements of Ind AS 18. Accordingly, Revenue from operation for the year ended March 31, 2019 are not comparable with the figures of the previous year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

43. During the year, a portion of the API plant at Panoli, Gujarat got damaged due to explosion followed by fire in one of the reactor. Due to this accident, certain assets in the plant as stated below got damaged and Company has written off these assets in books of accounts:

(₹ in lakhs)

Sr. No.	Particulars of assets	Book value of assets written off
1	Factory building	373.05
2	Plant & machinery	328.70
3	Air conditioners	56.38
4	Furniture & Fixtures	6.62
5	Office Equipments	2.52
	Total	**767.27**

The amount of disposal as shown in Note No. 5 of the financial statements includes the above write off of the assets. The Company has taken necessary insurance policy for above loss of asset on reinstatement basis terms and accordingly, shown the said write off as claim receivable along with other expenditure as per the policy terms.

The Company has started the process of rebuilding of its damaged plant. Since the Company has taken necessary insurance policy on reinstatement terms basis, it has lodged claim on estimated cost of reinstatement with the Insurance Company. Surveyor appointed by the Insurance Company has completed its survey and has submitted its report and the same is under review by the Insurance Company. It has been informed that Insurance Company is considering release of interim payment to expedite the process of rebuilding of the damaged plant. The management expects that the final claim will be settled in due course of time.

While the process of completing the rebuilding of damaged plant will take few months and the rebuilding cost will eventually be claimed under the policy based on actual amount spent and considering the interim approval of part payment by the Insurance Company, the amount of loss caused to its assets and stock due to fire and the expenditure incurred till March 31, 2019 on rebuilding of damaged plant aggregating to ₹ 998.74 lakhs has been shown under Claim Receivable under the head "Current Financial Assets – Others" (Refer Note No. 17). The management believes that the final loss, if any, when determined on due completion of claim settlement process, will not materially impact the financials of the Company.

44. EMPLOYEE BENEFITS:

a. Defined Contribution Plan

Contribution to defined contribution plan, recognized as expense for the year are as under: (₹ in lakhs)

Particulars	2018-19	2017-18
Employer's Contribution to Provident Fund & Family Pension Fund	**1,171.51**	1,093.11
Employer's Contribution to Superannuation Fund	**235.45**	208.44
Employer's Contribution to various Insurance Schemes	**153.05**	121.37

b. Defined Benefit Plan- Gratuity

Gratuity is payable to all eligible employees of the Company on retirement, death, permanent disablement and resignation in terms of the provision of the Payment of Gratuity Act, 1972. The benefits would be paid at the time of separation.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

i. Changes in Present Value of defined Benefit Obligation during the year

(₹ in lakhs)

Particulars	2018-19	2017-18
Present value of Defined Benefit Obligation at the beginning of the year	**4,540.39**	3,815.92
Interest Cost	**356.87**	288.87
Current Service Cost	**230.97**	221.91
Benefit Paid From the Fund	**(398.12)**	(147.36)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	**–**	–
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	**22.44**	(130.30)
Actuarial (Gains)/Losses on Obligations - Due to Experience	**(90.64)**	491.35
Present value of Defined Benefit Obligation at the end of the year	**4,661.91**	4,540.39

ii. Changes in fair value of plan assets during the year

(₹ in lakhs)

Particulars	2018-19	2017-18
Fair Value of Plan Assets at the Beginning of the year	**3,384.76**	2,740.56
Interest Income	**266.04**	207.46
Contributions by the Employer	**1,725.88**	592.55
Benefit paid from the Fund	**(398.12)**	(147.36)
Return on Plan Assets, Excluding Interest Income	**(23.24)**	(8.45)
Fair Value of Plan Assets at the end of the year	**4,955.32**	3,384.76

iii. Net (asset)/liability recognized in the balance sheet

(₹ in lakhs)

Particulars	31-03-2019	31-03-2018
Present Value of Benefit Obligation at the end of the year	**4,661.91**	4,540.39
Fair Value of Plan Assets at the end of the year	**(4,955.32)**	(3,384.76)
Net (asset)/liability recognized in the Balance Sheet	**(293.41)**	1,155.63
Net liability – current (Refer Note No. 29)	**–**	733.35
Net liability – non current (Refer Note No. 22)	**–**	422.28

iv. Expenses recognized in the statement of profit and loss for the year

(₹ in lakhs)

Particulars	2018-19	2017-18
Current Service Cost	**230.97**	221.91
Net Interest Cost	**90.83**	81.40
Expenses recognized	**321.80**	303.31

v. Expense Recognized in other comprehensive income for the year

(₹ in lakhs)

Particulars	2018-19	2017-18
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	**22.44**	(130.30)
Actuarial (Gains)/Losses on Obligations - Due to Experience	**(90.64)**	491.35
Return on Plan Assets, Excluding Interest Income	**23.24**	8.45
Net (Income)/Expense For the Period Recognized in OCI	**(44.96)**	369.51

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

vi. Actuarial assumptions

Particulars	2018-19	2017-18
Expected Return on Plan Assets (%)	**7.78**	7.86
Rate of Discounting (%)	**7.78**	7.86
Rate of Salary Increase (%)	**4.00**	4.00
Rate of Employee Turnover (%)	**2.00**	2.00

vii. Maturity profile of defined benefit obligation (₹ in lakhs)

Particulars	2018-19	2017-18
Within 1 year	**859.49**	1,002.91
1-2 Year	**361.06**	365.57
2-3 Year	**454.22**	393.03
3-4 Year	**590.49**	410.93
4-5 Year	**373.14**	533.31
5-10 Year	**1,927.08**	1,738.22

viii. Sensitivity analysis for significant assumptions is as below : (₹ in lakhs)

Particulars	31-03-2019	31-03-2018
Projected Benefit Obligation on Current Assumptions	**4661.91**	4,540.39
Delta Effect of +1% Change in Rate of Discounting	**(264.07)**	(246.00)
Delta Effect of -1% Change in Rate of Discounting	**302.41**	281.61
Delta Effect of +1% Change in Rate of Salary Increase	**311.01**	289.84
Delta Effect of -1% Change in Rate of Salary Increase	**(275.51)**	(256.84)
Delta Effect of +1% Change in Rate of Employee Turnover	**92.71**	89.31
Delta Effect of -1% Change in Rate of Employee Turnover	**(105.38)**	(101.43)

ix. Investment details:

The Company made annual contribution to the LIC of an amount advised by the LIC. The Company was not informed by LIC of the investments made or the break-down of the plan assets by investment type.

45. SEGMENT REPORTING:

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the decision maker, in assessing the performance and deciding on allocation of resources. The Company's decision maker are the Chairman and Whole time directors and the Company has only one reportable business segment i.e. 'Pharmaceuticals'.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

46. DEFERRED TAX:

The major components of deferred tax liabilities and assets arising on account of timing differences are as follows:

As at March 31, 2019 (₹ in lakhs)

Particulars	As at April 1, 2018	Recognised/ reversed through profit and loss	Recognised in other comprehensive income	MAT (Utilised)/ Availed	As at March 31, 2019
Tax effect of item constituting deferred tax liabilities					
i. Property, plant and equipment	5,038.42	363.51	–	–	**5,401.93**
ii. Fair valuation of Investment designated as FVTPL	1,800.55	430.76	–	–	**2,231.31**
	6,838.97	794.27	–	–	**7,633.24**
Tax effect of item constituting deferred tax assets					
i. Retirement benefits	643.22	(380.46)	(15.71)	–	**247.05**
ii. MAT credit entitlement	999.47	–	–	(999.47)	**–**
iii. Others	226.13	44.94	–	–	**271.07**
	1,868.82	(335.52)	(15.71)	(999.47)	**518.12**
Net deferred tax liability/ (asset)	4,970.15	1,129.79	15.71	999.47	**7,115.12**

As at March 31, 2018 (₹ in lakhs)

Particulars	As at April 1, 2017	Recognised/ reversed through profit and loss	Recognised in other comprehensive income	MAT (Utilised)/ Availed	As at March 31, 2018
Tax effect of item constituting deferred tax liabilities					
i. Property, plant and equipment	4,400.23	638.19	–	–	5,038.42
ii. Fair valuation of Investment designated as FVTPL	2,191.87	(391.32)	–	–	1,800.55
	6,592.10	246.87	–	–	6,838.97
Tax effect of item constituting deferred tax assets					
i. Employee benefits	579.82	(64.48)	127.88	–	643.22
ii. MAT credit entitlement	2,923.71	–	–	(1,924.24)	999.47
iii. Others	193.22	32.91	–	–	226.13
	3,696.75	(31.57)	127.88	(1,924.24)	1,868.82
Net deferred tax liability/ (asset)	2,895.35	278.44	(127.88)	1,924.24	4,970.15

The Company has unused tax losses under the head long term capital gain under the Income Tax Act, 1961. Based on the probable uncertainty regarding the set off of these losses, the Company has not recognized the following deferred tax asset in the Balance Sheet:

(₹ in lakhs)

Financial Year	As at March 31, 2019	Expiry Date	As at March 31, 2018	Expiry Date
2015 – 2016	**247.70**	March 31, 2024	273.27	March 31, 2024

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

47. RELATED PARTY DISCLOSURE :

Related party disclosure as required by Ind AS 24, 'Related Party Disclosures' notified under Section 133 of the Companies Act, 2013, are given below:

Names and Relationships of the Related Parties:

I	**Subsidiary Companies:**		
a.	OOO Unique Pharmaceutical Laboratories		
b.	Unique Pharmaceutical Laboratories FZE		
c.	Biotech Laboratoires (Pty.) Ltd. (Through Unique Pharmaceutical Laboratories FZE)		
II	**Associate Concerns/Trusts/Companies:**		
a.	Mody Trading Company	k.	Shirish Mody Enterprises LLP
b.	Mody Brothers	l.	Bharati Mody Ventures LLP
c.	Jyotindra Family Trust	m.	Synit Drugs Pvt. Ltd.
d.	Dinesh Family Trust	n.	Unique Pharmaceutical Laboratories Ltd.
e.	Shirish Family Trust	o.	Ifiunik Pharmaceuticals Ltd.
f.	Lekar Pharma Ltd.	p.	Namplas Chemicals Pvt. Ltd.
g.	J.B. Mody Enterprises LLP	q.	Gemma Jewellery Pvt. Ltd.
h.	Ansuya Mody Enterprises LLP	r.	Jyotindra Mody Ventures LLP
i.	Dinesh Mody Ventures LLP	s.	D. B. Mody Entreprises LLP
j.	Kumud Mody Ventures LLP	t.	Shirish Mody Property LLP
III	**Key Management Personnel (KMP):**		
a.	Shri Jyotindra B. Mody	d.	Shri Bharat P. Mehta
b.	Shri Dinesh B. Mody	e.	Shri Pranabh D. Mody
c.	Shri Shirish B. Mody	f.	Shri Kamlesh L. Udani
IV	**Relative of KMP:**		
a.	Mrs. Kumud D. Mody	g.	Shri Nirav S. Mody
b.	Mrs. Bharati S. Mody	h.	Shri Jay B. Mehta
c.	Mrs. Pallavi B. Mehta	i.	Mrs. K. V. Gosalia
d.	Mrs. Purvi U. Asher	j.	D. B. Mody HUF
e.	Mrs. Deepali A. Jasani	k.	S. B. Mody HUF
f.	Mrs. Priti R. Shah		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

Following transactions were carried out with related parties:

(₹ in lakhs)

	Name of Related Party	Nature of Transaction	2018-19	2017-18
(I)	**Subsidiary Companies :**			
a.	OOO Unique Pharmaceutical Laboratories Russia	Sale of goods	**5,178.58**	916.34
		O/S Receivable	**3,861.39**	916.23
		Sales Promotion Expenses paid	**2,893.59**	687.39
		O/S Payable	**585.60**	304.86
b.	Unique Pharmaceutical Laboratories FZE, Dubai	Sale of goods	**(17.05)**	3,225.15
		Guarantee Commission Income	**13.83**	13.03
		Reimbursement of Expenses	**–**	23.64
		Freight income	**–**	2.61
		O/S Receivable	**13.83**	4,045.90
		O/S Corporate Guarantee given for Loan taken by subsidiary (USD 4 Million)	**2,766.00**	2,606.80
c.	Biotech Laboratories (Pty.) Ltd., South Africa	Sale of goods	**3,712.00**	2,585.66
		Technical Service Fee	**104.94**	–
		Other Income	**12.03**	17.70
		O/S Payable	**2.31**	2.17
		O/S Receivable	**1,299.60**	1,371.54
(II)	**Associate Concern / Trusts / Companies :**			
a.	Mody Brothers	Payment of Rent	–	9.50
b.	Jyotindra Family Trust	Payment of Rent	**37.51**	29.97
		Rent deposit refund	–	6.00
		Rent deposit paid	–	6.18
		O/S Receivable	**9.68**	9.68
c.	Dinesh Family Trust	Payment of Rent	**8.35**	8.35
		O/S Receivable	**3.50**	3.50
d.	Shirish Family Trust	Payment of Rent	**8.35**	8.35
		O/S Receivable	**3.50**	3.50
e.	J. B. Mody Enterprises LLP	Payment of Rent	**5.95**	4.88
		Rent deposit paid	–	1.26
		O/S Receivable	**1.26**	1.26
f.	Dinesh Mody Ventures LLP	Payment of Rent	**5.95**	4.88
		Rent deposit paid	–	1.26
		O/S Receivable	**1.26**	1.26
g.	Shirish Mody Enterprises LLP	Payment of Rent	**5.95**	4.88
		Rent deposit paid	–	1.26
		O/S Receivable	**1.26**	1.26
h.	Jyotindra Mody Ventures LLP	Payment of Rent	**261.10**	259.44
		Reimbursement of Expenses	**10.58**	–
		O/S Receivable	**110.64**	110.64
i.	D. B. Mody Enterprises LLP	Payment of Rent	**261.10**	254.28
		O/S Receivable	**110.64**	110.64
j.	Shirish Mody Property LLP	Payment of Rent	**261.10**	254.28
		O/S Receivable	**110.64**	110.64

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

(₹ in lakhs)

	Name of Related Party	Nature of Transaction	2018-19	2017-18
k.	Synit Drugs Pvt. Ltd.	Interest on Deposits	–	2.33
		Refund of ICD	–	40.00
l.	Unique Pharmaceutical Laboratories Ltd.	Royalty paid	**1,120.02**	1,122.30
m.	Ifiunik Pharmaceuticals Ltd.	Interest on Deposits	–	3.79
		Refund of ICD	–	65.00
n.	Namplas Chemicals Pvt. Ltd.	Processing Charges	**35.29**	23.99
		O/S Payable	**3.22**	4.43
o.	Gemma Jewellery Pvt. Ltd.	Purchases of goods	**2.59**	4.15
p.	Lekar Pharma Ltd.	Sale of goods	**96.41**	203.55
		Purchases of goods	**5,484.14**	6,426.29
		Receipt of Manufacturing Charges	**101.53**	86.06
		Reimbursement received for Sales Promotion expense	–	186.76
		O/S Payable	**897.66**	956.66
(III)	**Key Management Personnel :**			
a.	Shri Jyotindra B. Mody	Remuneration	**572.11**	442.76
		Retirement benefit Expenses*	**68.65**	57.21
b.	Shri Dinesh B. Mody	Remuneration	**572.11**	442.76
		Retirement benefit Expenses*	**68.65**	57.21
c.	Shri Shirish B. Mody	Remuneration	**572.11**	442.76
		Retirement benefit Expenses*	**68.65**	57.21
d.	Shri Bharat P. Mehta	Remuneration	**247.65**	221.02
		Retirement benefit Expenses*	**33.43**	30.65
e.	Shri Pranabh D. Mody	Remuneration	**247.65**	221.02
		Retirement benefit Expenses*	**33.43**	30.65
f.	Shri Kamlesh L. Udani	Remuneration	**160.18**	142.38
		Retirement benefit Expenses*	**21.62**	19.22
(IV)	**Relative of Key Management Personnel :**			
a.	Shri Nirav S. Mody	Remuneration	**160.40**	150.71
		Retirement benefit Expenses*	**21.80**	20.35
b.	Shri Jay B. Mehta	Remuneration	**160.40**	150.71
		Retirement benefit Expenses*	**21.80**	20.34
c.	D. B. Mody - HUF	Payment of Rent	**29.16**	18.5
		Rent deposit refund	–	6.00
		Rent deposit paid	–	6.18
		O/S Receivable	**6.18**	6.18
d.	S. B. Mody - HUF	Payment of Rent	**29.16**	18.96
		Rent deposit refund	–	6.00
		Rent deposit paid	–	6.18
		O/S Receivable	**6.18**	6.18

* Excludes provision for compensated leave and gratuity for KMP and Relative of KMP as both liabilities are provided on overall Company basis and not identified separately in actuarial valuation.

Note: Figures are inclusive of Service Tax/ GST wherever applicable.

48. EARNINGS PER SHARE :

Particulars	2018-19	2017-18
Net Profit attributable to Equity Shareholders (₹ in lakhs)	**18,205.92**	12,800.14
Weighted Average No. of Equity shares (Nos)		
Basic	**82,190,980**	83,967,235
Diluted	**82,190,980**	83,967,235
Nominal value of equity shares (₹)	**2.00**	2.00
Earnings per share (₹)		
Basic	**22.15**	15.24
Diluted	**22.15**	15.24

49. OPERATING LEASES:

The Company has entered into cancellable/ non-cancellable operating leases in respect of office premises, godown and others. During the year ₹ 863.60 lakhs (Previous year ₹ 858.20 lakhs) for cancellable lease and ₹ 8.31 lakhs (previous year ₹ Nil) for non-cancellable lease has been charged to Statement of Profit and Loss on account of compensation rent. There are no sub lease and contingent rent. There are no restriction imposed by lease arrangements.

Future minimum lease rentals payable for non-cancellable operating leases is as follows: (₹ in lakhs)

Operating Lease	As at March 31, 2019	As at March 31, 2018
Due within one year	**11.89**	-
Due within one year and five years	**3.58**	-
Total	**15.47**	**-**

50. CSR EXPENDITURE :

Gross amount required to be spent during the year ₹ 418.55 lakhs (Previous year ₹ 391.86 lakhs).

Amount spent during the year ₹ 410.73 lakhs (Previous year ₹ 295.41 lakhs) as detailed hereunder:

(₹ in lakhs)

Nature of activity	2018-19	2017-18
Promoting Health care including preventive health care	**344.27**	240.00
Promotion of Education	**66.05**	50.00
Eradication of Poverty and malnutrition	**0.41**	0.41
Protection of Environment	**–**	5.00

51. Pursuant to Section 186(4) of the Companies Act, 2013, the particulars of amount outstanding under guarantee given is as follows :

(₹ in lakhs)

Name of entity	Nature of transaction and material terms	Purpose for which loan / guarantee proposed to be utilized by the recipient	As at March 31, 2019	As at March 31, 2018
Unique Pharmaceutical Laboratories FZE, a wholly owned subsidiary	Corporate guarantee. Guarantee commission charged @ 0.50 %.	Guarantee given to facilitate borrowing from bank by the subsidiary for meeting working capital needs.	**2,766.00 (USD 4 million)**	2,606.80 (USD 4 million)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES :

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

Company has exposure to following risks arising from financial instruments:

a) Credit risk

b) Liquidity risk

c) Market risk

Risk management framework

Company's Board of Directors has overall responsibility for establishment of Company's risk management framework. Management is responsible for developing and monitoring Company's risk management policies, under the guidance of Audit Committee. Management identifies, evaluate and analyses the risks to which is Company is exposed to and set appropriate risk limits and controls to monitor risks and adherence to limits.

Management periodically reviews its risk policy and systems to assess need for changes in the policies to adapt to the changes in market conditions and align the same to the business of the Company. Management through its interaction and training to concerned employees aims to maintain a disciplined and constructive control environment in which concerned employees understand their roles and obligations. The Audit Committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks to which Company is exposed. The Audit Committee is assisted in its role by the internal auditor wherever required. Internal auditor undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

a) Credit risk:

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions, foreign exchange transactions and other financial instruments.

The Company has adopted a policy of only dealing with counterparties that have sufficiently high credit standards and financial strength. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the several counterparties.

Credit risk arising from derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the reputed credit rating agencies.

As regards credit risk for investment in mutual funds, the Company limits its exposure to credit risk by investing mainly in debt securities issued by mutual funds which are of high credit ranking from rating agency like CRISIL or the equivalent rating agency. Company monitors changes in credit risk by tracking published external credit ranking. Based on its on-going assessment of counterparty risk, Company adjusts its exposure to various counterparties from time to time.

Credit risk from Trade receivables is managed by the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are mainly from stockist, distributors and direct customers and are non-interest bearing. Trade receivables generally ranges from 30 days to 180 days credit term. Credit limits are established for all customers based on internal criteria and any deviation in credit limit require approval of Head of the department and / or Directors depending upon the quantum and overall business risk. Majority of the customers have been doing business with the Company for more than 3 years and they are being monitored by individual business managers who deals with those customers. Management monitors trade receivables on regular basis and take suitable action where needed to control the receivables crossing set criteria / limits. Also, in case of international business, particularly new customers, management reviews the business risk by evaluating economic situation of the country and the customers and generally starts the relation either on advance payment or on the basis of confirmed irrevocable letter of credit.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

Management does an impairment analysis at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Further, the Company's customers base is widely distributed both economically as well as geographically and in view of the same, the quantum risk also gets spread across wide base and hence management considers risk with respect to trade receivable as low.

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Expected credit loss for trade receivables under simplified approach as at the end of each reporting period is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Gross carrying amount	**30,406.38**	30,368.05
Expected credit loss at simplified approach	**314.00**	314.00
Carrying amount of trade receivables (net of impairment)	**30,092.38**	30,054.05

b) Liquidity risk:

Liquidity risk is the risk that Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. Company closely monitors its liquidity position and deploys a robust cash management system.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash or cash equivalent available to meet all its normal operating commitments in a timely and cost-effective manner. Working capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within managable levels. Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next three to six months.

c) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks:

i. interest rate risk;

ii. currency risk; and

iii. Equity price risk.

Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

i) 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. Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is very low. The Company has not used any interest rate derivatives.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

ii) Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. Primarily, the exposure in foreign currencies are denominated in USD, EURO and RUBLE. At any point in time, Company covers foreign currency risk by taking appropriate percentage of its net foreign currency exposure by entering into forward exchange contracts on past performance basis mostly with a maturity of less than one year from the reporting date. In respect of monetary assets and liabilities denominated other than in USD, EURO and RUBLE, Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

All such hedged transactions are carried out within the guidelines set by the risk management committee. The Company does not enter into any derivative instruments for trading or speculative purposes.

The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

(₹ in lakhs)

Currency	Liabilities		Assets	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD	**901.25**	1,021.12	**16,635.06**	16,989.73
EURO	**86.97**	266.14	**1,873.53**	2,624.81
AUD	**1.22**	25.91	**1,321.71**	1,679.32
RUB	**600.64**	304.86	**3,861.39**	3,490.66
Others	**2.09**	2.07	**945.87**	212.15

Details of Hedged exposure in foreign currency denominated monetary items:

The Company enters into forward exchange contracts to hedge against its foreign currency exposure relating to the underlying transactions based on past performance. The Company does not enter into any derivative instruments for trading or speculative purpose.

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

Currency	As at March 31, 2019		As at March 31, 2018	
	F.C. (in Mn.)	₹ in lakhs	F.C. (in Mn.)	₹ in lakhs
Forward contract to sell USD	**20.25**	**14,002.88**	10.75	7,005.78
Forward contract to sell Euro	**0.25**	**195.70**	2.00	1,626.64
Forward contract to sell Ruble	**362.00**	**3,857.83**	–	–

Details of Unhedged exposure in foreign currency denominated monetary items:

Currency	As at March 31, 2019		As at March 31, 2018	
	F. C. (in Mn.)	₹ in lakhs	F. C. (in Mn.)	₹ in lakhs
RECEIVABLE:				
USD	**3.81**	**2,632.19**	15.32	9,983.95
EURO	**2.14**	**1,677.83**	1.23	998.16
AUD	**2.69**	**1,321.71**	3.36	1,679.32
RUBLE	**0.33**	**3.56**	308.53	3,490.66
OTHERS	**5.00**	**945.87**	1.20	212.15
PAYABLE:				
USD	**1.30**	**901.25**	1.57	1,021.12
EURO	**0.11**	**86.97**	0.33	266.14
AUD	**–**	**1.22**	0.05	25.91
RUBLE	**56.36**	**600.64**	26.95	304.86
OTHERS	**–**	**2.09**	–	2.07

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

The Company is mainly exposed to changes in USD, EURO and RUBLE. The below table demonstrates the sensitivity to a 1% increase or decrease in the USD, EURO and RUBLE against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 1% represents management's assessment of reasonably possible change in foreign exchange rate.

(₹ in lakhs)

Particulars	Currency	As at March 31, 2019	As at March 31, 2018
1% Depreciation in INR	USD	**17.31**	89.63
1% Appreciation in INR	USD	**(17.31)**	(89.63)
1% Depreciation in INR	EURO	**15.91**	7.32
1% Appreciation in INR	EURO	**(15.91)**	(7.32)
1% Depreciation in INR	RUB	**(5.97)**	31.82
1% Appreciation in INR	RUB	**5.97**	(31.82)

iii) Equity Price risk:

Company does not have any exposure to equity price risk, as there is no major investment in equity except in its own subsidiaries and accordingly, exposure to risk of changes in price is very low.

53. CAPITAL MANAGEMENT:

For the purpose of the Company's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and to maintain an optimal capital structure so as to maximise shareholder's value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plan. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or buy-back its shares. The current capital structure of the Company is equity based with low financing through borrowings. The Company is not subject to any externally imposed capital requirement.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

54. FAIR VALUE MEASUREMENT :

A) The Carrying value and Fair value of financial assets and liabilities by categories are as follows: (₹ in lakhs)

Particulars	Carrying value of the financial assets/liabilities		Fair value of the financial assets/ liabilities	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial Assets at amortized cost (non-current)				
Investment in Government securities	**0.29**	0.29	**0.29**	0.29
Loans	**358.86**	332.67	**358.86**	332.67
Other financial assets	**15.82**	15.11	**15.82**	15.11
Financial Assets at amortized cost (current)				
Trade receivables	**30,092.38**	30,054.05	**30,092.38**	30,054.05
Cash and bank balance	**2,076.80**	1,495.33	**2,076.80**	1,495.33
Loans	**70.95**	104.86	**70.95**	104.86
Other financial assets	**1,101.60**	89.26	**1,101.60**	89.26

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

(₹ in lakhs)

Particulars	Carrying value of the financial assets/liabilities		Fair value of the financial assets/ liabilities	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial liabilities at amortized cost (current)				
Borrowings	**2,579.77**	2,847.62	**2,579.77**	2,847.62
Trade payables	**7,671.34**	10,022.10	**7,671.34**	10,022.10
Others	**10,424.65**	10,132.26	**10,424.65**	10,132.26
Financial Assets at Fair value through profit & loss (non-current)				
Investment	**9,587.27**	4,995.50	**9,587.27**	4,995.50
Financial Assets at Fair value through profit & loss (current)				
Investment	**36,064.99**	38,376.60	**36,064.99**	38,376.60
Forward contract	**374.74**	–	**374.74**	–
Financial Liabilities at Fair value through profit & loss (current)				
Forward contract	**–**	8.77	**–**	8.77

B) Level-wise disclosures of financial assets and liabilities by categories are as follows: (₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	Level	Valuation techniques and key inputs
Financial Assets at amortized cost (non-current)				
Deposit for premises	**338.85**	312.8	3	Discounted cash flow method using interest rate for similar financial instrument.
Financial Assets at Fair value through profit & loss (non-current)				
Investment in Mutual Fund	**8,383.80**	3,985.53	1	Quoted NAV in active markets.
Investment in Equity shares	**1,203.47**	1,009.97	3	Value based on the NAV as per latest audited financial statement available.
Financial Assets at Fair value through profit & loss (current)				
Investment in Mutual Fund	**36,064.99**	38,376.60	1	Quoted NAV in active markets.
Forward contract	**374.74**	–	2	Forward contracts are valued using available information from the banks.
Financial Liabilities at Fair value through profit & loss (current)				
Forward contract	**–**	8.77	2	Forward contracts are valued using available information from the banks.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

Fair value of cash and cash equivalents, short term loans, trade receivables, trade payables, other financial assets/liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2018.

During the reporting period ended March 31, 2019 and March 31, 2018, there were no transfers between level 1, level 2 and level 3 fair value measurements.

C) Reconciliation of the opening and closing balances for Level 3 fair value : (₹ in lakhs)

Particulars	Investment in Equity shares	Deposit for premises
Opening Balance as on April 1, 2018	1,009.97	312.80
Addition during the year	–	3.96
Deletion during the year	6.33	–
Interest Income-Others	–	22.09
Fair value changes of Investment designated as FVTPL	199.83	–
Closing Balance as on March 31, 2019	**1,203.47**	**338.85**

One percentage point change in the unobservable inputs used in fair valuation of level 3 assets or liabilities does not have significant input in its value.

55. EVENTS AFTER THE REPORTING PERIOD :

The Board of Directors have recommended dividend of ₹ 5/- per fully paid up equity shares of ₹ 2/- each amounting to ₹ 4,011.83 lakhs plus ₹ 824.64 lakhs dividend distribution tax for the financial year 2018-19, which is based on relevant share capital as on March 31, 2019. The actual dividend amount will be dependent on the relevant share capital outstanding as on record date / book closure.

56. Figures of previous year have been re-grouped, rearranged and recast, wherever considered necessary. Figures in brackets indicate corresponding figures of previous year.

As per our report of even date

For D N V & Co.
Chartered Accountants
Firm Registration No. 102079W

Bharat Jain
Partner
Membership No. 100583

Place: Mumbai
Date: May 21, 2019

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director
DIN : 00034851

D. B. Mody
Whole time Director (Administration)
DIN : 00034992

S. B. Mody
Whole time Director (Marketing)
DIN : 00035051

Vijay D. Bhatt
Chief Financial Officer

M. C. Mehta
Company Secretary
ACS : 8854

Place: Mumbai
Date: May 21, 2019

INDEPENDENT AUDITORS' REPORT

To the Members of **J. B. Chemicals & Pharmaceuticals Limited**

Report on the Audit of the Consolidated Financial Statements

1. **Opinion**

   We have audited the accompanying consolidated financial statements of J. B. Chemicals & Pharmaceuticals Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

   In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "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 read with the Companies (Indian Accounting Standards) Rules as amended, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit and other comprehensive income, the consolidated changes in equity and its consolidated cash flows for the year ended on that date.

2. **Basis for Opinion**

   We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under Section143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

3. **Key Audit Matters**

   Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Description of Key Audit Matter:

Revenue Recognition:

Key Audit matter	How the matter was addressed in our Audit
Considering the change in the revenue recognition and measurement principles with adoption of Ind AS 115 and the fact that it involves management judgement/ estimates, "Revenue Recognition and measurement" principles is being considered as key Audit matter with the perspective of review of policies and processes followed by the Group. Revenue from the sale of pharmaceutical products is recognised when the Group performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery. **(Refer note no 2.5 of consolidated financial statements for policies in respect of revenue recognition)**	**Our procedures in respect of recognition of revenue included the following:** We considered the appropriateness of the Group's revenue recognition accounting policies, including the recognition and classification criteria with applicable accounting standards. We observed that the Group has defined policy for revenue recognition and has been following the same consistently. For the purpose of our audit and to test the operativeness of the policy, several tests like; • Review of Distributor's Prices (DP), Discount Policy; • Discussion with business and finance officials to understand the contractual terms and conditions which may have bearing on revenue recognition; and • Performed cut off procedures and review of credit notes subsequent to balance sheet dates.

INDEPENDENT AUDITORS'REPORT (Contd.)

Impairment of Property, Plant and Equipment and Intangible Assets:

Key Audit matter	How the matter was addressed in our Audit
The carrying amount of Property, Plant and Equipment is ₹ 54,441.67 lakhs and Intangible Assets is ₹ 2,337.75 lakhs, which represents 31.70% of the total assets. The Group has intangibles in form of Product Dossier with indefinite useful economic life. The Group has substantial amount of PPE mainly, assets at manufacturing sites. The value in use of these PPE have been determined based on certain assumptions and estimates of future performance. Management reviews the assets regularly and performs impairment test annually either individually or at cash generating unit level and accordingly, provide for the same if found significant and required. Due to the significance of the value of the PPE and Intangible Assets, the inherent uncertainty and judgment involved in forecasting performance and the estimates involved in determining future performance, we have considered these estimates to be significant to our overall audit strategy and planning. **Refer note no 2.10, 2.11 and 2.13 of consolidated financial statements for policies in respect of Property, Plant and Equipment and Intangible Assets**	In view of the significance of the matter our procedures in this area included the following : As regards PPE: • Verification of records on test basis relating to few big / critical assets at manufacturing sites from operational perspective and its economic value; • Testing the design, implementation and operating effectiveness of key controls over the impairment review process including the review and approval of future performance; and • evaluating the past performances where relevant and assessing historical accuracy of the forecast produced by management. In respect of Intangibles Assets in form of Product Dossier with indefinite useful economic life of the Holding Company, we have taken cognizance of: • Value recorded in the books (at cost) with contract of purchase for the product dossiers; • the most recent recoverable amount realized and resulted in an amount that exceeded the asset's carrying amount by a substantial margin on sale of some of the product dossier; and • Company's plans to develop few products in house out of the acquired dossier formulae. In respect of Intangibles Assets in form of Product Dossier with indefinite useful economic life in one of the subsidiary Company, audited by other Auditors, have taken cognizance of: • valuation methodology used by management and testing the mechanical accuracy of the impairment models; • the reasonableness of the valuation assumptions, such as discount rates, used by management through reference to external market data; and • the appropriateness of the business assumptions used by management, such as sales growth and the probability of success of new products assessing the valuation methodology used by management and testing the mechanical accuracy of the impairment models. We have also considered whether events or transactions that occurred after the balance sheet date but before the reporting date affect the conclusions reached on the carrying values of the assets and associated disclosures made in the consolidated financial statements.

INDEPENDENT AUDITORS' REPORT (Contd.)

Insurance Claim – Holding Company

Key Audit matter	How the matter was addressed in our Audit
During the year, the bulk drug manufacturing unit at Panoli, Gujarat met with an accident and assets worth book value of ₹ 767.27 lakhs got damaged due to fire and the Company has written off these assets in books of accounts. Since the Company had taken insurance policy on replacement costs basis, the management believes that the final loss, if any, when determined on due completion of claim settlement process, will not materially impact the financials of the Company. The Company has shown the said write off along with other expenditure aggregating to ₹ 998.74 lakhs under Claim Receivable under the head "Current Financial Assets – Others. **(Refer note no 41 of consolidated financial statement)**	In view of the significance of the matter, our procedure in this area includes the following: • Insurance policy and its coverage; • Claim submitted with the insurance Company for reinstatement and repairs of assets and loss of stock; • Response of external agencies and Insurance Company appointed Surveyor on preliminary/ final assessment; • Correspondence with the insurance Company and letter stating the approval of interim payment to the Company; • Management assessment of estimated loss based on the claim submission and discussion with the surveyor and other external agencies; • Reviewed the alternative procurement plan till re-built up of damaged plant and its impact on continuity of the business; and • Reviewed Accounting treatment and disclosure made in consolidated financial statement.

4. Information Other than the Consolidated Financial Statements and Auditor's Report Thereon ("Other Information")

The Holding Company's management and Board of Directors is responsible for the preparation of 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.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 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.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group, in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of

INDEPENDENT AUDITORS' REPORT (Contd.)

preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is also responsible for overseeing the financial reporting process of each Company.

6. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system 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 in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated 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 (Holding Company and Subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- The entities which are included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph of the section titled 'Other Matters' in this audit report

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in paragraph of the "Other Matters" below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions

INDEPENDENT AUDITOR'S REPORT (Contd.)

of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Other Matters

We did not audit the financial statements / financial information of 3 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 21,258.02 lakhs as at March 31, 2019, total revenues of ₹ 26,251.37 lakhs and net cash inflows amounting to ₹ 482.07 lakhs for the year ended on that date, as considered in the consolidated financial statements.This financial statements / financial information's have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Subsidiaries which are located outside India, whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

8. Report on Other Legal and Regulatory Requirements

I. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

II. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss

INDEPENDENT AUDITOR'S REPORT (Contd.)

(including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2019 and taken on record by the Board of Directors of the Holding Company (since the Holding Company is the only Company in the group incorporated in India), none of the directors of the Holding Company incorporated in India is disqualified as on March 31, 2019 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 over financial reporting of the group and operating effectiveness of such controls, refer to our report on the internal financial controls over financial reporting given in Annexure B to the Independent Auditor's Report on standalone financial statement, since the Holding Company is the only Company in the group incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, for the reasons stated therein.

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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 37 to the consolidated financial statements;

ii. the Group did not have any material foreseeable losses on long-term contracts including derivative contracts; and

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For D N V & CO
CharteredAccountants
Firm's registration No.: 102079W

CA Bharat Jain
Partner
Membership No.: 100583

Place: Mumbai
Date: May 21, 2019

CONSOLIDATED BALANCE SHEET

as at March 31, 2019

(₹ in lakhs)

	Particulars	Note No.	As at March 31,2019	As at March 31,2018
	ASSETS			
(I)	**Non-Current Assets**			
	(a) Property, Plant and Equipment	5	**54,441.67**	56,371.11
	(b) Capital work-in-progress		**1,508.99**	1,740.23
	(c) Goodwill		**5,314.00**	5,314.00
	(d) Other Intangible assets	6	**2,337.75**	2,265.23
	(e) Financial Assets			
	(i) Investments	7	**9,587.56**	4,995.79
	(ii) Trade receivables	8	**–**	–
	(iii) Loans	9	**358.86**	332.67
	(iv) Other financial assets	10	**15.82**	15.11
	(f) Other Non-Current Assets	11	**577.87**	755.07
	Total Non-Current Assets		**74,142.52**	**71,789.21**
(II)	**Current Assets**			
	(a) Inventories	12	**24,375.76**	21,373.14
	(b) Financial Assets			
	(i) Investments	13	**36,064.99**	38,376.60
	(ii) Trade receivables	14	**30,929.53**	30,072.96
	(iii) Cash and cash equivalents	15	**3,539.68**	2,794.28
	(iv) Bank balances other than (iii) above	15	**140.03**	198.04
	(v) Loans	16	**140.23**	177.61
	(vi) Others	17	**1,505.22**	89.35
	(c) Current Tax Assets (Net)	18	**715.06**	829.46
	(d) Other current assets	19	**7,547.03**	10,809.81
	Total Current Assets		**104,957.53**	104,721.25
	Total Assets		**179,100.05**	176,510.46
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share capital	20	**1,604.73**	1,671.40
	(b) Other Equity	21	**146,407.51**	142,484.40
	Equity attributable to equity holder of the Parent		**148,012.24**	144,155.80
	(c) Non Controlling interest		**280.33**	277.18
	Total Equity		**148,292.57**	**144,432.98**
	Liabilities			
(I)	**Non-Current Liabilities**			
	(a) Provisions	22	**572.89**	967.36
	(b) Deferred tax liabilities (Net)	23	**5,690.73**	3,238.58
	(c) Other non-current liabilities	24	**220.29**	360.01
	Total Non-Current Liabilities		**6,483.91**	4,565.95
(II)	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	25	**2,579.77**	2,929.28
	(ii) Trade payables	26		
	A) Dues of Micro Enterprises and Small Enterprises		**787.01**	74.50
	B) Dues of creditors other than Micro Enterprises and Small Enterprises		**7,489.05**	10,965.00
	(iii) Other financial liabilities	27	**11,000.19**	10,814.82
	(b) Other current liabilities	28	**1,676.17**	1,160.14
	(c) Provisions	29	**397.72**	1,552.50
	(d) Current Tax Liabilities (Net)	30	**393.66**	15.29
	Total Current Liabilities		**24,323.57**	**27,511.53**
	TOTAL EQUITY AND LIABILITIES		**179,100.05**	**176,510.46**

See accompanying notes to the Consolidated financial statements

As per our report of even date

For D N V & Co.
Chartered Accountants
Firm Registration No. 102079W

Bharat Jain
Partner
Membership No. 100583

Place: Mumbai
Date: May 21, 2019

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director
DIN : 00034851

D. B. Mody
Whole time Director (Administration)
DIN : 00034992

S. B. Mody
Whole time Director (Marketing)
DIN : 00035051

Vijay D. Bhatt
Chief Financial Officer

M. C. Mehta
Company Secretary
ACS : 8854

Place: Mumbai
Date: May 21, 2019

CONSOLIDATED PROFIT AND LOSS STATEMENT

for the year ended on March 31, 2019

(₹ in lakhs)

	Particulars	Note No.	2018-19	2017-18
	INCOME			
I	Revenue From Operations	31	**164,320.04**	141,298.15
II	Other Income	32	**4,143.99**	3,710.75
III	**Total Income (I+II)**		**168,464.03**	145,008.90
IV	**EXPENSES**			
	Cost of materials consumed	33	**45,375.37**	38,701.68
	Purchases of stock-in-trade		**16,209.91**	15,739.56
	Changes in inventories of finished goods, stock-in-trade and work-in-progress		**(1,939.38)**	(659.41)
	Employee benefits expense	34	**28,817.59**	25,109.87
	Finance costs	35	**419.81**	349.21
	Depreciation and amortization expense	5,6	**5,564.20**	5,697.37
	Other expenses	36	**45,317.27**	40,675.56
	Total Expenses		**139,764.77**	125,613.84
V	**Profit before Tax (III-IV)**		**28,699.26**	19,395.06
VI	**Tax expense:**	30		
	Current tax		**7,846.28**	4,948.66
	Deferred tax		**1,364.18**	413.74
	Earlier years tax		**91.83**	160.72
VII	**Profit for the year (V-VI)**		**19,396.97**	13,871.94
VIII	**Other Comprehensive Income**			
	A] Items that will not be reclassified to profit or loss			
	Re-measurement of the defined benefit plan		**44.96**	(369.51)
	Income tax on above		**(15.71)**	127.88
	B] Items that will be reclassified to profit or loss			
	Foreign currency translation reserve		**(448.89)**	223.55
	Total other comprehensive income		**(419.64)**	(18.08)
IX	**Total Comprehensive Income for the year (VII+VIII)**		**18,977.33**	13,853.86
	Profit for the year attributable to			
	- owners of the company		**19,346.63**	13,834.09
	- non controlling interest		**50.34**	37.85
	Other comprehensive income for the year attributable to			
	- owners of the company		**(372.44)**	(39.36)
	- non controlling interest		**(47.20)**	21.28
	Total comprehensive income for the year attributable to			
	- owners of the company		**18,974.19**	13,794.73
	- non controlling interest		**3.14**	59.13
X	**Earnings per equity share**	46		
	Basic		**23.54**	16.48
	Diluted		**23.54**	16.48

See accompanying notes to the Consolidated financial statements

As per our report of even date

For D N V & Co.
Chartered Accountants
Firm Registration No. 102079W

Bharat Jain
Partner
Membership No. 100583

Place: Mumbai
Date: May 21, 2019

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director
DIN : 00034851

S. B. Mody
Whole time Director (Marketing)
DIN : 00035051

Place: Mumbai
Date: May 21, 2019

D. B. Mody
Whole time Director (Administration)
DIN : 00034992

Vijay D. Bhatt
Chief Financial Officer

M. C. Mehta
Company Secretary
ACS : 8854

CONSOLIDATED CASH FLOW STATEMENT

For the year ended on March 31, 2019

(₹ in lakhs)

Particulars		2018-19		2017-18	
A.	**Cash Flow from Operating Activities**				
	Net Profit before Tax		28,699.26		19,395.06
	Adjustment For:				
	Depreciation	**5,564.20**		5,697.37	
	Foreign Exchange Fluctuation (Net)	**265.38**		(458.72)	
	Interest expense	**387.16**		313.78	
	(Profit)/ Loss on Sale/Discard of Assets (Net)	**(244.70)**		(197.36)	
	Profit on sale of Investment designated as FVTPL	**(1,545.93)**		(4,322.41)	
	Net (Gain)/Loss arising from Financial instruments designated as FVTPL	**(1,771.53)**		1,696.04	
	Interest income	**(229.58)**		(167.49)	
	Dividend income	**(88.36)**		(20.00)	
	Government Grant	**(68.65)**		(87.91)	
	Re-measurement of the defined benefit plan	**44.96**		(369.51)	
	Excess provision written back	**(9.32)**		(579.48)	
	Provision for Doubtful debts written back	**(18.92)**		(63.03)	
	Provision for Doubtful debts/Bad Debts	**10.52**		249.94	
			2,295.23		1,691.22
	Operating Profit Before Working Capital Changes		**30,994.49**		21,086.28
	Adjustment For:				
	Trade and Other Receivables	**1,306.89**		(5,287.59)	
	Inventories	**(3,002.62)**		(1,356.28)	
	Trade Payable	**(3,499.59)**		1,936.38	
			(5,195.32)		(4,707.49)
	Cash Generated From Operations		**25,799.17**		16,378.79
	Direct Taxes Paid (Net)		**(6,491.47)**		(4,086.70)
	Net Cash from Operating Activities		**19,307.70**		12,292.09
B.	**Cash Flow from Investing Activities**				
	Purchase of Fixed Assets	**(4,834.47)**		(3,642.99)	
	Sale of Fixed Assets	**732.30**		785.74	
	Purchase of Investments	**(42,522.84)**		(42,006.00)	
	Sale of Investments	**43,560.13**		42,340.34	
	(Increase)/Decrease in other bank balances	**58.01**		266.14	
	Interest Received	**229.52**		168.56	
	Dividend Received	**88.36**		20.00	
	Net Cash used in Investing Activities		**(2,688.99)**		(2,068.21)

CONSOLIDATED CASH FLOW STATEMENT (Contd.)

For the year ended on March 31, 2019

(₹ in lakhs)

Particulars	2018-19		2017-18	
C. Cash Flow from Financing Activities				
Buy-back of shares	**(13,102.79)**		(5,000.00)	
Proceeds/(Repayment) from/of Short Term Borrowing (Net)	**(5.00)**		395.00	
Interest Paid	**(341.56)**		(313.78)	
Dividend Paid (Including Dividend Distribution Tax)	**(2,079.45)**		(1,033.54)	
Net Cash used in Financing Activities		**(15,528.80)**		(5,952.32)
Net Increase in Cash and Cash Equivalents		**1,089.91**		4,271.56
Cash and Cash Equivalents as at 01.04.18*	**2,124.25**		(2,147.31)	
Cash and Cash Equivalents as at 31.03.19*	**3,214.16**	**1,089.91**	2,124.25	4,271.56

*Cash and Cash Equivalents comprises the following: (₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Balances with banks	**1,996.92**	1,681.35
Cheques on hand	**–**	478.15
Cash on hand	**20.02**	24.47
Post Office Saving Account	**0.60**	0.60
Fixed Deposits with maturity of less than 3 months	**1,522.14**	609.71
	3,539.68	2,794.28
Less : Bank Overdraft	**325.52**	670.03
Cash and Cash Equivalents	**3,214.16**	2,124.25

Note: The Consolidated Cash Flow Statement is prepared using the " Indirect method" set out in Ind AS 7 - " Statement of Cash Flows".

As per our report of even date

For D N V & Co.
Chartered Accountants
Firm Registration No. 102079W

Bharat Jain
Partner
Membership No. 100583

Place: Mumbai
Date: May 21, 2019

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director
DIN : 00034851

D. B. Mody
Whole time Director (Administration)
DIN : 00034992

S. B. Mody
Whole time Director (Marketing)
DIN : 00035051

Vijay D. Bhatt
Chief Financial Officer

M. C. Mehta
Company Secretary
ACS : 8854

Place: Mumbai
Date: May 21, 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

1. GENERAL INFORMATION

J. B. Chemicals & Pharmaceuticals Limited (the Holding Company) is a public limited company incorporated in India (CIN: L24390MH1976PLC019380) having its registered office in Mumbai. The consolidated financial statement comprises financials of the Holding Company and its subsidiaries (referred to collectively as "the Group"). The Group is engaged in the business of manufacturing and marketing of diverse range of pharmaceutical formulations, herbal remedies and APIs.

These consolidated financial statements for the year ended March 31, 2019 were approved for the issue by the Board of Directors vide their resolution dated May 21, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION:

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015 and the other relevant provisions of the Act and Rules thereunder.

The consolidated financial statements have been prepared on a historical cost basis except for certain financial assets and financial liabilities (including financial instruments) which have been measured at fair value at the end of each reporting period as explained in the accounting policies stated below.

2.2 PRINCIPLES OF CONSOLIDATION:

a) Business Combinations and Control:

In accordance with Ind AS 103, the Group accounts for business combinations using the acquisition method when the control is transferred to the Group. The Holding Company determines the basis of control in line with the requirements of Ind AS 110, Consolidated Financial Statements. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

b) Consolidation Procedure:

The consolidated financial statements comprise of the financial statement of the Holding Company and its subsidiaries referred herein below. The financial statements of the Holding Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances, intra-group transactions and unrealized profits resulting therefrom and are presented to the extent possible, in the same manner as the Holding Company's independent financial statements.

The difference between the Group costs of investments in the Subsidiaries, over its portion of equity at the time of acquisition of shares is recognized in the consolidated financial statements as Goodwill or Capital Reserve as the case may be. The Goodwill recognized in the consolidated financial statements is tested for impairment, if any.

In case of foreign subsidiaries, revenue items are converted at the average rates prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the "Foreign Currency Translation Reserve".

The financial statements of the Holding Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Holding Company i.e., year ended March 31, 2019.

c) Non-Controlling Interest:

Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity.

Non-controlling interests in the net assets of consolidated subsidiaries consists of:

I. The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made;

II. The non-controlling interests' share of movements in equity since the date holding subsidiary relationship came into existence.

III. The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss and Consolidated Statement of Changes in Equity.

The subsidiary companies considered in the consolidated financial statements are:

Name of the Subsidiary	Country of Incorporation	Proportion of ownership interest	Accounting year ending on
OOO Unique Pharmaceutical Laboratories. *	Russia	100%	March 31st
Unique Pharmaceutical Laboratoires FZE *	Dubai	100%	March 31st
Biotech Laboratories (Pty.) Ltd. (Through Unique Pharmaceutical Laboratories FZE)*	South Africa	95.24%	March 31st

* Audited by other Auditors.

2.3 CURRENT VERSUS NON-CURRENT CLASSIFICATION:

The Group has classified all its assets and liabilities under current and non-current as required by Ind AS 1-Presentation of Financial Statements. The asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,
- Held primarily for purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

All liabilities are 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 liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

2.4 FUNCTIONAL AND PRESENTATION CURRENCY AND ROUNDING OFF OF THE AMOUNTS:

The Functional and presentation currency of the Group is Indian Rupees. Accordingly, all amounts disclosed in the consolidated financial statements and notes have been shown in Indian Rupees and all values are shown in lakhs and rounded to two decimals except when otherwise indicated.

2.5 REVENUE RECOGNITION:

The Group derive revenue primarily from manufacturing and marketing of diverse range of pharmaceutical products.

Effective April 1, 2018, the Group has applied Ind AS 115 "Revenue from Contracts with Customers" which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts". The impact of the adoption of the standard on the consolidated financial statements of the Group is insignificant.

The Group follows specific recognition criteria as described below before the revenue is recognised.

a) Sale of Goods;

Revenue from contracts with customers is recognised when the entity satisfies a performance obligation by delivering a promised goods or services to customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment but excluding taxes or duties collected on behalf of the government and net of returns and allowances, trade discounts and volume rebates.

b) Product Development Service;

Revenue from export of product development service is recognized upon by reference to the stage of completion of service and the amount of revenue can be measured reliably.

c) Other Operating Revenue;

Other Operating revenue comprises of following items:

- Manufacturing charges
- Export incentives
- Sale of scrap

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

Revenue from manufacturing charges is recognized on completion of contractual obligation of manufacturing and delivery of product manufactured.

Revenue from export incentives are recognized upon adherence to the compliance as may be prescribed with regard to export and / or realization of export proceeds as per foreign trade policy and its related guidelines.

Revenue from sale of scrap is recognized on delivery of scrap items.

d) Other Income;

Other income comprises of interest income, dividend from investment and profits from redemption of investments and mark to market gain / loss on the investments which are held on the balance sheet date.

Interest income from financial assets is recognized when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on time basis by reference to the principal outstanding and at the effective rate applicable, which is the rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investment is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably).

Profits / Loss from redemption of investment is recognized upon exercise of power by the Group to redeem the investment held in any particular security / instrument (non-current as well as current investment).

2.6 FOREIGN CURRENCY TRANSACTIONS:

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities at the Balance Sheet date are translated at the exchange rate prevailing on the date of Balance Sheet.

Exchange rate differences resulting from foreign currency transactions settled during the period including year-end translation of assets and liabilities are recognized in the consolidated Statement of Profit and Loss account.

Non-monetary assets, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognized in OCI or consolidated Statement of Profit and Loss are also recognized in OCI or consolidated Statement of Profit and Loss, respectively).

Effective April 1, 2018, the Group has adopted Appendix B to Ind AS 21, Foreign Currency Transaction and Advance Consideration which clarifies that the date of transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expenses or income when an entity has received or paid advance consideration in a foreign currency. The impact of the adoption of the amendment on the financial statements of the group is insignificant.

2.7 GOVERNMENT GRANTS:

Monetary government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

The grant related to an expense item is recognized as income in the year in which it is received. The grant related to an asset in the form of EPCG License is recognized in the Balance Sheet as deferred income and is transferred to consolidated Statement of Profit and Loss in equal amounts over the periods during which obligation attached to the License is to be fulfilled. Grant in the form of cash benefit is recognized in the Balance Sheet as deferred income and it is transferred to consolidated Statement of Profit and Loss over the useful life of the concerned asset.

2.8 EMPLOYEE BENEFITS:

Short Term and Other Long Term Employee Benefits:

A liability is recognised for benefits accruing to employees in respect of short term employee benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

A liability is recognised for benefits accruing to employees in respect of other long term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by the employees up to the reporting date.

Long Term Employee Benefits:

- **Defined Contribution Plan:**

  Payments to defined contributions retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contributions.

- **Defined Benefit Plan:**

  For defined retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at end of each annual reporting period. Re-measurements, comprising of actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable), and the return on plan assets (excluding interest), is reflected immediately in the Balance Sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in Other Comprehensive Income is reflected immediately in retained earnings and will not be reclassified to consolidated Statement of Profit and Loss in subsequent periods. Past service cost is recognized in the consolidated Profit and Loss statement in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or assets. Defined benefit costs are categorized as follows:

- Service Cost (including current service cost, past service cost, as well as gains or losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement.

The Group presents the first two components defined benefit cost in the consolidated Statement of Profit and Loss in the line items “Employee Benefit Expenses” and “Finance Cost” respectively. Curtailment gain and losses are accounted for as past service cost.

The retirement benefit obligation recognized in the Balance Sheet represents the actual deficit or surplus in the Group’s defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reduction in future contributions to the plan.

Subsidiary Company: Unique Pharmaceutical Laboratoires FZE

Staff end-of- service benefits:

Provision is made for end-of service benefits payable to the non-UAE employees at the reporting date in accordance with the local labour laws.

2.9 TAX EXPENSES:

The tax expense for the period comprises current and deferred tax. Taxes are recognised in the consolidated Statement of Profit and Loss, except to the extent that it relates to the items recognised in the comprehensive income or in Equity. In which case, the tax is also recognised in the comprehensive Income or in Equity.

Current Tax:

Current tax payable is calculated based on taxable profit for the year. Current tax is recognized based on the amount expected to be paid to or recovered from the tax authorities based on applicable tax laws that have been enacted or substantively enacted by the Balance Sheet date. Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary timing difference. Deferred tax assets are recognized for deductible temporary differences to the extent that they are probable that taxable profit will be available against which the deductible temporary difference can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted on the reporting date.

Current and deferred tax for the year are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current or deferred tax arises from initial accounting for a business combination, the tax affect is included in the accounting for the business combination.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

Minimum Alternate Tax (MAT) Credit:

MAT credit is recognized as Deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period.

2.10 PROPERTY, PLANT AND EQUIPMENT:

Freehold Land is stated at historical cost.

Premium paid for the leasehold land is amortized over the lease period.

All other items of property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

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 entity and the cost can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repairs and maintenance costs are recognized as expense in the consolidated Statement of Profit and Loss account as and when incurred.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital work-in-progress.

Cost of the assets less its residual value is depreciated over its useful life. Depreciation is calculated on a straight line basis over the useful life of the assets.

The management believes that the estimated useful lives are realistic and reflects fair approximation of the period over which the assets are likely to be used. At each financial year end, management reviews the residual values, useful lives and method of depreciation of property, plant and equipment and values of the same are adjusted prospectively where needed.

2.11 INTANGIBLE ASSETS:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles are not capitalized and the related expenditure is reflected in the consolidated Statement of Profit and Loss in the period in which the expenditure is incurred.

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 entity and the cost can be measured reliably.

Intangible assets other than Product Dossiers are amortized on a straight line basis over a period of 3 years. The useful lives of intangible assets like Product Dossiers are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated Statement of Profit and Loss when the asset is derecognized.

2.12 BORROWING COSTS:

Borrowing Costs directly attributed to the acquisition of fixed assets are capitalized as a part of the cost of asset upto the date the asset is put to use. Other Borrowing Costs are charged to the consolidated statement of profit and loss account in the year in which they are incurred.

2.13 IMPAIRMENT OF ASSETS:

The Group assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognized in the consolidated Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.14 INVENTORIES:

Inventories are stated at the lower of cost or net realizable value. Cost is determined on the basis of Moving Average method. The cost of work in progress (other than those lying at third party manufacturing site which is valued at material cost) and finished goods comprise direct material, direct labour and other direct cost and related production overheads.

2.15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions are recognized when the Group has present obligation (legal or constructive) as a result of past event and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense related to a provision is presented in the consolidated Statement of Profit and Loss net of any reimbursement/contribution towards provision made.

If the effect of the time value of money is material, estimate for the provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liability:

Contingent liability is disclosed in the case:

- When there is a possible obligation which could arise from past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- A present obligation that arises from past events but is not recognized as expense because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Commitments:

- Commitments include the value of the contracts for the acquisition of the assets net of advances.

Contingent asset:

- Contingent asset is disclosed in case a possible asset arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.16 LEASE:

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The determination of whether an arrangement is a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is considered as a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Operating lease payments are recognized as an expense in the consolidated Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

2.17 FINANCIAL INSTRUMENTS:

The Group recognizes financial assets and financial liabilities when it becomes party to the contractual provision of the instrument.

I. Financial Assets:

Initial recognition and measurement:

Financial assets are initially measured at its fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the concerned financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognized immediately in profit or loss. However, trade receivable that do not contain a significant financing component are measured at transaction price.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

Subsequent measurement:

For subsequent measurement, the company classifies financial asset in following broad categories:

- Financial asset carried at amortized cost.
- Financial asset carried at fair value through other comprehensive income (FVTOCI).
- Financial asset carried at fair value through profit or loss (FVTPL).

Financial asset carried at amortized cost (net of any write down for impairment, if any):

Financial assets are measured at amortized cost when 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. Such financial assets are subsequently measured at amortized costs using Effective Interest Rate (EIR) method less impairment, if any. The losses arising from impairment are recognized in the consolidated Statement of Profit and Loss. Cash and bank balances, trade receivables, loans and other financial asset of the Group are covered under this category.

Under the EIR method, the future cash receipts are exactly discounted to the initial recognition value using EIR. The cumulative amortization using the EIR method of the difference between the initial recognition amount and maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at amortized cost at each reporting date. The corresponding effect of the amortization under EIR method is recognized as interest income over the relevant period of the financial asset. The same is included under "other income" in the consolidated Statement of Profit and Loss. The amortized cost of the financial asset is also adjusted for loss allowance, if any.

Financial asset carried at FVTOCI:

Financial asset under this category are measured initially as well as at each reporting date at fair value, when asset is held with a business model whose objective is to hold asset for both collecting contractual cash flows and selling financial assets. Fair value movements are recognized in the other comprehensive income.

Financial asset carried at FVTPL:

Financial asset under this category are measured initially as well as at each reporting date at fair value. Changes in fair value are recognized in the consolidated Statement of Profit and Loss.

Other Equity Investments:

All other equity investments are measured at fair value, with value changes recognised in the consolidated Statement of Profit and Loss.

Derecognition:

A financial asset is primarily derecognized when rights to receive cash flows from the asset have expired or the Group has transferred its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risk and reward of the ownership of the financial asset.

Impairment of financial asset:

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

For trade receivables the Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the consolidated Statement of Profit and Loss under the head 'Other expenses'.

II. Financial Liabilities:

Initial recognition and measurement:

The Group recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. The Group classifies all financial liabilities as subsequently measured at amortized cost or FVTPL.

All financial liabilities are recognized initially at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in the consolidated profit or loss when the liabilities are derecognized as well as through EIR amortization process. Amortized 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 amortization is included as finance costs in the consolidated Statement of Profit and Loss.

Derecognition of financial liabilities:

A financial liability is derecognized 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 recognized in the consolidated Statement of Profit and Loss.

III. Derivative Financial Instrument:

Group uses derivative financial instruments, such as forward currency contracts to mitigate its foreign currency fluctuation risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of heading instrument is recognized in the consolidated Statement of Profit and Loss.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derecognition:

On derecognition of hedged item, the unamortized fair value, of the hedging instrument adjusted to the hedged items is recognized in the consolidated Statement of Profit and Loss.

2.18 FAIR VALUE:

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

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

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 — inputs that are unobservable for the asset or liability.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.19 EMPLOYEE STOCK OPTION PLAN:

The accounting value of stock options representing the excess of the market price over the exercise price of the shares granted under "Employee Stock Option Scheme" (ESOP) of the Holding company is amortized on straight line basis over the vesting period as "Deferred Employee Compensation".

2.20 RESEARCH AND DEVELOPMENT EXPENDITURE:

Revenue expenditure on research and development is charged to the consolidated Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on research and development is treated as fixed assets.

2.21 CASH AND CASH EQUIVALENT:

Cash and Cash Equivalents comprise of cash on hand and cash at bank including fixed deposit/highly liquid investments with original maturity period of three months

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.22 CASH FLOW STATEMENTS:

Cash flows are reported using the indirect method, whereby the consolidated net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of Group are segregated.

3. STANDARD ISSUED BUT NOT YET EFFECTIVE:

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 & Companies (Indian Accounting Standards) Second Amendment Rules, 2019 (the 'Rules') on March 30, 2019. The rules shall be effective from reporting periods beginning on or after April 1, 2019. Amendments to Ind AS as per these rules are mentioned below:

a) Ind AS 116:

Ind AS 116 - 'Leases', will replace Ind AS 17 - 'Leases'. The new standard shall require lessees to recognize the leases on their balance sheet with limited exemptions related to low value asset and assets with a lease term lower than 12 months.

Lessees will use a single accounting model for all leases. Accordingly, the lessee is required to recognize "Right-of-Use" asset representing its right to use the underlying asset and a "Lease Liability" representing its obligation to make lease payments.

The Group is required to adopt Ind AS 116 - 'Leases' from 1st April 2019. The Group will have to recognize "Right-of-Use" assets and "Lease Liability" for its operating leases. Upon application of the new standard, the nature of expenses related to the leases will change and accordingly the Group will recognize a depreciation charge for right-of-use assets and interest expense on unwinding of lease liabilities as against lease expenses recognized up to 31st March 2019. The new standard also provides two broad alternative transition approach - Retrospective Method and Cumulative Effect Method with practical expedient.

The Group is in the process of evaluating the impact of this amendment on its financial statements.

b) Amendment to Existing issued Ind AS:

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

  This amendment clarifies how the recognition and measurement requirements of Ind AS - 12 'Income Taxes', are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority.

- Prepayment Features with Negative Compensation, Amendments to Ind AS 109

  The amendment to Ind AS 109 – 'Financial Instruments' enables entities to measure certain pre-payable financials assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit and loss.

- Plan Amendment, Curtailment or Settlement, Amendments to Ind AS 19

  The amendment to Ind AS 19 - 'Employee Benefits' clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement.

- Annual Improvements to Ind AS

  Ind AS 23 - 'Borrowing Cost' clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

  Ind AS 12 - 'Income Taxes' clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends.

  These amendments are effective for annual periods beginning on or after April 1, 2019. The Group is in process of evaluating the impact of this amendments on its financial statements.

4. KEY ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

The preparation of the Group's consolidated financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Group evaluates these estimates and assumption based on the most recently available information.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

a) Income taxes and Deferred tax assets:

Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. The management assumes that taxable profit will be available while recognizing the deferred tax assets.

b) Property, Plant and Equipment:

Property, Plant and Equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life as prescribed in the Schedule II of the Companies Act, 2013 and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

c) Intangible assets:

Internal technical or user team assesses the remaining useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

d) Impairment of non-financial assets:

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

e) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

f) Recognition and measurement of defined benefit obligation:

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

g) Recognition and measurement of other provisions:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may, therefore, vary from the figure included in other provisions.

h) Contingencies:

Management's judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against Group as it is not possible to predict the outcome of pending matters with accuracy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

i) **Allowances for uncollected trade receivable and advances:**

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated amounts which are irrecoverable. Individual trade receivables are written off when management deems them not collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

5. PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	Gross Block					Accumulated Depreciaion					Net Block	
	As at 1st April 2018	Additions	Dispoals (Refer Note No. 41)	Foreign currency transla-tion	As at 31st March 2019	As at 1st April 2018	Depre-ciation charge for the year	On disposals (Refer Note No. 41)	Foeign currency transla-tion	As at 31st March 2019	As at 31st March 2019	As at 31st March h2018
Land (Freehold)	57.16	–	–	–	**57.16**	–	–	–	–	**–**	**57.16**	57.16
Land (Leasehold)	1,423.20	79.03	420.59	–	**1,081.64**	129.63	13.79	30.62	–	**112.80**	**968.84**	1,293.57
Factory Buildings	20,958.96	451.22	453.87	–	**20,956.31**	5,027.90	633.52	80.82	–	**5,580.60**	**15,375.71**	15,931.06
Other Buildings (Note 1)	5,816.86	–	70.78	–	**5,746.08**	419.06	93.92	28.22	–	**484.76**	**5,261.32**	5,397.80
Plant & Equipments	52,454.55	3,153.99	579.26	–	**55,029.28**	27,948.83	3,537.45	138.35	–	**31,347.93**	**23,681.35**	24,505.72
Furniture & Fixtures	3,350.08	311.08	7.64	(5.41)	**3,648.11**	1,337.50	252.65	1.02	6.66	**1,595.79**	**2,052.32**	2,012.58
Vehicles	1,906.86	431.56	255.35	(229.25)	**1,853.82**	944.52	187.44	216.73	(58.20)	**857.03**	**996.79**	962.34
Office Equipments	3,458.61	446.18	25.12	(10.61)	**3,869.06**	2,441.36	347.37	16.86	(5.89)	**2,765.98**	**1,103.08**	1,017.25
Airconditioners	7,402.60	233.68	91.50	–	**7,544.78**	2,208.97	421.51	30.80	–	**2,599.68**	**4,945.10**	5,193.63
Total	96,828.88	5,106.74	1,904.11	(245.27)	**99,786.24**	40,457.77	5,487.65	543.42	(57.43)	**45,344.57**	**54,441.67**	56,371.11

Particulars	Gross Block					Accumulated Depreciaion					Net Block	
	As at 1st April 2017	Additions	Disposals	Foreign currency transla-tion	As at 31st March 2018	As at 1st April 2017	Depreciation charge for the year	On Disposals	Foreign currency transla-tion	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Land (Freehold)	57.16	–	–	–	57.16	–	–	–	–	–	57.16	57.16
Land (Leasehold)	1,423.20	–	–	–	1,423.20	114.41	15.22	–	–	129.63	1,293.57	1,308.79
Factory Buildings	20,774.90	184.06	–	–	20,958.96	4,396.93	630.97	–	–	5,027.90	15,931.06	16,377.97
Other Buildings (Note 1)	5,816.86	–	–	–	5,816.86	324.78	94.28	–	–	419.06	5,397.80	5,492.08
Plant & Equipments	51,365.77	1,088.78	–	–	52,454.55	24,274.81	3,674.02	–	–	27,948.83	24,505.72	27,090.96
Furniture & Fixtures	3,327.81	44.43	22.15	–	3,350.08	1,100.87	258.78	22.15	–	1,337.50	2,012.58	2,226.94
Vehicles	1,673.61	418.47	185.22	–	1,906.86	909.88	191.65	157.01	–	944.52	962.34	763.73
Office Equipments	3,011.93	446.68	–	–	3,458.61	2,135.64	305.72	–	–	2,441.36	1,017.25	876.29
Airconditioners	7,306.89	95.71	–	–	7,402.60	1,773.78	435.19	–	–	2,208.97	5,193.63	5,533.11
Total	94,758.13	2,278.13	207.37	–	96,828.88	35,031.10	5,605.83	179.16	–	40,457.77	56,371.11	59,727.03

Notes:

1) Value of buildings includes a sum of ₹ 2,500/- (Previous year ₹ 3,000/-) being the cost of shares in the societies.

2) No depreciation has been claimed on assets to the extent of CENVAT/GST claimed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

6. OTHER INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Gross Block					Accumulated Amortisation					Net Block	
	As at 1st April 2018	Additions	Deductions	Foreign currency translation	As at 31st March 2019	As at 1st April 2018	Amortisation for the year	Deductions	Foreign currency translation	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
Trade Marks	3.67	–	–	–	**3.67**	3.66	–	–	–	**3.66**	**0.01**	0.01
Computer Software	1,057.29	35.59	–	7.18	**1,100.06**	964.05	76.55	–	0.52	**1,041.12**	**58.94**	93.24
Product Dossier	2,171.98	–	–	106.82	**2,278.80**	–	–	–	–	**–**	**2,278.80**	2,171.98
Total	3,232.94	35.59	–	114.00	**3,382.53**	967.71	76.55	–	0.52	**1,044.78**	**2,337.75**	2,265.23

Particulars	Gross Block					Accumulated Amortisation					Net Block	
	As at 1st April 2017	Additions	Deductions	Foreign currency translation	As at 31st March 2018	As at 1st April 2017	Amortisation for the year	Deductions	Foreign currency translation	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Trade Marks	3.67	–	–	–	3.67	3.66	–	–	–	3.66	0.01	0.01
Computer Software	1,046.73	13.53	2.97	–	1,057.29	875.48	91.54	2.96	–	964.05	93.24	171.25
Product Dossier	2,732.14	–	560.16	–	2,171.98	–	–	–	–	–	2,171.98	2,732.14
Total	3,782.54	13.53	563.13	–	3,232.94	879.14	91.54	2.96	–	967.71	2,265.23	2,903.40

7. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in lakhs)

	Particulars	As at March 31,2019	As at March 31,2018
A.	**Investment in Equity Instruments (unquoted)**		
	(At Fair Value through Profit & Loss)		
	3,866 (Previous year 5,866) Equity Shares of ₹ 10/- each of Bharuch Enviro Infrastructure Ltd.	**12.62**	0.59
	612,032 (Previous year 612,032) Equity Shares of ₹ 10/- each of Narmada Clean Tech Ltd.	**126.39**	61.20
	20,000 (Previous year 20,000) Equity Shares of ₹ 10/- each of Enviro Technology Ltd.	**28.64**	2.00
	60,000 (Previous year 60,000) Equity Shares of ₹ 10/- each of Panoli Enviro Technology Ltd.	**16.77**	6.00
	50,000 (Previous year 50,000) Equity Shares of ₹ 10/- each of Ankleshwar Research & Analytical Infrastructure Ltd.	**2.55**	5.00
	2,000,000 (Previous year 2,000,000) Equity Shares of ₹ 10/- each of Asian Heart Institute & Research Centre Pvt. Ltd.	**1,016.50**	935.18
	Total Investment in Equity Instruments	**1,203.47**	1,009.97
B.	**In Government Securities : Unquoted (At amortized cost):**		
	National Saving Certificates	**0.29**	0.29
	Total	**0.29**	**0.29**
C.	**In Mutual Funds : Quoted (At fair value through Profit & Loss)**		
	10,000,000 (Previous year 10,000,000) units of ₹ 10/- each of HDFC FMP 370D March 2014 (1)-Growth	**1,483.52**	1,381.46
	10,000,000 (Previous year 10,000,000) units of ₹ 10/- each of DSP Black Rock FMP Series 210-36 M-Direct-Growth	**1,145.25**	1,064.25
	5,000,000(Previous year 5,000,000) units of ₹ 10/- each of HDFC FMP 1165D April 2017 (1)-Direct Growth-Series 38	**572.92**	533.20
	2,000,000 (Previous year 2,000,000) units of ₹ 10/- each of DSP Black Rock FMP Series 221-40M-Regular-Growth	**217.47**	202.64
	2,000,000 (Previous year 2,000,000) units of ₹ 10/- each of DSP Black Rock FMP Series 223-39M-Regular-Growth	**216.95**	201.80
	2,000,000 (Previous year 2,000,000) units of ₹ 10/- each of DSP Black Rock FMP Series 226-39M-Regular-Growth	**215.71**	200.73

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
2,000,000 (Previous year 2,000,000) units of ₹ 10/- each of IDFC Fixed Term Plan Series 144-1141 Days -Growth	**215.47**	200.76
2,000,000 (Previous year 2,000,000) units of ₹ 10/- each of HDFC FMP 1147 Days March 2018 (1) Series 39 Direct -Growth	**215.73**	200.69
10,000,000 (Previous year Nil) units of ₹ 10/- each of HDFC FMP 1134 Days May 2018(1) Series 40 Direct Growth	**1,087.61**	–
2,000,000 (Previous year Nil) units of ₹ 10/- each of ICICI Prudential FMP Series 83 1105 Days Plan A	**217.66**	–
6,000,000 (Previous year Nil) units of ₹ 10/- each of HDFC FMP 1113 Days June 2018(1) Series 41 Direct Growth	**648.08**	–
5,000,000 (Previous year Nil) units of ₹ 10/- each of DSP Black Rock FMP Series 235 36 M Direct Growth	**537.37**	–
5,000,000 (Previous year Nil) units of ₹ 10/- each of ICICI Prudential FMP Series 83 1100 Days Plan O Direct Growth	**538.01**	–
5,000,000 (Previous year Nil) units of ₹ 10/- each of ICICI Prudential FMP Series 83 1107 Days Plan Q Direct Growth	**536.48**	–
5,000,000 (Previous year Nil) units of ₹ 10/- each of IDFC FMP Series 156 1103 Days Direct Growth	**535.57**	–
Total	**8,383.80**	3,985.53
Total Non-Current Investment	**9,587.56**	4,995.79
Aggregate amount of quoted investments - At Cost	**7,300.00**	3,500.00
Aggregate amount of quoted investments - At Market Value	**8,383.80**	3,985.53
Aggregate amount of unquoted investments	**1,203.76**	1,010.26
Category-wise Non-Current Investment		
Financial assets measured at fair value through Profit & Loss	**9,587.27**	4,995.50
Financial assets carried at amortised cost	**0.29**	0.29

8. NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Unsecured Credit Impaired	–	10.04
Less: Provision for Doubtful Debts	–	10.04
Total	–	–

9. NON-CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Loans to Employees	**20.01**	19.87
Security Deposits for leased premises	**338.85**	312.80
Total	**358.86**	332.67

10. NON-CURRENT FINANCIAL ASSETS - OTHERS

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Fixed Deposit having maturity more than 12 months*	**15.82**	15.11
Total	**15.82**	15.11

* These Fixed Deposits are placed with various Government Authorities/ Institutions.

11. NON-CURRENT ASSETS - OTHERS

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Capital Advances	**226.26**	337.97
Other Security Deposits	**308.62**	328.99
Prepaid Expenses	**27.23**	51.85
Prepaid Lease Rent	**15.76**	36.26
Total	**577.87**	755.07

12. CURRENT ASSETS- INVENTORIES

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Raw materials (Stock-in-transit ₹ Nil, Previous year ₹ 935.22)	**7,662.06**	6,498.13
Packing Materials (Stock-in-transit ₹ 00.15, Previous year ₹ Nil)	**2,258.00**	2,366.85
Work-in-progress	**1,928.71**	1,981.00
Finished goods (Stock-in-transit ₹ 1,085.24, Previous year ₹ 407.85)	**10,537.11**	8,803.83
Stock-in-trade	**1,956.88**	1,698.49
Fuel	**33.00**	24.84
Total	**24,375.76**	21,373.14

The write-down of inventories to net realisable value during the year amounted to ₹ 121.60 lakhs (Previous year ₹ 76.23 lakhs). The write downs are included in changes in inventories of finished goods.

13. CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
In Mutual Funds: Quoted (at Fair value through Profit & Loss)		
Nil (Previous year 7,381,837.65) units of ₹ 10/- each of Aditya Birla Sun Life Dynamic Bond Fund Growth (formerly known as Birla Sun Life Dynamic Bond Fund-Retail-Growth)	**–**	2,213.26
6,628,677.94 (Previous year 6,628,677.94) units of ₹ 10/- each of Aditya Birla Sun Life Corporate Bond Fund Growth (formerly known as Birla Sun Life Short Term Fund-Growth)	**4,751.34**	4,404.54
9,600,000 (Previous year 9,600,000) units of ₹ 10/- each of HDFC Short Debt Fund Regular Plan Growth (formerly known as HDFC Short Term Opportunities Fund-Growth)	**1,981.39**	1,840.77
Nil (Previous year 112,584.469) units of ₹ 1,000/- each of DSP Black Rock Strategic Bond-Institutional Plan-Growth	**–**	2,274.35
14,960,414.311 (Previous year 14,960,414.311) units of ₹ 10/- each of HDFC Corporate Bond Fund Regular Plan Growth (formerly known as HDFC Medium Term Opportunities Fund Growth)	**3,113.34**	2,888.99
1,258,152.830 (Previous year 1,258,152.830) units of ₹ 10/- each of Aditya Birla Sun Life Banking & PSU Debt Fund Regular Plan Growth (formerly known as Birla Sun Life Treasury Optimiser Plan Growth)	**2,995.77**	2,787.64
1,926,292.692 (Previous year 671,214.160) units of ₹ 10/- each of HDFC Hybrid Equity Fund Growth (formerly known as HDFC Balanced Fund Growth)	**1,048.75**	978.66
614,895.941 (Previous year 614,895.941) units of ₹ 10/- each of ICICI Prudential Equity & Debt Fund Growth (formerly known as ICICI Prudential Balanced Fund Growth)	**826.67**	768.01
562,478.145 (Previous year 562,478.145) units of ₹ 10/- each of Franklin India Equity Hybrid Fund Growth (formerly known as Franklin India Balanced Fund Growth)	**679.81**	631.87

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
14,217,069.097 (Previous year 14,217,069.097) units of ₹ 10/- each of HDFC Corporate Bond Fund Direct Growth (formerly known as HDFC Medium Term Opportunities Fund Direct Growth)	**2,976.44**	2,759.21
11,225,181.561 (Previous year 11,225,181.561) units of ₹ 10/- each of ICICI Prudential Bond Fund Direct Growth (formerly known as ICICI Prudential Income Opportunities Fund Direct Growth)	**2,965.79**	2,779.35
1,192,242.539 (Previous year 1,192,242.539) units of ₹ 10/- each of Aditya Birla Sun Life Banking & PSU Debt Direct Growth (formerly known as Birla Treasury Optimizer Fund Direct Growth)	**2,885.28**	2,676.86
21,310,563.677 (Previous year 21,310,563.677) unit of ₹ 10/- each of IDFC Corporate Bond Fund Direct Growth	**2,740.62**	2,550.94
Nil (Previous year 485,440.146) units of ₹ 10/- each of DSP Black Rock Balance Fund -Growth	**–**	691.43
1,692,906.721 (Previous year 1,692,906.721) units of ₹ 10/- each of ICICI Prudential All Season Bond Fund Direct Growth (formerly known as ICICI Prudential Long Term Fund Direct Growth	**404.16**	376.46
Nil (Previous year 42,693.24) units of ₹ 10/- each of DSP Black Rock Liquidity Fund Growth	**–**	1,061.06
Nil (Previous year 18,565,450.072) units of ₹ 10/- each of HDFC Banking and PSU Debt Fund-Growth	**–**	2,634.17
7,434,577.867 (Previous year 7,434,577.867) units of ₹ 10/- each of ICICI Prudential Banking and PSU Debt Fund Regular Growth	**1,577.97**	1,485.28
Nil (Previous year 4,519,447.180) units of ₹ 10/- each of DSP Black Rock Bond Fund Growth	**–**	2,573.75
11,327,020.350 (Previous year Nil) units of ₹ 10/- each of Kotak Equity Arbitrage Fund -Direct Monthly Dividend Reinvest	**1,246.83**	–
6,630,670.045 (Previous year Nil) units of ₹ 10/- each of Reliance Arbitrage Fund -Direct Monthly Dividend Reinvest	**729.16**	–
87,547.676(Previous year Nil) units of ₹ 10/- each of Aditya Birla Sunlife Equity Hybrid 95 Fund -Direct Growth	**710.03**	–
245,116.801 (Previous year Nil) units of ₹ 10/- each of HDFC Balanced Advantage Fund-Direct Growth	**512.50**	–
37,379.613 (Previous year Nil) units of ₹ 10/- each of IDFC Cash Fund-Direct Growth	**847.22**	–
2,936,159.078 (Previous year Nil) units of ₹ 10/- each of HDFC Corporate Bond Fund Direct Growth	**614.71**	–
7,051,465.652 (Previous year Nil) units of ₹ 10/- each of IDFC Banking and PSU Debt Fund Regular Growth	**1,133.78**	–
3,807,179.07 (Previous year Nil) units of ₹ 10/- each of IDFC Banking and PSU Debt Fund Direct Growth	**617.77**	–
926,487.824 (Previous year Nil) units of ₹ 10/- each of SBI Short Term Debt Fund Direct Growth	**204.13**	–
17,005.154 (Previous year Nil) units of ₹ 10/- each of Axis Banking & PSU Debt Fund Direct Growth	**300.92**	–
11,478.633 (Previous year Nil) units of ₹ 10/- each of Axis Banking & PSU Debt Fund Regular Growth	**200.61**	–
Total	**36,064.99**	38,376.60
Aggregate amount of quoted investments - At Cost	**35,802.06**	31,793.22
Aggregate amount of quoted investments - At Market Value	**36,064.99**	38,376.60

14. CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated) (₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Considered Good	**31,359.50**	30,512.04
Less: Allowance as per expected credit loss model	**429.97**	439.08
	30,929.53	30,072.96
Credit Impaired	**6.20**	33.92
Less : Provision for Doubtful Debts	**6.20**	33.92
	–	–
Total	**30,929.53**	30,072.96

15. CURRENT FINANCIAL ASSETS - CASH AND BANK BALANCE

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Cash and cash equivalents		
Balances with banks	**1,996.92**	1,681.35
Cheques on hand	**–**	478.15
Cash on hand	**20.02**	24.47
Post Office Saving Account	**0.60**	0.60
Fixed Deposits with maturity of less than 3 months	**1,522.14**	609.71
	3,539.68	2,794.28
Other Bank balance		
Unclaimed Dividend A/cs *	**132.40**	196.89
Fixed Deposits with maturity of more than 3 months but less than 12 months**	**7.63**	1.15
	140.03	198.04
Total	**3,679.71**	2,992.32

*The amount is to be utilised towards settlement of respective unpaid dividends.

** These Fixed Deposits are placed with various Government Authorities/ Institutions.

16. CURRENT FINANCIAL ASSETS - LOANS

(Unsecured, considered good unless otherwise stated) (₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Loans & Advances to Employees	**103.91**	105.16
Security Deposits- Considered Good	**36.32**	72.45
	140.23	177.61
Security Deposits- Credit Impaired	**29.46**	–
Less: Provision for doubtful Security Deposits	**(29.46)**	–
	–	–
Total	**140.23**	177.61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

17. CURRENT FINANCIAL ASSETS - OTHERS

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Accrued interest on Deposits	**5.04**	4.92
Claim Receivable (Refer Note No. 41)	**998.74**	–
Forward Contract Receivable	**403.47**	–
Others	**97.97**	84.43
Total	**1,505.22**	**89.35**

18. CURRENT TAX ASSETS (NET)

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Taxes paid	**47,311.44**	46,967.54
Less: Provision for taxes	**46,596.38**	46,138.08
Total	**715.06**	829.46

19. OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Advances to Suppliers	**1,386.64**	1,328.15
Prepaid Expenses	**783.05**	706.15
Gratuity Fund Balance with LIC	**293.41**	–
Lease rent-deferred	**22.25**	21.86
Balance with Government Authorities	**4,532.77**	8,277.14
Other Receivables	**528.91**	476.51
Total	**7,547.03**	10,809.81

20. EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Authorised		
101,500,000 (Previous year 101,500,000) Equity Shares of ₹ 2/- each	**2,030.00**	2,030.00
Issued, Subscribed & Fully Paid up		
80,236,642 (Previous year 83,569,975) Equity Shares of ₹ 2/- each	**1,604.73**	1,671.40
Total	**1,604.73**	1,671.40

Reconciliation of the shares outstanding and amount of Share Capital

Particulars	As at March 31,2019		As at March 31,2018	
	Number	₹ in lakhs	Number	₹ in lakhs
Shares Outstanding at the beginning of the year	**83,569,975**	**1,671.40**	84,819,975	1,696.40
Less : Buy-back of Shares	**3,333,333**	**66.67**	1,250,000	25.00
Shares outstanding at the year end	**80,236,642**	**1,604.73**	83,569,975	1,671.40

The Holding Company has only one class of issued shares having par value of ₹ 2/- each. Holder of equity shares is entitled to one vote per share and carries identical right as to dividend. These shares are not subject to any restrictions.

Buy-back of Equity Shares

The Board of Directors of Holding Company, at its meeting held on August 31, 2018, approved a proposal for the Holding Company to buy-back its fully paid-up equity shares of face value of ₹ 2/- each from the eligible equity shareholders of the Holding Company for an aggregate amount not exceeding ₹ 13,000 lakhs, representing 9.46% of the aggregate paid up equity share capital and free reserves (including securities premium account) as per audited standalone financial statement of the Holding Company as at March 31, 2018 and was within the statutory limit applicable for buy-back. The Buy-back offer comprised a purchase of 3,333,333 equity shares representing 3.99% of the total number of paid up equity shares of the Holding Company at a price of ₹ 390/- per equity share. The buy-back was offered to all eligible equity shareholders of the Holding Company as on the Record Date (i.e. September 12, 2018) on a proportionate basis through the "Tender offer" route. The Holding Company completed the buy-back on November 1, 2018 and extinguished 3,332,395 equity shares held in electronic form by way of Corporate Action via CDSL on November 2, 2018 whereas 938 equity shares held in physical form were physically extinguished on November 5, 2018. The Holding Company has funded the buy-back from its general reserve. In accordance with Section 69 of the Companies Act, 2013, the Holding Company has created 'Capital Redemption Reserve' of ₹ 66.67 lakhs equal to the nominal value of the shares bought back as an appropriation from general reserve.

Details of Shareholders holding more than 5% shares.

Name of Shareholder	As at March 31,2019		As at March 31,2018	
	No of Shares	% of Holding	No of Shares	% of Holding
Jyotindra Bhagwanlal Mody	**5,111,209**	**6.37**	5,300,518	6.34
Dinesh Bhagwanlal Mody	**4,508,948**	**5.62**	4,675,950	5.60
Shirish Bhagwanlal Mody	**4,810,933**	**6.00**	4,989,120	5.97
Kumud Dinesh Mody	**4,605,065**	**5.74**	4,775,627	5.71
Bharati Shirish Mody	**4,722,151**	**5.89**	4,897,050	5.86
Pallavi Bharat Mehta	**4,948,796**	**6.17**	5,132,089	6.14
Pranabh Dinesh Mody	**4,700,429**	**5.86**	4,874,523	5.83
Nirav Shirish Mody	**4,743,061**	**5.91**	4,918,735	5.89

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

21. OTHER EQUITY

(₹ in lakhs)

Particulars	Reserves and Surplus									Other Comprehensive Income-remeasurement of net defined benefit plan	Total
	Capital Reserves (transferred from amalgamating company)		Other Reserves								
	Investment allowance Reserve (utilised)	Capital Reserve	Capital Reserve	Contingency Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Foreign Currency Translation reserve		
Balance as on April 1, 2017	**34.86**	**63.53**	**4.21**	**2,020.00**	**5,076.82**	**–**	**47,227.26**	**80,661.48**	**(116.25)**	**(301.41)**	**134,670.50**
Profit for the year	–	–	–	–	–	–	–	13,834.09	–	–	13,834.09
Dividend including Dividend Distribution Tax	–	–	–	–	–	–	–	(1,005.83)	–		(1,005.83)
Transfer to Capital Redemption Reserve on buy-back of shares	–	–	–	–	–	–	(25.00)	–	–	–	(25.00)
Transfer from General Reserve on buy-back of shares	–	–	–	–	–	25.00	–	–	–	–	25.00
Re- measurement of the defined benefit plan (net of deferred tax)	–	–	–	–	–	–	–	–	–	(241.63)	(241.63)
Buyback of shares	–	–	–	–	–	–	(4,975.00)	–	–	–	(4,975.00)
Reclassification of Retained earnings	–	–	–	–	–	–	–	(578.21)	578.21	–	–
Foreign currency translation reserve	–	–	–	–	–	–	–	–	202.27	–	202.27
Balance as on March 31, 2018	**34.86**	**63.53**	**4.21**	**2,020.00**	**5,076.82**	**25.00**	**42,227.26**	**92,911.53**	**664.23**	**(543.04)**	**142,484.40**
Profit for the year	–	–	–	–	–	–	–	19,346.63	–	–	19,346.63
Dividend including Dividend Distribution Tax	–	–	–	–	–	–	–	(2,014.96)	–	–	(2,014.96)
Transfer to Capital Redemption Reserve on buy-back of shares	–	–	–	–	–	–	(66.67)	–	–	–	(66.67)
Transfer from General Reserve on buy-back of shares	–	–	–	–	–	66.67	–	–	–	–	66.67
Re-measurement of the defined benefit plan(net of deferred tax)	–	–	–	–	–	–	–	–	–	29.25	29.25
Buy-back of shares	–	–	–	–	–	–	(13,036.12)	–	–	–	(13,036.12)
Foreign currency translation reserve	–	–	–	–	–	–	–	–	(401.69)	–	(401.69)
Balance as on March 31, 2019	**34.86**	**63.53**	**4.21**	**2,020.00**	**5,076.82**	**91.67**	**29,124.47**	**110,243.20**	**262.54**	**(513.79)**	**146,407.51**

Nature and purpose of Reserves

A. Capital Reserves (transferred from amalgamating company)

This Reserve was created on amalgamation of J. B. Chemicals and Pharmaceuticals Pvt. Ltd. with the Holding Company w.e.f. April 1, 1984 (appointed date).

B. Capital Reserves

Arose pursuant to forfeiture and reissue of shares.

C. Contingency Reserve

This Reserve has been created out of retained earnings, as a matter of prudence, to take care of any unforseen adverse contingencies.

D. Securities Premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as Securities Premium.

E. Capital Redemption Reserve

Transfer from General Reserve on account of buy-back of shares as per Section 69 of the Companies Act, 2013.

F. General Reserve

The Holding Company has transferred a portion of its net profit before declaring dividend to General Reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to General Reserve is not required under the Companies Act, 2013.

G. Retained Earnings

Retained Earnings are the profits that the Group has earned till date, less any transfer to General Reserve, dividends or other distribution paid to shareholders.

H. Foreign Currency Translation Reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in Foreign Currency Translation Reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

22. NON-CURRENT LIABILITIES- PROVISION

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Provision for Employee Benefits		
Gratuity	–	422.28
Leave Encashment	**572.89**	545.08
Total	**572.89**	967.36

23. DEFERRED TAX LAIBILITIES (NET)

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Deferred Tax Liability		
Depreciation	**5,490.48**	5,126.97
Fair Valuation of Investment designated as FVTPL	**2,231.31**	1,800.55
	7,721.79	6,927.52
Deferred Tax Assets		
Retirement Benefits	**247.05**	643.22
MAT credit entitlement	–	999.47
Others	**1,784.01**	2,046.25
	2,031.06	3,688.94
Total	**5,690.73**	3,238.58

24. NON CURRENT LIABILITIES - OTHERS

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Deferred Government Grant	**220.29**	360.01
Total	**220.29**	360.01

Government grant has been received for the purpose of purchase of certain items of Property, Plant & Equipment. The condition against which the grant is received is the export obligation to be fulfilled within certain specified period.

25. CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Secured (At amortised cost)#		
Bank Overdraft :		
in Foreign Currency	–	81.66
in Indian Rupees	**325.52**	588.37
Export Packing Credit in Rupees	**2,000.00**	2,000.00
	2,325.52	2,670.03
Unsecured (At amortised cost)		
Deposit from Distributors / Customers	**254.25**	259.25
	254.25	259.25
Total	**2,579.77**	2,929.28

Secured borrowing from banks comprises of following:

1) ₹ 2,325.52 lakhs (Previous year ₹ 2,588.37 lakhs) borrowed by Holding Company is secured by first pari passu charge on the stocks and book debts of the Holding Company.
2) ₹ Nil (Previous Year ₹ 81.66) borrowed by Unique Pharmaceutical Laboratories FZE (a subsidiary company) is secured against corporate guarantee of Holding Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

26. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Dues of Micro Enterprises and Small Enterprises	**787.01**	74.50
Dues of creditors other than Micro Enterprises and Small Enterprises	**7,489.05**	10,965.00
Total	**8,276.06**	11,039.50

The details of amount outstanding to Micro and Small Enterprise based on available information with the Company is as under:

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
a) The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
• Principal	**787.01**	74.50
• Interest due thereon*	**51.17**	104.09
b) The amount of interest paid by the buyer in terms of S. 16 of Micro, Small and Medium Enterprise Development Act, 2006.	**–**	–
c) The amount of payment made to supplier beyond the appointed day during the each accounting year.	**3,083.16**	357.05
d) 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 interest specified under the Micro, Small and Medium Enterprise Development Act, 2006.	**–**	–
e) The amount of interest accrued and remaining unpaid at the end of each accounting year.*	**51.17**	104.09
f) The amount of further interest remaining due and payable even in succeeding years, until such date when interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under S. 23 of Micro, Small and Medium Enterprise Development Act, 2006.*	**51.17**	104.09

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Holding Company. This has been relied upon by the auditors.

The delayed payment has been computed having regard to specified credit period for 45 days under Micro, Small and Medium Enterprise Development Act, 2006.

*Net of Interest written back provided in earlier years due to reclassification of trade payable from MSME to others.

27. CURRENT FINANCIAL LIABILITIES-OTHERS

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Unclaimed Dividends	**132.40**	196.89
Creditors for capital expenditure	**180.61**	369.88
Forward contract payable	**–**	40.88
Other payables	**10,681.18**	10,201.17
Security Deposit from Customers	**6.00**	6.00
Total	**11,000.19**	**10,814.82**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

28. OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Advance from Customers	**1,200.70**	764.71
Deferred Government Grant	**71.32**	84.25
Other payable	**404.15**	311.18
Total	**1,676.17**	**1,160.14**

29. CURRENT LIABILITIES - PROVISIONS

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Provision for employee benefits		
Gratuity	**44.71**	1,157.19
Leave Encashment	**353.01**	395.31
Total	**397.72**	1,552.50

30. CURRENT TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Provision for Taxes	**7,532.80**	15.29
Less: Taxes Paid	**7,139.14**	-
Total	**393.66**	15.29

A. The major components of income tax expense for the year are as under:

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
i. Income tax recognized in the Statement of Profit and Loss		
Current Tax:		
Current tax on profit for the year	**7,846.28**	4,948.66
Earlier years' tax	**91.83**	160.72
Deferred Tax :		
Deferred Tax expenses	**1,364.18**	413.74
Total Income tax recognized in the Statement of Profit and Loss	**9,302.29**	5,523.12
ii. Income tax recognized in other comprehensive income		
Deferred tax :		
Deferred Tax expenses on re-measurement of defined benefit plan	**(15.71)**	127.88
Total Income tax recognized in other comprehensive income	**(15.71)**	127.88

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

B. Reconciliation of tax expense and the accounting profit for the year is under

(₹ in lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Accounting Profit before income tax expenses	**28,699.26**	19,395.06
Enacted tax rate in India (%)	**34.94**	34.61
Expected income tax expense	**10,028.67**	6,712.24
Tax effect of :		
Expenses/(Income) not deductible/ (allowable)	**(470.81)**	904.37
Allowances and concessions	**(182.50)**	(1,985.11)
Deductible expenses (Net)	**(152.92)**	(182.30)
Non taxable subsidiaries and effect of differential tax rate under various jurisdiction	**(11.98)**	(86.80)
Tax expenses	**9,210.46**	5,362.40
Adjustment recognised in current year in relation to the current tax of earlier years	**91.83**	160.72
Tax expenses recognized in Statement of Profit and Loss	**9,302.29**	5,523.12
Effective tax rate (%)	**32.09**	27.65

31. REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	2018-2019	2017-2018
Sales of Products:		
Sale of Pharmaceuticals Products	**159,438.88**	138,179.41
Export of Product Development Service	**150.02**	496.85
Exchange Rate Difference Realised	**1,086.44**	(78.63)
	160,675.34	**138,597.63**
Other Operating Revenues :		
Manufacturing Charges	**86.04**	86.06
Export Incentives	**2,924.84**	2,089.12
Sale of Scrap	**267.27**	256.73
Government Grant	**68.65**	87.91
Insurance Claims	**35.90**	24.67
Others	**262.00**	156.03
	3,644.70	2,700.52
Total	**164,320.04**	141,298.15

32. OTHER INCOME

(₹ in lakhs)

Particulars	2018-2019	2017-2018
Interest Income:		
Bank Deposit	**100.43**	81.89
Others	**129.15**	85.61
Dividend From Investment	**88.36**	20.00
Profit on sale of Investment	**1,545.93**	4,322.41
Fair value changes of Investment designated as FVTPL	**1,771.53**	(1,696.04)
Profit on Sale of Assets (Net)	**244.70**	197.36
Provision for Doubtful Debts Written Back	**18.92**	63.03
Excess Provision Written Back	**9.32**	579.48
Others	**235.65**	57.01
Total	**4,143.99**	3,710.75

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

33. COST OF MATERIAL CONSUMED

(₹ in lakhs)

Particulars	2018-2019	2017-2018
Opening Inventories	**8,864.98**	7,304.78
Purchases	**46,430.45**	40,261.88
	55,295.43	47,566.66
Less: Closing Inventories	**9,920.06**	8,864.98
Total	**45,375.37**	38,701.68

34. EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

Particulars	2018-2019	2017-2018
Salaries and Other Benefits	**26,528.04**	23,018.10
Contribution to Provident Fund and Other Funds	**1,626.69**	1,476.65
Gratuity	**231.59**	233.77
Staff Welfare	**431.27**	381.35
Total	**28,817.59**	25,109.87

35. FINANCE COST

(₹ in lakhs)

Particulars	2018-2019	2017-2018
Interest on working capital borrowings	**247.64**	232.38
Interest Cost on Employee Benefit	**90.83**	81.40
Other Borrowing Cost :		
Loan Processing Charges	**19.70**	21.07
Guarantee Charges	**12.96**	14.36
Other Interest	**48.68**	–
Total	**419.81**	349.21

36. OTHER EXPENSES

(₹ in lakhs)

Particulars	2018-2019	2017-2018
Manufacturing charges	**976.79**	818.19
Stores and spares	**501.10**	564.62
Power and fuel	**6,328.60**	5,828.03
Excise duty	**–**	459.74
Compensation rent	**1,102.24**	1,162.55
Rates and taxes	**122.97**	154.19
Insurance	**251.02**	253.50
Freight and transport charges	**5,786.89**	5,385.81
Repairs to :		
Building	**330.20**	224.36
Machinery	**1,390.38**	917.79
Others	**560.34**	766.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019 (Contd.)

(₹ in lakhs)

Particulars	2018-2019	2017-2018
Loss on sale/discard of assets (Net)	–	24.99
Sales promotion and publicity	**8,179.29**	5,755.63
Selling commission	**3,180.02**	2,988.08
Travelling and conveyance	**3,729.31**	3,727.00
Labour Hire Charges	**2,106.71**	1,787.74
Laboratory Expenses	**2,388.47**	2,512.96
Directors' fees	**47.80**	44.80
Royalty	**1,008.22**	1,005.30
Payment to Auditors :		
Audit fees	**43.42**	54.30
CSR Activity Expenses	**410.73**	295.41
Donations	**30.61**	11.89
Net loss on foreign currency transactions and translation	**867.97**	(121.91)
Bad Debts	**8.48**	76.66
Provision for doubtful debts/expected credit loss	**2.04**	173.28
Miscellaneous expenses	**5,963.67**	5,804.49
Total	**45,317.27**	40,675.56

37. COMMITMENTS & CONTINGENCIES:

COMMITMENTS

- **Capital Commitments:**

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided (Net of Advance)	**1,580.94**	794.97

- **Other Commitments:**

The Holding Company has imported capital goods including spares under the Export Promotion Capital Goods Scheme (EPCG) utilizing the benefit of zero rate or concessional rate of Customs duty. These benefits are subject to the fulfilment of certain export obligation within the stipulated period of time under the EPCG Scheme. Such export obligation remaining to be fulfilled at the year-end is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Export obligations under EPCG Scheme	**187.43**	8,928.81

CONTINGENCIES

- **Claim against the Holding Company not acknowledged as debts:**

Pharmaceutical Division of Unique Pharmaceutical Laboratories Ltd. (UPLL) which was acquired by the Holding Company on a going concern basis, has received demand notices from Dept. of Chemicals & Fertilizers, Govt. of India, New Delhi demanding a sum of ₹ 461.47 lakhs in respect of the Bulk Drug Metronidazole and a further sum of ₹ 591.05 lakhs in respect of the Bulk Drug Oxyphenbutazone. These amounts were claimed on hypothetical basis in 1996, under para 7(2) of DPCO 79 read with para 14 of DPCO 87 and para 12 of DPCO 95, long after repeal of DPCO 79 and DPCO 87 and gains allegedly notionally made by it by procuring the Bulk Drugs at alleged lower cost. UPLL has filed review petition against each of these claims disputing the jurisdiction, power and legal or rational basis for making such demands, particularly in view of the repeal of DPCO 79 and DPCO 87. The Holding Company has filed Writ Petitions bearing No 446 of 2008 in respect

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

of demand for Oxyphenbutazone & Writ Petition No. 2623 of 2007 in respect of demand for Metronidazole in Bombay High Court. These Writ Petitions have been admitted and the Hon. High Court has restrained the Government from adopting coercive steps to recover the amount till the disposal of the Writ Petition on the Holding Company furnishing security as per the Orders. The Holding Company has already furnished the Bank Guarantee of ₹ 402.35 lakhs as Security. As per the legal advice received by the Holding Company, there is no liability and accordingly no provision is being made in the Accounts for these claims and demands.

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
• Central Excise & Service tax demands / show causes (against which the company has made pre deposit of ₹ 11.92 lakhs, Previous year ₹ 14.47 lakhs)	**493.38**	615.58
• Income Tax (against which the company has made pre deposit of ₹ 7.63 lakhs, Previous year ₹ 7.63 lakhs)	**389.69**	308.96
• Sales Tax (against which the company has made pre deposit of ₹ 0.43 lakhs, Previous year ₹ 0.43 lakhs)	**8.34**	8.34
• Letter of Credit opened by the Banks	**2,297.47**	2,661.11
• Guarantees issued by bank on behalf of the Holding Company	**1,609.76**	1,451.49
• Corporate guarantee given by the Holding Company to a bank in respect of loan taken by a Wholly Owned Subsidiary Company (USD 4 Million)	**2,766.00**	2,606.80

38. Travelling expenses of field personnel include incidental expenses on conveyance, postage, stationery and miscellaneous expenses etc.

39. Excise Duty under "Other expenses" includes the differential excise duty on closing stock and opening stock of finished goods and excise duty paid on the goods distributed as free goods/medical samples amounting to ₹ Nil (Previous year ₹ 39.28 lakhs).

40. In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the period April 1, 2017 to June 30, 2017 were reported gross of Excise Duty and net of Value Added Tax (VAT)/ Sales Tax. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from July 1, 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognized as part of sales as per the requirements of Ind AS 18. Accordingly, Revenue from operation for the year ended March 31, 2019 are not comparable with the figures of the previous year.

41. During the year, a portion of the API plant of Holding Company at Panoli, Gujarat got damaged due to explosion followed by fire in one of the reactor. Due to this accident, certain assets in the plant as stated below got damaged and Holding Company has written off these assets in books of accounts:

(₹ in lakhs)

Sr. No.	Particulars of assets	Book value of assets written off
1	Factory Building	373.05
2	Plant & Machinery	328.70
3	Air conditioners	56.38
4	Furniture & Fixtures	6.62
5	Office Equipments	2.52
	Total	**767.27**

The amount of disposal as shown in Note No.5 of the consolidated financial statements includes the above write off of the assets. The Holding Company has taken necessary insurance policy for above loss of asset on reinstatement basis terms and accordingly, shown the said write off as claim receivable along with other expenditure as per the policy terms.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

The Holding Company has started the process of rebuilding of its damaged plant. Since the Holding Company has taken necessary insurance policy on reinstatement terms basis, it has lodged claim on estimated cost of reinstatement with the Insurance Company. Surveyor appointed by the Insurance Company has completed its survey and has submitted its report and the same is under review by the Insurance Company. It has been informed that Insurance Company is considering release of interim payment to expedite the process of rebuilding of the damaged plant. The management expects that the final claim will be settled in due course of time.

While the process of completing the rebuilding of damaged plant will take few months and the rebuilding cost will eventually be claimed under the policy based on actual amount spent and considering the interim approval of part payment by the Insurance Company, the amount of loss caused to its assets and stock due to fire and the expenditure incurred till March 31, 2019 on rebuilding of damaged plant aggregating to ₹ 998.74 lakhs has been shown under Claim Receivable under the head "Current Financial Assets – Others" (Refer Note No. 17 of the consolidated financial statement). The management believes that the final loss, if any, when determined on due completion of claim settlement process, will not materially impact the financials of the Holding Company.

42. EMPLOYEE BENEFITS:

a. Defined Contribution Plan

Contribution to defined contribution plan, recognized as expense for the year are as under: (₹ in lakhs)

Particulars	2018-19	2017-18
Employer's Contribution to Provident Fund & Family Pension Fund	**1,171.51**	1,093.11
Employer's Contribution to Superannuation Fund	**235.45**	208.44
Employer's Contribution to various Insurance Schemes	**153.05**	121.37
Employer's Contribution under various Government Scheme	**36.57**	35.57

b. Defined Benefit Plan- Gratuity – Holding Company

Gratuity is payable to all eligible employees of the Company on retirement, death, permanent disablement and resignation in terms of the provision of the Payment of Gratuity Act, 1972. The benefits would be paid at the time of separation.

i. Changes in Present Value of defined Benefit Obligation during the year (₹ in lakhs)

Particulars	2018-19	2017-18
Present value of Defined Benefit Obligation at the beginning of the year	**4,540.39**	3,815.92
Interest Cost	**356.87**	288.87
Current Service Cost	**230.97**	221.91
Benefit Paid From the Fund	**(398.12)**	(147.36)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	**22.44**	(130.30)
Actuarial (Gains)/Losses on Obligations - Due to Experience	**(90.64)**	491.35
Present value of Defined Benefit Obligation at the end of the year	**4,661.91**	4,540.39

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

ii. Changes in fair value of plan assets during the year (₹ in lakhs)

Particulars	2018–19	2017-18
Fair Value of Plan Assets at the Beginning of the year	**3,384.76**	2,740.56
Interest Income	**266.04**	207.46
Contributions by the Employer	**1,725.88**	592.55
Benefit paid from the Fund	**(398.12)**	(147.36)
Return on Plan Assets, Excluding Interest Income	**(23.24)**	(8.45)
Fair Value of Plan Assets at the end of the year	**4,955.32**	3,384.76

iii. Net (asset)/liability recognized in the balance sheet (₹ in lakhs)

Particulars	31-03-2019	31-03-2018
Present Value of Benefit Obligation at the end of the year	**4,661.91**	4,540.39
Fair Value of Plan Assets at the end of the year	**(4,955.32)**	(3,384.76)
Net (asset)/liability recognized in the Balance Sheet	**(293.41)**	1,155.63
Net liability – current (Refer Note No. 29)	**–**	733.35
Net liability – non current (Refer Note No. 22)	**–**	422.28

iv. Expenses recognized in the statement of profit and loss for the year (₹ in lakhs)

Particulars	2018–19	2017-18
Current Service Cost	**230.97**	221.91
Net Interest Cost	**90.83**	81.40
Expenses recognized	**321.80**	303.32

v. Expense Recognized in other comprehensive income for the year (₹ in lakhs)

Particulars	2018–19	2017-18
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	**22.44**	(130.30)
Actuarial (Gains)/Losses on Obligations - Due to Experience	**(90.64)**	491.35
Return on Plan Assets, Excluding Interest Income	**23.24**	8.45
Net (Income)/Expense For the Period Recognized in OCI	**(44.96)**	369.51

vi. Actuarial assumptions

Particulars	2018–19	2017-18
Expected Return on Plan Assets %	**7.78**	7.86
Rate of Discounting %	**7.78**	7.86
Rate of Salary Increase %	**4.00**	4.00
Rate of Employee Turnover %	**2.00**	2.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

vii. Maturity profile of defined benefit obligation (₹ in lakhs)

Particulars	**2018-19**	2017-18
Within 1 year	**859.49**	1,002.91
1-2 Year	**361.06**	365.57
2-3 Year	**454.22**	393.03
3-4 Year	**590.49**	410.93
4-5 Year	**373.14**	533.31
5-10 Year	**1,927.08**	1,738.22

viii. Sensitivity analysis for significant assumptions is as below (₹ in lakhs)

Particulars	**31-03-2019**	31-03-2018
Projected Benefit Obligation on Current Assumptions	**4661.91**	4,540.39
Delta Effect of +1% Change in Rate of Discounting	**(264.07)**	(246.00)
Delta Effect of -1% Change in Rate of Discounting	**302.41**	281.61
Delta Effect of +1% Change in Rate of Salary Increase	**311.01**	289.84
Delta Effect of -1% Change in Rate of Salary Increase	**(275.51)**	(256.84)
Delta Effect of +1% Change in Rate of Employee Turnover	**92.71**	89.31
Delta Effect of -1% Change in Rate of Employee Turnover	**(105.38)**	(101.43)

ix. Investment details:

The Company made annual contribution to the LIC of an amount advised by the LIC. The Company was not informed by LIC of the investments made or the break-down of the plan assets by investment type.

c. Defined Benefit Plan- Staff end-of-service benefits– Unique Pharmaceutical Laboratories FZE

The Company made provision for the year of ₹ 0.62 lakhs (Previous year ₹ 11.86 lakhs) in respect of staff end-of-service benefits and accumulated liability in respect of staff end-of-service benefits is ₹ 44.71 lakhs (Previous year ₹ 423.84 lakhs) as of March 31, 2019 assuming that all the employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on actuarial basis as salary inflation and discount rate are likely to have approximately equal and opposite affects.

43. SEGMENT REPORTING:

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the decision maker's at respective entity level in assessing the performance and deciding on allocation of resources. The Group, accordingly has only one reportable business segment i.e. 'Pharmaceuticals'.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

44. DEFERRED TAX

The major components of deferred tax liabilities and assets arising on account of timing differences are as follows:

As at March 31, 2019 (₹ in lakhs)

Particulars	As at April 1, 2018	Recognized/ reversed through profit and loss	Recognized in other comprehensive income	MAT (utilized)/ availed	As at March 31, 2019
Tax effect of item constituting deferred tax liabilities					
i. Property, plant and equipment	5,126.97	363.51	–	–	**5,490.48**
ii. Fair valuation of Investment designated as FVTPL	1,800.55	430.76	–	–	**2,231.31**
	6,927.52	794.27	–	–	**7,721.79**
Tax effect of item constituting deferred tax assets					
i. Employee benefits	643.22	(380.46)	(15.71)	–	**247.05**
ii. MAT credit entitlement	999.47	–	–	(999.47)	–
iii. Others	2,046.25	(189.46)	(72.78)	–	**1,784.01**
	3,688.94	(569.92)	(88.49)	(999.47)	**2,031.06**
Net deferred tax liability/ (asset)	3,238.58	1,364.19	88.49	999.47	**5,690.73**

As at March 31, 2018 (₹ in lakhs)

Particulars	As at April 1, 2017	Recognized/ reversed through profit and loss	Recognized in other comprehensive income	MAT (utilized)/ availed	As at March 31, 2018
Tax effect of item constituting deferred tax liabilities					
i. Property, plant and equipment	4,488.78	638.19	–	–	5,126.97
ii. Fair valuation of Investment designated as FVTPL	2,191.87	(391.32)	–	–	1,800.55
	6,680.65	246.87	–	–	**6,927.52**
Tax effect of item constituting deferred tax assets					
i. Employee benefits	579.82	(64.48)	127.88	–	643.22
ii. MAT credit entitlement	2,923.71	–	–	(1,924.24)	999.47
iii. Others	2,130.73	(102.39)	17.91	–	2,046.25
	5,634.26	(166.87)	145.79	(1,924.24)	3,688.94
Net deferred tax liability/ (asset)	1,046.39	413.74	(145.79)	1,924.24	3,238.58

The Holding Company has the following unused tax losses under the head long term capital gain under the Income Tax Act, 1961. Based on the probable uncertainty regarding the set off of these losses, the Holding Company has not recognized deferred tax asset in the Balance Sheet:

(₹ in lakhs)

Financial Year	As at March 31, 2019	Expiry Date	As at March 31, 2018	Expiry Date
2015 – 2016	247.70	March 31, 2024	273.27	March 31, 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

45. RELATED PARTY DISCLOSURE

Related party disclosure as required by IndAS 24, 'Related Party Disclosures' notified under Section 133 of the Companies Act,2013, are given below:

Names and Relationships of the Related Parties:

I	Associate Concerns/Trusts/Companies:		
a.	Mody Trading Company	k.	Shirish Mody Enterprises LLP
b.	Mody Brothers	l.	Bharati Mody Ventures LLP
c.	Jyotindra Family Trust	m.	Synit Drugs Pvt. Ltd.
d.	Dinesh Family Trust	n.	Unique Pharmaceutical Laboratories Ltd.
e.	Shirish Family Trust	o.	Ifiunik Pharmaceuticals Ltd.
f.	Lekar Pharma Ltd.	p.	Namplas Chemicals Pvt. Ltd.
g.	J.B. Mody Enterprises LLP	q.	Gemma Jewellery Pvt. Ltd.
h.	Ansuya Mody Enterprises LLP	r.	Jyotindra Mody Ventures LLP
i.	Dinesh Mody Ventures LLP	s.	D. B. Mody Entreprises LLP
j.	Kumud Mody Ventures LLP	t.	Shirish Mody Property LLP

II	Key Management Personnel (KMP):
a.	Shri Jyotindra B. Mody
b.	Shri Dinesh B. Mody
c.	Shri Shirish B. Mody
d.	Shri Bharat P. Mehta
e.	Shri Pranabh D. Mody
f.	Shri Kamlesh L. Udani
g.	Shri Sandeep Nasa

III	Relative of KMP:
a.	Mrs. Kumud D. Mody
b.	Mrs. Bharati S. Mody
c.	Mrs. Pallavi B. Mehta
d.	Mrs. Purvi U. Asher
e.	Mrs. Deepali A. Jasani
f.	Mrs. Priti R. Shah
g.	Shri Nirav S. Mody
h.	Shri Jay B. Mehta
i.	Mrs. K. V. Gosalia
j.	D. B. Mody HUF
k.	S. B. Mody HUF

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

Following transactions were carried out with related parties: (₹ in lakhs)

Name of Related Party		Nature of Transaction	2018-19	2017-18
(I)	**Associate Concern /Trusts /Companies:**			
a.	Mody Brothers	Payment of Rent	–	9.50
b.	Jyotindra Family Trust	Payment of Rent	**37.51**	29.97
		Rent deposit refund	–	6.00
		Rent deposit paid	–	6.18
		O/S Receivable	**9.68**	9.68
c.	Dinesh Family Trust	Payment of Rent	**8.35**	8.35
		O/S Receivable	**3.50**	3.50
d.	Shirish Family Trust	Payment of Rent	**8.35**	8.35
		O/S Receivable	**3.50**	3.50
e.	J. B. Mody Enterprises LLP	Payment of Rent	**5.95**	4.88
		Rent deposit paid	–	1.26
		O/S Receivable	**1.26**	1.26
f.	Dinesh Mody Ventures LLP	Payment of Rent	**5.95**	4.88
		Rent deposit paid	–	1.26
		O/S Receivable	**1.26**	1.26
g.	Shirish Mody Enterprises LLP	Payment of Rent	**5.95**	4.88
		Rent deposit paid	–	1.26
		O/S Receivable	**1.26**	1.26
h.	Jyotindra Mody Ventures LLP	Payment of Rent	**261.10**	259.44
		Reimbursement of Expenses	**10.59**	–
		O/S Receivable	**110.64**	110.64
i.	D. B. Mody Enterprises LLP	Payment of Rent	**261.10**	259.44
		O/S Receivable	**110.64**	110.64
j.	Shirish Mody Property LLP	Payment of Rent	**261.10**	259.44
		O/S Receivable	**110.64**	110.64
k.	Synit Drugs Pvt. Ltd.	Interest on Deposits	–	2.33
		Repayment of ICD	–	40.00
l.	Unique Pharmaceutical Laboratories Ltd.	Royalty paid	**1,120.02**	1,122.30
m.	Ifiunik Pharmaceuticals Ltd.	Interest on Deposits	–	3.79
		Repayment of ICD	–	65.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(₹ in lakhs)

Name of Related Party		Nature of Transaction	2018-19	2017-18
n.	Namplas Chemicals Pvt. Ltd.	Processing Charges	**35.29**	23.99
		O/S Payable	**3.22**	4.43
o.	Gemma Jewellery Pvt. Ltd.	Purchases of goods	**2.59**	4.15
p.	Lekar Pharma Ltd.	Sale of goods	**96.41**	203.55
		Purchases of goods	**5,484.14**	6,426.29
		Receipt of Manufacturing Charges	**101.53**	86.06
		Reimbursement received for Sales Promotion expense	**–**	186.76
		O/S Payable	**897.66**	956.66
(II)	**Key Management Personnel:**			
a.	Shri Jyotindra B. Mody	Remuneration	**572.11**	442.76
		Retirement benefit Expenses*	**68.65**	57.21
b.	Shri Dinesh B. Mody	Remuneration	**572.11**	442.76
		Retirement benefit Expenses*	**68.65**	57.21
c.	Shri Shirish B. Mody	Remuneration	**572.11**	442.76
		Retirement benefit Expenses*	**68.65**	57.21
d.	Shri Bharat P. Mehta	Remuneration	**247.65**	221.02
		Retirement benefit Expenses*	**33.43**	30.65
e.	Shri Pranabh D. Mody	Remuneration	**247.65**	221.02
		Retirement benefit Expenses*	**33.43**	30.65
f.	Shri Kamlesh L. Udani	Remuneration	**160.18**	142.38
		Retirement benefit Expenses*	**21.62**	19.22
g.	Shri Sandeep Nasa	Remuneration	**344.91**	277.88
		Retirement benefit Expenses	**1.35**	9.62
		O/S Payable	**28.54**	–
(III)	**Relative of Key Management Personnel :**			
a.	Shri Nirav S. Mody	Remuneration	**160.40**	150.71
		Retirement benefit Expenses*	**21.80**	20.35
b.	Shri Jay B. Mehta	Remuneration	**160.40**	150.71
		Retirement benefit Expenses*	**21.80**	20.34
c.	D. B. Mody - HUF	Payment of Rent	**29.16**	18.50
		Rent deposit refund	**–**	6.00
		Rent deposit paid	**–**	6.18
		O/S Receivable	**6.18**	6.18
d.	S. B. Mody - HUF	Payment of Rent	**29.16**	18.96
		Rent deposit refund	**–**	6.00
		Rent deposit paid	**–**	6.18
		O/S Receivable	**6.18**	6.18

* Excludes provision for compensated leave and gratuity for KMP and Relative of KMP as both liabilities are provided on overall Company basis and not identified separately in actuarial valuation.

Note: Figures are inclusive of Service Tax/ GST wherever applicable.

46. EARNINGS PER SHARE:

Particulars	2018-19	2017-18
Net Profit attributable to Equity Shareholders (₹ in lakhs)	**19,346.63**	13,834.09
Weighted Average No. of Equity shares (Nos)		
Basic	**82,190,980**	83,967,235
Diluted	**82,190,980**	83,967,235
Nominal value of equity shares (₹)	**2.00**	2.00
Earnings per share (₹)		
Basic	**23.54**	16.48
Diluted	**23.54**	16.48

47. OPERATING LEASES:

The Group has entered into cancellable / non-cancellable operating leases in respect of office premises, godown and others. During the year ₹ 1,048.16 lakhs (Previous year ₹1,101.01 lakhs) for cancellable lease and ₹ 54.08 lakhs (Previous year ₹ 61.54 lakhs) for non-cancellable lease has been charged to Statement of Profit and Loss on account of compensation rent. There are no sub lease and contingent rent. There are no restriction imposed by lease arrangements.

Future minimum lease rentals payable for non-cancellable operating leases is as follows: (₹ in lakhs)

Operating Lease	As at March 31, 2019	As at March 31, 2018
Due within one year	**76.18**	52.38
Due within one year and five years	**90.93**	133.74
Total	**167.11**	186.12

48. CSR EXPENDITURE:

Gross amount required to be spent during the year ₹418.55 lakhs (Previous year ₹ 391.86 lakhs).

Amount spent during the year ₹410.73 lakhs (Previous year ₹ 295.41 lakhs) as detailed hereunder:

(₹ in lakhs)

Nature of activity	2018-19	2017-18
Promoting Health care including preventive health care	**344.27**	240.00
Promotion of Education	**66.05**	50.00
Eradication of Poverty and malnutrition	**0.41**	0.41
Protection of Environment	**–**	5.00

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

The Group's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

Group has exposure to following risks arising from financial instruments:

a) Credit risk

b) Liquidity risk

c) Market risk

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

Risk management framework

Group's senior management ("Management") has overall responsibility for establishment of Group's risk management framework. Management is responsible for developing and monitoring Group's risk management policies, under the guidance of Audit Committee. Management identifies, evaluate and analyses the risks to which the Group is exposed to and set appropriate risk limits and controls to monitor risks and adherence to limits.

Management periodically reviews its risk policy and systems to assess need for changes in the policies to adapt to the changes in market conditions and align the same to the business of the Group. Management through its interaction and training to concerned employees aims to maintain a disciplined and constructive control environment in which concerned employees understand their roles and obligations. The Audit Committee oversees how management monitors compliance with Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks to which Group is exposed. The Audit Committee is assisted in its role by the internal auditor wherever required. Internal auditor undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

a) Credit risk:

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions, foreign exchange transactions and other financial instruments.

The Group has adopted a policy of only dealing with counterparties that have sufficiently high credit standards and financial strength. The Group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the several counterparties.

Credit risk arising from derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the reputed credit rating agencies.

As regards credit risk for investment in mutual funds, the Group limits its exposure to credit risk by investing mainly in debt securities issued by mutual funds which are of high credit ranking from rating agency like CRISIL or the equivalent rating agency. The Group monitors changes in credit risk by tracking published external credit ranking. Based on its on-going assessment of counterparty risk, the Group adjusts its exposure to various counterparties from time to time.

Credit risk from Trade receivables is managed by the Group's established policy, procedures and control relating to customer credit risk management. Trade receivables are mainly from stockist, distributors and direct customers and are non-interest bearing. Trade receivables generally ranges from 30 days to 180 days credit term. Credit limits are established for all customers based on internal criteria and any deviation in credit limit require approval of Head of the department and/or Directors depending upon the quantum and overall business risk. Majority of the customers have been doing business with the Group for more than 3 years and they are being monitored by individual business managers who deals with those customers. Management monitors trade receivables on regular basis and take suitable action where needed to control the receivables crossing set criteria / limits. Also, in case of international business, particularly new customers, management reviews the business risk by evaluating economic situation of the country and the customers and generally starts the relation either on advance payment or on the basis of confirmed irrevocable letter of credit.

Management does an impairment analysis at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Further, the Group's customers base is widely distributed both economically as well as geographically and in view of the same, the quantum risk also gets spread across wide base and hence management considers risk with respect to trade receivable as low.

For trade receivables, as a practical expedient, the Group computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Expected credit loss for trade receivables under simplified approach as at the end of each reporting period is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Gross carrying amount	**31,359.50**	30,512.04
Expected credit loss at simplified approach	**429.97**	439.08
Carrying amount of trade receivables (net of impairment)	**30,929.53**	30,072.96

b) Liquidity risk:

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system.

The Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Group also has adequate credit facilities agreed with banks to ensure that there is sufficient cash or cash equivalent available to meet all its normal operating commitments in a timely and cost-effective manner. Working capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels. The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next three to six months.

c) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks:

i. interest rate risk;

ii. currency risk; and

iii. Equity price risk.

Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

i) 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. Since, the Group has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is very low. The Group has not used any interest rate derivatives.

ii) Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. Primarily, the exposure in foreign currencies are denominated in USD and EURO. At any point in time, the Group covers foreign currency risk by taking appropriate percentage of its net foreign currency exposure by entering into forward exchange contracts on past performance basis mostly with a maturity of less than one year from the reporting date. In respect of monetary assets and liabilities denominated other than in USD and EURO, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

All such hedged transactions are carried out within the guidelines set by the risk management committee. The Group does not enter into any derivative instruments for trading or speculative purposes.

The carrying amounts of the Group's foreign currency denominated monetary items are as follows:

(₹ in lakhs)

Currency	Liabilities		Assets	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD	**1,056.29**	1,185.11	**15,327.60**	14,271.06
EURO	**86.97**	420.05	**1,873.53**	2,624.81
AUD	**1.22**	25.91	**1,321.71**	1,679.32
RUBLE	**15.04**	–	**–**	–
Others	**2.09**	2.07	**945.87**	212.15

Details of Hedged exposure in foreign currency denominated monetary items:

The Group enters into forward exchange contracts to hedge against its foreign currency exposure relating to the underlying transactions based on past performance. The Group does not enter into any derivative instruments for trading or speculative purpose.

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

Currency	As at March 31, 2019		As at March 31, 2018	
	F.C. (in Mn.)	₹ in lakhs	F.C. (in Mn.)	₹ in lakhs
Forward contract to sell USD	**20.25**	**14,002.88**	10.75	7,005.78
Forward contract to sell Euro	**0.25**	**195.70**	2.00	1,626.64
Forward contract to sell Ruble	**362.00**	**3,857.83**	–	–
Forward contract to buy USD	**0.82**	**567.72**	0.39	252.40

Details of Unhedged exposure in foreign currency denominated monetary items:

Currency	As at March 31, 2019		As at March 31, 2018	
	F.C. (in Mn.)	₹ in lakhs	F.C. (in Mn.)	₹ in lakhs
RECEIVABLE:				
USD	**1.92**	**1,324.72**	11.15	7,265.29
EURO	**2.14**	**1,677.83**	1.23	998.16
AUD	**2.69**	**1,321.71**	3.36	1,679.30
OTHERS	**5.00**	**945.87**	1.20	212.15

Currency	As at March 31, 2019		As at March 31, 2018	
	F.C. (in Mn.)	₹ in lakhs	F.C. (in Mn.)	₹ in lakhs
PAYABLE:				
USD	**0.71**	**488.57**	1.57	1,021.12
EURO	**0.11**	**86.97**	0.33	266.14
AUD	**–**	**1.22**	0.05	25.91
RUBLE	**1.41**	**15.04**	–	–
OTHERS	**–**	**2.09**	–	2.07

The Group is mainly exposed to changes in USD and EURO. The below table demonstrates the sensitivity to a 1% increase or decrease in the USD and EURO against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at the reporting date. 1% represents management's assessment of reasonably possible change in foreign exchange rate.

(₹ in lakhs)

Particulars	Currency	As at March 31, 2019	As at March 31, 2018
1% Depreciation in INR	USD	**8.36**	62.44
1% Appreciation in INR	USD	**(8.36)**	(62.44)
1% Depreciation in INR	EURO	**15.91**	7.32
1% Appreciation in INR	EURO	**(15.91)**	(7.32)

iii Equity Price risk:

The Group does not have any exposure to equity price risk, as there is no major investment in equity except in its own subsidiaries and accordingly, exposure to risk of changes in price is very low.

50. CAPITAL MANAGEMENT:

For the purpose of the Group's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to safeguard the Group's ability to remain as a going concern and to maintain and optimal capital structure so as to maximise shareholder's value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plan. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or buy-back its shares. The current capital structure of the Group is equity based with low financing through borrowings. The Group is not subject to any externally imposed capital requirement.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

51. FAIR VALUE MEASUREMENT

A) The Carrying value and Fair value of financial assets and liabilities by categories are as follows: (₹ in lakhs)

Particulars	Carrying value of the financial assets/liabilities		Fair value of the financial assets/liabilities	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial Assets at amortized cost (non-current)				
Investment in Government securities	**0.29**	0.29	**0.29**	0.29
Loans	**358.86**	332.67	**358.86**	332.67
Other financial assets	**15.82**	15.11	**15.82**	15.11
Financial Assets at amortized cost (current)				
Trade receivables	**30,929.53**	30,072.96	**30,929.53**	30,072.96
Cash and bank balance	**3,679.71**	2,992.32	**3,679.71**	2,992.32
Loans	**140.23**	177.61	**140.23**	177.61
Other financial assets	**1,101.75**	89.35	**1,101.75**	89.35
Financial liabilities at amortized cost (current)				
Borrowings	**2,579.77**	2,929.28	**2,579.77**	2,929.28
Trade payables	**8,276.06**	11,039.50	**8,276.06**	11,039.50
Others	**11,000.19**	10,773.94	**11,000.19**	10,773.94
Financial Assets at Fair value through profit & loss (non-current)				
Investment	**9,587.27**	4,995.50	**9,587.27**	4,995.50
Financial Assets at Fair value through profit & loss (current)				
Investment	**36,064.99**	38,376.60	**36,064.99**	38,376.60
Forward contract	**403.47**	–	**403.47**	–
Financial Liabilities at Fair value through profit & loss (current)				
Forward contract	**–**	40.88	**–**	40.88

B) Level-wise disclosures of financial assets and liabilities by categories are as follows: (₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	Level	Valuation techniques and key inputs
Financial Assets at amortized cost (non-current)				
Deposit for premises	**338.85**	312.80	3	Discounted cash flow method using interest rate for similar financial instrument.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	Level	Valuation techniques and key inputs
Financial Assets at Fair value through profit & loss (non-current)				
Investment in Mutual Fund	**8,383.80**	3,985.53	1	Quoted NAV in active markets.
Investment in Equity shares	**1,203.47**	1,009.97	3	Value based on the NAV as per latest audited financial statement available.
Financial Assets at Fair value through profit & loss (current)				
Investment in Mutual Fund	**36,064.99**	38,376.60	1	Quoted NAV in active markets.
Forward contract	**403.47**	–	2	Forward contracts are valued using available information from the banks.
Financial Liabilities at Fair value through profit & loss (current)				
Forward contract	**–**	40.88	2	Forward contracts are valued using available information from the banks.

Fair value of cash and cash equivalents, short term loans, trade receivables, trade payables, other financial assets/liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2018.

During the reporting period ended March 31, 2019 and March 31, 2018, there were no transfers between level 1, level 2 and level 3 fair value measurements.

C) Reconciliation of the opening and closing balances for Level 3 fair value: (₹ in lakhs)

Particulars	Investment in Equity shares	Deposit for premises
Opening Balance as on April 1, 2018	1,009.97	312.80
Addition during the year	–	3.96
Deletion during the year	6.33	–
Interest Income-Others	–	22.09
Fair value changes of Investment designated as FVTPL	199.83	–
Closing Balance as on March 31, 2019	**1,203.47**	**338.85**

One percentage point change in the unobservable inputs used in fair valuation of level 3 assets or liabilities does not have significant input in its value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

52. EVENTS AFTER THE REPORTING PERIOD:

The Board of Directors of Holding Company have recommended dividend of ₹ 5/- per fully paid up equity shares of ₹ 2/- each amounting to ₹ 4,011.83 lakhs plus ₹ 824.64 lakhs dividend distribution tax for the financial year 2018-19, which is based on relevant share capital as on March 31, 2019. The actual dividend amount will be dependent on the relevant share capital outstanding as on record date / book closure.

53. ADDITIONAL INFORMATION PERTAINING TO HOLDING AND SUBSIDIARY COMPANIES:

(₹ in lakhs)

Name of Entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated comprehensive income	Amount	As % of total comprehensive income	Amount
HOLDING COMPANY								
J. B. Chemicals & Pharmaceuticals Ltd	100.11	148,456.23	94.10	18,205.92	(7.85)	29.25	96.11	18,235.17
FOREIGN SUBSIDIARIES								
OOO Unique Pharmaceutical Laboratories, Russia	1.27	1,880.68	1.09	210.74	–	–	1.11	210.74
Unique Pharmaceutical Laboratories FZE, Dubai	6.50	9,645.51	(1.93)	(373.68)	–	–	(1.97)	(373.68)
Biotech Laboratories (Pty.) Ltd, South Africa	4.03	5,970.48	5.26	1,016.66	–	–	5.36	1,016.66
Non-controlling Interest	0.19	280.33	(0.26)	(50.34)	(12.67)	47.20	(0.02)	(3.14)
Total Eliminations	(12.10)	(17,940.66)	1.74	337.33	120.53	(448.89)	(0.59)	(111.56)
TOTAL	**100.00**	**148,292.57**	**100.00**	**19,346.63**	**100.00**	**(372.44)**	**100.00**	**18,974.19**

54. Figures of previous year have been re-grouped, rearranged and recast, wherever considered necessary. Figures in brackets indicate corresponding figures of previous year.

As per our report of even date

For D N V & Co.
Chartered Accountants
Firm Registration No. 102079W

Bharat Jain
Partner
Membership No. 100583

Place: Mumbai
Date: May 21, 2019

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director
DIN : 00034851

D. B. Mody
Whole time Director (Administration)
DIN : 00034992

S. B. Mody
Whole time Director (Marketing)
DIN : 00035051

Vijay D. Bhatt
Chief Financial Officer

M. C. Mehta
Company Secretary
ACS : 8854

Place: Mumbai
Date: May 21, 2019

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 the financial statement of subsidiaries / joint venture

Part "A" Subsidiaries

(₹ in lakhs)

Name of the subsidiary	Unique Pharmaceutical Laboratories FZE, Dubai	Biotech Laboratories (Pty) LTD., South Africa	OOO Unique Pharmaceutical Laboratories, Russia
Reporting period for the subsidiary	01/04/2018 to 31/03/2019	01/04/2018 to 31/03/2019	01/04/2018 to 31/03/2019
Reporting currency	AED	ZAR	RUBLE
Exchange rate to INR as on 31/03/2019	18.92	4.80	1.07
Share capital	9,414.76	0.29	3,881.92
Reserves and Surplus	230.77	6,250.55	(2,001.24)
Total Assets	9,903.25	9,103.82	6,785.16
Total Liabilities	9,903.25	9,103.82	6,785.16
Investments	8,855.87	–	–
Turnover	–	16,206.56	6,882.04
Profit before taxation	(373.68)	1,377.62	270.20
Profit after taxation	(373.68)	1,016.98	210.74
Proposed Dividend	–	–	–
% shareholding	100	95.24	100

PART "B": Joint Venture

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Joint Venture

Name of Joint Venture	Not Applicable
Latest audited Balance Sheet Date	Not Applicable
Shares of the Joint Venture held by the company on the year end	
No.	Nil
Amount of Investment in Joint Venture	Nil
Extend of Holding %	Nil
Description of how there is significant influence	Not Applicable
Reason why the joint venture is not consolidated	Not Applicable
Net-worth attributable to shareholding as per latest audited Balance Sheet	Not Applicable
Profit for the year	
i. Considered in consolidation	Not Applicable
ii. Considered in consolidation	Not Applicable

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director
DIN : 00034851

D. B. Mody
Whole time Director (Administration)
DIN : 00034992

S.B. Mody
Whole time Director (Marketing)
DIN : 00035051

Vijay D. Bhatt
Chief Financial Officer

M. C. Mehta
Company Secretary
ACS : 8854

Place : Mumbai
Date : May 21, 2019

TEN-YEAR FINANCIAL SUMMARY

(₹ in lakhs)

Particulars	09-10	10-11	11-12	12-13	13-14	14-15	15-16	#16-17	#17-18	#18-19
Balance Sheet										
Share Capital	1,686.53	1,690.34	1,694.15	1,694.15	1,694.63	1,696.16	1,696.40	1,696.40	1,671.40	**1,604.73**
Reserves and Surplus	59,650.61	69,637.93	93,692.17	99,206.03	103,086.53	99,934.99	112,478.57	137,089.73	143,667.41	**146,851.50**
Loan Funds	13,620.08	16,856.32	6,981.56	4,960.36	9,278.06	10,521.80	17,480.19	4,886.03	2,847.62	**2,579.77**
Deferred Tax Liability (Net)	1,423.99	1,443.62	1,655.69	2,197.49	1,988.93	2,162.22	2,282.97	2,895.35	4,970.15	**7,115.12**
Other Non-Current Liabilities	–	–	–	–	–	–	–	395.48	360.01	**220.29**
Total	76,381.21	89,628.21	104,023.57	108,058.03	116,048.15	114,315.17	133,938.13	146,962.99	153,516.59	**158,371.41**
Application of Funds										
Net Fixed Assets (Incl. Capital WIP)	21,807.85	22,894.44	28,000.53	29,917.34	32,852.81	35,604.09	50,040.35	61,245.27	58,731.00	**56,720.09**
Investments	6,246.43	12,328.84	33,771.16	43,365.78	53,611.41	59,749.74	51,304.77	54,377.04	56,669.07	**58,949.23**
Current Assets, Loans and Advances:										
Inventories	5,640.84	8,178.22	9,079.85	8,988.92	11,122.70	12,847.40	13,329.31	15,995.57	17,581.44	**20,810.42**
Sundry Debtors	40,727.14	38,545.42	13,120.82	19,464.31	24,805.15	24,849.05	26,802.32	26,509.52	30,054.05	**30,092.38**
Cash & Bank Balances	7,056.63	12,291.77	21,136.24	14,910.99	1,080.30	905.52	1,080.03	740.49	1,495.33	**2,076.80**
Loans and Advances	5,550.89	6,488.05	12,163.11	10,635.07	10,720.84	10,920.23	12,255.45	9,569.38	12,134.71	**10,562.62**
Total Currents Assets	58,975.50	65,503.46	55,500.02	53,999.29	47,728.99	49,522.20	53,467.11	52,814.96	61,265.53	**63,542.22**
Less: Current Liabilities and Provisions:										
Current Liabilities	7,320.67	7,688.67	10,716.77	14,458.26	13,467.30	14,481.85	18,720.86	19,798.88	21,290.42	**20,133.15**
Provisions	3,327.90	3,409.86	2,531.37	4,766.12	4,677.76	16,079.01	2,153.24	1,675.40	1,858.59	**706.98**
Net Current Assets	48,326.93	54,404.93	42,251.88	34,774.91	29,583.93	18,961.34	32,593.01	31,340.68	38,116.52	**42,702.09**
Total	76,381.21	89,628.21	104,023.57	108,058.03	116,048.15	114,315.17	133,938.13	146,962.99	153,516.59	**158,371.41**
Profit and Loss Statement										
Sales	67,006.45	78,757.94	63,577.48	79,446.05	93,443.47	103,813.61	111,993.24	116,744.55	122,780.56	**146,444.85**
Other Income	1,726.39	2,499.40	7,915.84	4,792.27	5,963.69	3,369.39	8,115.92	7,713.90	6,218.39	**7,696.35**
Total Income	68,732.84	81,257.34	71,493.32	84,238.32	99,407.16	107,183.00	120,109.16	124,458.45	128,998.95	**154,141.20**
Total Expenses	56,638.42	67,152.00	66,630.42	73,463.85	83,558.38	91,272.58	97,399.56	102,780.09	111,094.65	**127,213.67**
Profit before extraordinary item and taxation	12,094.42	14,105.34	4,862.90	10,774.47	15,848.78	15,910.42	22,709.60	21,678.36	17,904.30	**26,927.53**
Profit after taxation	10,099.73	11,819.46	64,269.94	8,493.85	6,842.55	11,358.25	17,638.85	17,296.46	12,800.14	**18,205.92**
Ratios:										
Earning per share (₹)	11.98	14.00	75.95	10.03	8.08	13.40	20.80	20.07	15.24	**22.15**
Book Value per share (₹)	72.74	84.40	112.61	119.12	123.66	119.82	134.61	163.62	173.91	**185.02**
Debt Equity Ratio	0.22:1	0.24:1	0.07:1	0.05:1	0.09:1	0.10:1	0.15:1	0.04:1	0.02:1	**0.02:1**
Current Ratio	5.54:1	5.90:1	4.19:1	2.81:1	2.63:1	1.62:1	2.56:1	2.46:1	3.93:1	**4.32:1**
Dividend:										
In ₹ per share	2.00	2.00	41.00	3.00	3.00	14.00	5.00	1.00	2.00	**5.00**
Percentage (%)	100	100	*2,050	150	150	**700	250	50	100	**250**

* Includes special interim dividend of ₹ 40 (2,000%) per share.

** Includes special dividend of ₹ 10 (500%) per share.

prepared in accordance with new accounting standards prescribed under Companies (Indian Accounting Standards) Rules, 2015 applicable to the Company w.e.f. April 1, 2016.

Share capital and reserves for 2017-18 and 2018-19 are after buy-back outgo of ₹ 50 crores and ₹ 130 crores respectively.

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J. B. CHEMICALS & PHARMACEUTICALS LIMITED

Corporate Office

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