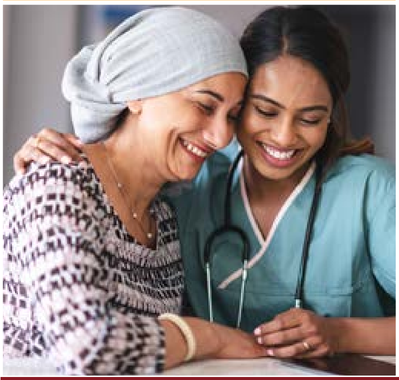
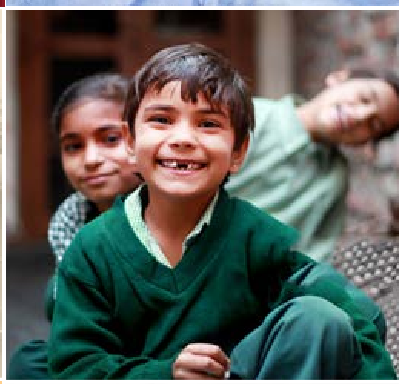
J.B. CHEMICALS & PHARMACEUTICALS LTD.



Passion WITH A PURPOSE

ANNUAL REPORT 2020-2021



45 YEARS

Passion WITH A PURPOSE

J.B. Chemicals & Pharmaceuticals Limited is a holistic pharmaceutical company built on a strong foundation of ethics, integrity, teamwork and always putting patients first. Our purpose is to contribute to healthcare globally, support healthcare providers and enrich patient lives.

We have passionately pursued this purpose for 45 years, and today, we are one of the fastest growing pharmaceutical companies in India. With 4000+ employees, 7 state-of-the-art manufacturing facilities, 2 global subsidiaries and a presence in 40+ global markets, we are on a journey of sustained growth and value creation by developing products that increase health spans, not just lifespans.

CONTENTS

RICH LEGACY, PROMISING FUTURE

1st brick in the foundation laid by late Mr. J.B. Mody by incorporating **J. B. Mody Chemicals and Pharmaceuticals Limited.**

1976

J.B. CHEMICALS & PHARMACEUTICALS LTD.

1977

Introduced the product **Metrogyl**, that went on to become the 'gold standard' in the industry.

Forayed into the cardiac segment with the revolutionary product **Nicardia.**

1985

Got publicly listed and expanded from API to Formulation.

Iconic product **Rantac** introduced.

1986

2000

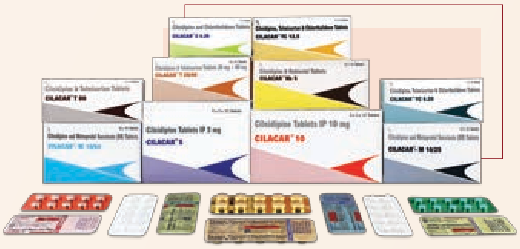
Introduced brands in Russia, that went on to become leading OTC products in the cough and cold segment.

Received first FDA approval for our **Panoli Plant: T10.**

2003

2007

Launched the product **Cilacar** that went on to become a leading brand in cardiology and nephrology.

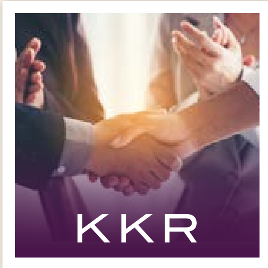


Made a strategic investment in a company in South Africa called **Biotech Laboratories.**

2008

2016

Received a silver award from the United States Pharmacopeia (USP) for participation in the Monograph Development & Upgradation Program, and preparation and distribution of USP reference substance.



Leading private equity firm **Kohlberg Kravis Roberts & Co. Inc. (KKR)**, acquired a controlling stake of JBCPL.

2020

2021

Ranked 28th in the Industry (ORG- IMS) with 5 brands: **Rantac (Anti - Peptic Ulcerant), Metrogyl (Amebicides), Nicardia (Calcium Channel Blocker) and Cilacar-T featuring in top 300 brands of the Indian pharmaceutical market.**

New therapeutic categories introduced: **Diabetes, Nephrology, Respiratory, Virology.**

CEO'S MESSAGE

TIME MOVES FAST, WE ARE MOVING FASTER

Dear Shareholders,

Our 'One JBCPL' family has completed its 44th year. Being one of the fastest-growing pharmaceutical companies in India, we have good reason to be pleased. Even so, we are not content. We are already looking ahead and accelerating towards our 50th year in 2025. In this journey, we will focus on strengthening our core capabilities and also build an organisation that is agile and resilient to uncertain times.

Before discussing the future, I would like to express my heartfelt thanks to all those who have been battling Covid-19 for over a year by working tirelessly and selflessly to mitigate the impact of this pandemic. Covid-19 has shifted the method and pace of healthcare delivery. It has sensitised us to the need for greater speed, integration and quality of response across manufacturing, supply chain, sales, marketing, quality control and assurance (QA-QC), and R&D.

At JBCPL, we are applying our learnings to establish plans for the future.

Business transformation initiatives:

- ***Our major focus is to strengthen our core therapy segments i.e.*** hypertension, gastroenterology, nephrology, cardiology, dentistry, and paediatrics. In FY 21 we realigned our structure and portfolio to ensure sustainable growth and put a strong focus on the lifecycle management of our flagship brands.
- The next priority is to scale up R&D and business development initiatives towards building a progressive portfolio for our US, ROW, Russia, SA, API, and CMO businesses.
- We will focus on consolidating our business areas through a deeper presence in existing geographies, this will be aided by new launches over the next 2–3 years.
- We are investing in 'beyond the pill' initiatives, tech-enabled solutions, and a 'phygital' approach to innovatively meet the diverse needs of internal stakeholders, employees, associates, and HCPs (Healthcare Professionals).

Moving into newer therapeutic categories:

In the past few months, we have ventured deeper into therapeutic segments where we already have equity, as well as expanded into adjacent therapies where we believe we can enhance the quality of care for patients.

- **Nephrology** – We have introduced a range of products to support the treatment of kidney disease. These will leverage our formidable equity with nephrologists and further expand our market share in this category.

"WE ARE

big enough to create a positive impact for patients and healthcare providers

small enough to still care"

- Nikhil Chopra,
CEO and Whole-Time Director

- **Respiratory** – Respiratory diseases are the most common disease conditions which impact every socio-economic and age group in society. We have introduced a comprehensive portfolio for treating respiratory allergy, virology and ILD.
- **Diabetes** – We entered the fastest-growing category of the Indian pharmaceuticals market with the launch of DPPIV and SGLT2 inhibitor molecules. These leverage our strength in the cardio-metabolic segment.
- **Nicotine Replacement Therapy (NRT)** – We extended our lozenges expertise to Nicotine Replacement Therapy in India with introduction of our NOSMOK lozenges.

Adding and upgrading resources & processes:

- We have hired leaders for key positions in the domains of R&D, QA-QC, IR, Legal, Company Secretary, and Finance to strengthen our expertise and operate with the highest standards of governance and control. We now have a good mix of talent and able leadership in place to meet our aspirations for 2025.
- We are exploring possible M&A opportunities which can complement our strengths and accelerate our performance in key segments.
- Structured programs in the organisation aimed at improving our supply, service, and cost-efficiency. This will enhance our profitability and business growth.

All these initiatives are being carried out with full commitment and passion towards one singular purpose, which is to do more good for more people. However large and successful our business becomes, we will always retain the spirit of JBCPL.

We believe that we are big enough to create a positive impact for patients and healthcare providers, yet small enough to still care.

BOARD OF DIRECTORS

Mr. Ranjit Shahani

Chairman and Independent Director

Mr. Ranjit Shahani is a global business leader with over forty years of experience in industries such as healthcare, pharmaceuticals, health technology, and speciality chemicals. He served as Vice Chairman and Managing Director of Novartis, India.

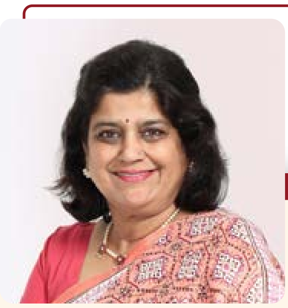
He holds a Bachelor of Technology in Mechanical Engineering from Indian Institute of Technology, Kanpur and a Masters in Business Administration from Jamnalal Bajaj Institute of Management Studies.

Mr. Sumit Bose

Independent Director

Mr. Sumit Bose was a member of the Indian Administrative Services. He served the Government of India in several capacities such as Union Finance Secretary (as Secretary, Department of Revenue), Secretary (Expenditure), Secretary (Disinvestment), as well as Secretary in the Thirteenth Finance Commission.

Mr. Bose holds a Master of Science, (Social Policy and Planning), from the London School of Economics, a Master of Arts (History) from St. Stephen's College, University of Delhi, and an Indian School Certificate from The Doon School, Dehradun.



Ms. Padmini Khare Kaicker

Independent Director

Ms. Padmini Khare Kaicker is the Managing Partner of B. K. Khare & Co., Chartered Accountants, one of the leading and reputed Indian Accounting firms in the profession for more than five decades. Padmini has over 25 years of wide and varied experience serving large and mid-sized clients in variety of businesses such as Manufacturing, Oil and Gas, Banking and Financial Services, Insurance, IT, Hospitality, Real Estate, and Retail sectors.

She holds a B.Sc. in Mathematics. Apart from being a Chartered Accountant from ICAI, she is also a Certified Public Accountant (USA) and holds a Diploma in Business Finance from the Institute of Chartered Financial Analysts of India.

Mr. Sanjay Nayar

Non-executive Director

Mr. Sanjay Nayar is Chairman of KKR India. He joined KKR in 2009 and was Partner & CEO of KKR India until January 2021. Prior to joining KKR, he served as CEO of Citigroup's Indian and South Asian operations and was a member of Citigroup's Management Committee and Asia Executive Operating Committee from 2002–2009. Mr. Nayar also served Citibank/Citigroup for 25 years in various positions in India, UK and USA.

Mr. Nayar is a member of the Board of US-India Strategic Partnership Forum (USISPF), the Governing Board of Indian School of Business (ISB), is an Executive Member of CII PE/VC Committee, and as recently as November 2020 tenured from SEBI's NISM Board of Governors after six years. He has obtained B.Sc. (Hons) from Delhi College of Engineering and MBA (Finance) from Indian Institute of Management, Ahmedabad.

Mr. Gaurav Trehan
Non-executive Director

Mr. Gaurav Trehan is Partner and Head of the Private Equity business for KKR India. Prior to joining KKR, he spent more than 15 years with TPG Capital Asia and was a partner in its India office.

Mr. Trehan acquired a BS in mathematics/applied science and economics from UCLA.

Mr. Prashant Kumar
Non-executive Director

Mr. Prashant Kumar is a Managing Director at KKR private equity team. Prior to joining KKR, Mr. Prashant Kumar was a Director and member of the investment committee at ChrysCapital, a leading India focused private equity fund. Prior to ChrysCapital, he has worked at Warburg Pincus where he led investments in various sectors, Karsch Capital Management, a New York-based hedge fund and SUN Capital, an emerging markets focused private equity firm.

Mr. Prashant Kumar holds a B.Tech. from the Indian Institute of Technology Delhi, a post-graduate diploma in management from the Indian Institute of Management Kolkata, and a Master's in Business Administration from The Wharton School at the University of Pennsylvania.

Mr. Nikhil Chopra
CEO and Whole-time Director

Mr. Nikhil Chopra is a business leader with over twenty years of experience with a consistent record of sustainable growth and shareholder value creation. For over two decades, he has spearheaded breakthrough ideas, focused on creating greater access to high quality treatment and medicines, and gain a significant competitive advantage over peers, especially in therapies such as Respiratory, Urology, HIV, and Paediatric Care. He previously worked as CEO-India Business for Cipla Ltd.

He holds an M.Sc. in Organic Chemistry from Gujarat University.

Ms. Ananya Tripathi
Non-executive Director

Ms. Ananya Tripathi is a director with KKR Capstone. She leads the team's value-creation efforts across KKR India's private equity portfolio companies. Prior to joining KKR Capstone, Ms. Tripathi headed the category business at Myntra and was also Chief Strategy Officer. She was previously an associate partner at McKinsey & Company.

Ms. Tripathi is a gold medalist across both, her Master's in Business Administration from Indian Institute of Management, Kozhikode, and her engineering degree from Pune University.

OUR MANUFACTURING

7 STATE-OF-THE-ART MANUFACTURING UNITS IN GUJARAT, INDIA

Quality for us is a driving force, in processes, practices, products, and people.

Producing a wide array of
dosage forms

TABLETS

CAPSULES

LIQUIDS

Our world-class manufacturing facilities are approved by various global regulatory authorities:

Sr. No.	Health Authority	Facility Approved
1.	US FDA	Tablets, APIs
2.	EU GMP	Tablets, Capsules, Lozenges, Ointments, Gels, Creams, Liquids
3.	SAHPRA, South Africa	Tablets, Lozenges, Injections, Creams, Ointments, Liquids, Hard Shell Capsules, Eye Drops
4.	TGA, Australia	Tablets, Lozenges, Liquids, Ointments, Gels, Creams
5.	PIC/S (MOH, Ukraine)	Tablets, Lozenges, Injections, Ointments, Gels, Creams, Liquids, Powders
6.	MOH, Japan	API
7.	MOH, Russia	Tablets, Hard Shell Capsules, Lozenges, Injections, Ointments, Gels, Cream, Liquids
8.	Health Canada	Liquids, Lozenges
9.	MOH, Korea	API

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

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

IV INFUSIONS | AMPOULES | VIALS | OINTMENTS | COLD RUBS | LOZENGES | SIPS

AMONG THE TOP 3 MANUFACTURERS OF LOZENGES GLOBALLY

3 decades
of experience

Exporting to
30 countries

Partner of choice for
leading MNCs

CUSTOMISED FOR YOUR UNIQUE NEEDS

Myriad flavours that suit all tastes:

Orange
Mint
Herbal
Pineapple
Strawberry
Lemon
Mixed Fruit

All lozenges,
**herbal, medicated,
and soft-centred**
can be made in sugar
and sugar-free options

Shapes produced under stringent quality control measures:

Square
Oval
Oblong
Round

Our lozenges plant in Gujarat, India is fully automated, with state-of-the-art machines.

It is GMP compliant and has TGA - Australia, SAHPRA - South Africa, and EU - GMP accreditations

GENERATIONS OF PEOPLE HAVE LIVED HEALTHIER LIVES WITH OUR MEDICINES

Anti-infectives

Wound Care

Neonatology and Paediatrics

Gynaecology

Dental

Vitamins and Minerals

Pain-Analgesic

Hypertension | Dermatology | Diabetes | Antivirals | Nephrology | Respiratory | NRT

NEW PRODUCTS

Diabetes

Antiviral

Respiratory

Nephrology

NRT

REACHING OUT AND GIVING BACK

'Giving back to society' has been an integral part of our operating philosophy and we regularly contribute to socially responsible activities as part of our governance.

Corporate Social Responsibility is a Company's sense of responsibility towards the society and the environment within which it operates, and we as a company, have imbibed this philosophy in our CSR policy and strive to conduct our business in a socially, environmentally, and ethically responsible manner. We contribute to the society and environment in which we operate through direct initiatives and by supporting like-minded not-for-profit organisations.

Our CSR activities span areas of healthcare, education, environment, alleviation of poverty, or as a humane response to any other cause presented by the external environment.

RECENTLY, THE COMPANY HAS CONTRIBUTED TO THE FOLLOWING CAUSES:

DISASTER MANAGEMENT:

- Contributed to the PM Cares Fund and Jayaben Mody Hospital (Bharuch) for free/subsidised treatment of COVID-19 patients. Contributed for provision of Pulse.
- Provided Oximeters to J.J. Hospital, Mumbai, and also contributed to several non-profit organisations for procurement of PPE kits, masks and surgical hoods. Distributed food kits to frontline workers and migrant workers.
- Provided RT Quantitative Micro PCR System to B.Y.L Nair Charitable Hospital, Mumbai, a Government hospital, for COVID-19 testing.
- Contributed towards distribution of oxygen concentrators, PSA Plant and Oxygen cylinders for distribution to COVID hospitals/centres/patients for treatment of patients affected by COVID-19.

Liver Foundation, West Bengal

- Contribution to Liver Foundation, West Bengal, for procurement of USG machine for non-vascular and vascular interventional radiology at Indian Institute of Liver and Digestive Sciences at Sonarpur, West Bengal.
- Contribution to Liver Foundation, West Bengal, for procurement of Fibroscan machine for treatment of poor patients at Indian Institute of Liver and Digestive Sciences at Sonarpur, West Bengal.

- Contribution towards treatment of children born with clubfoot in Bharuch District and other parts of the state of Gujarat through the MiracleFeet Foundation for eliminating clubfoot.

- Contribution to Jayaben Mody Hospital, Ankleshwar, Gujarat, towards procurement of Microscope and Laser Technology system for urology treatment of poor patients at affordable cost.
- Contribution to Jayaben Mody Hospital at Ankleshwar, Gujarat, towards setting up of a Radiation Centre.

- Contribution for smart and development oriented education of children studying in 40 public schools in Bharuch district of Gujarat State through the Agastya International Foundation.

- Contribution for education and removal of malnourishment of poor tribal children from Chhindwara district of Madhya Pradesh through the Parivar Education Society.

- Contribution for provision of free meals to relatives of poor patients admitted in public hospitals at Mumbai through the HKM Charitable Foundation.

OUR YEAR BY NUMBERS*

15%
growth in revenue

2000 CR.
milestone crossed

EBITDA expanded from
21.3% TO 27.4%

PAT higher by
65%

14%
growth in domestic formulations

22%
growth in chronic therapies

22%
net margin

Operating cash flow for FY21 increased to
315 CR.

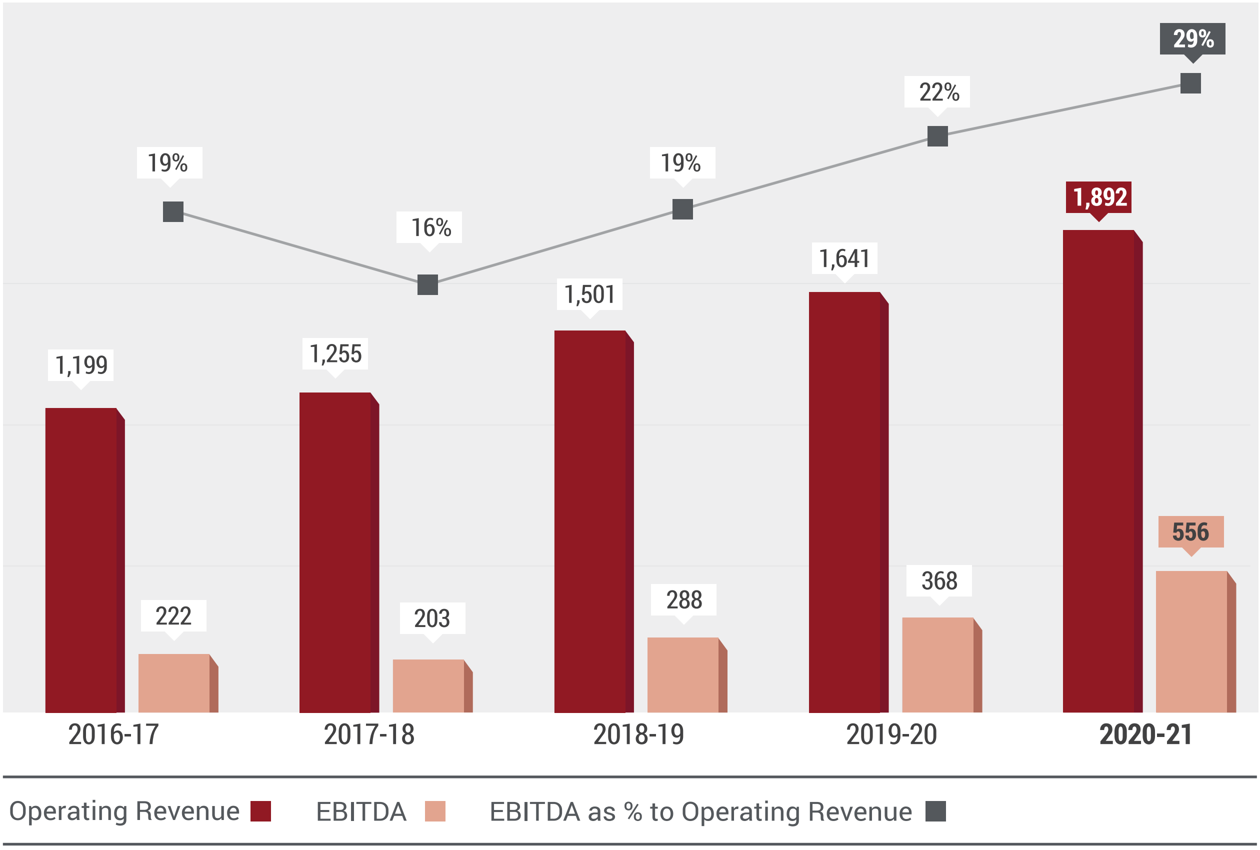
* Based on consolidated financial statements for financial year 2020-2021


45
YEARS
going onto
50
2025
RICH LEGACY, PROMISING FUTURE

FINANCIAL HIGHLIGHTS

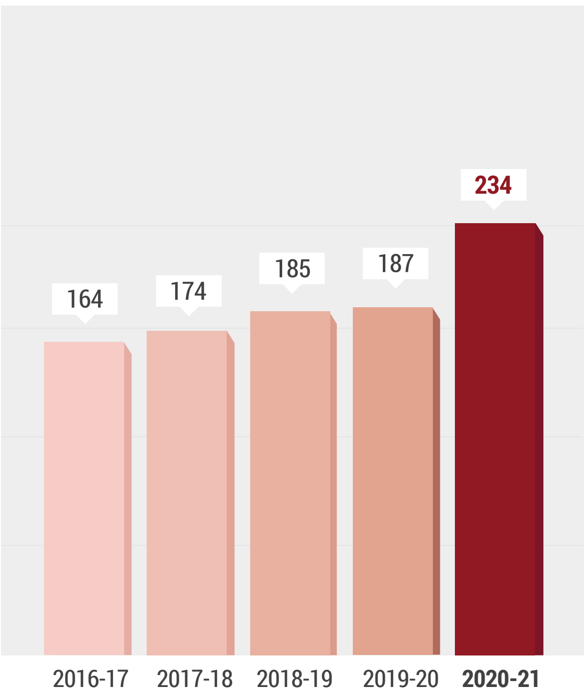
Operating Revenue & EBITDA

(₹ in crores)



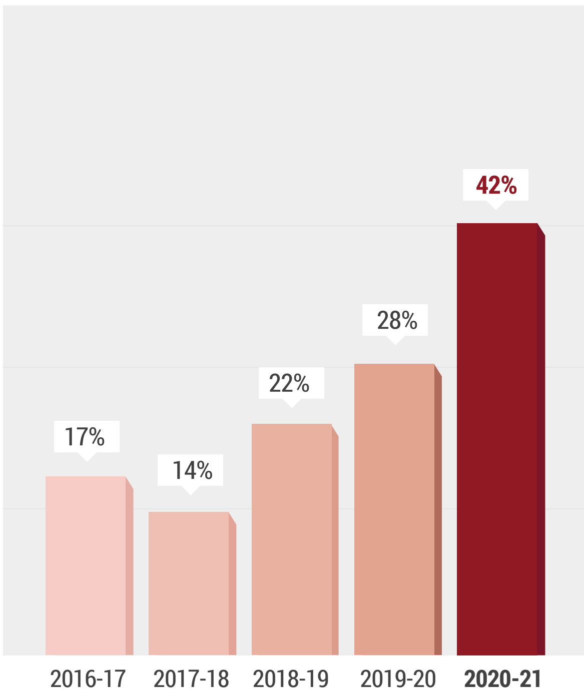
Book Value

(₹)



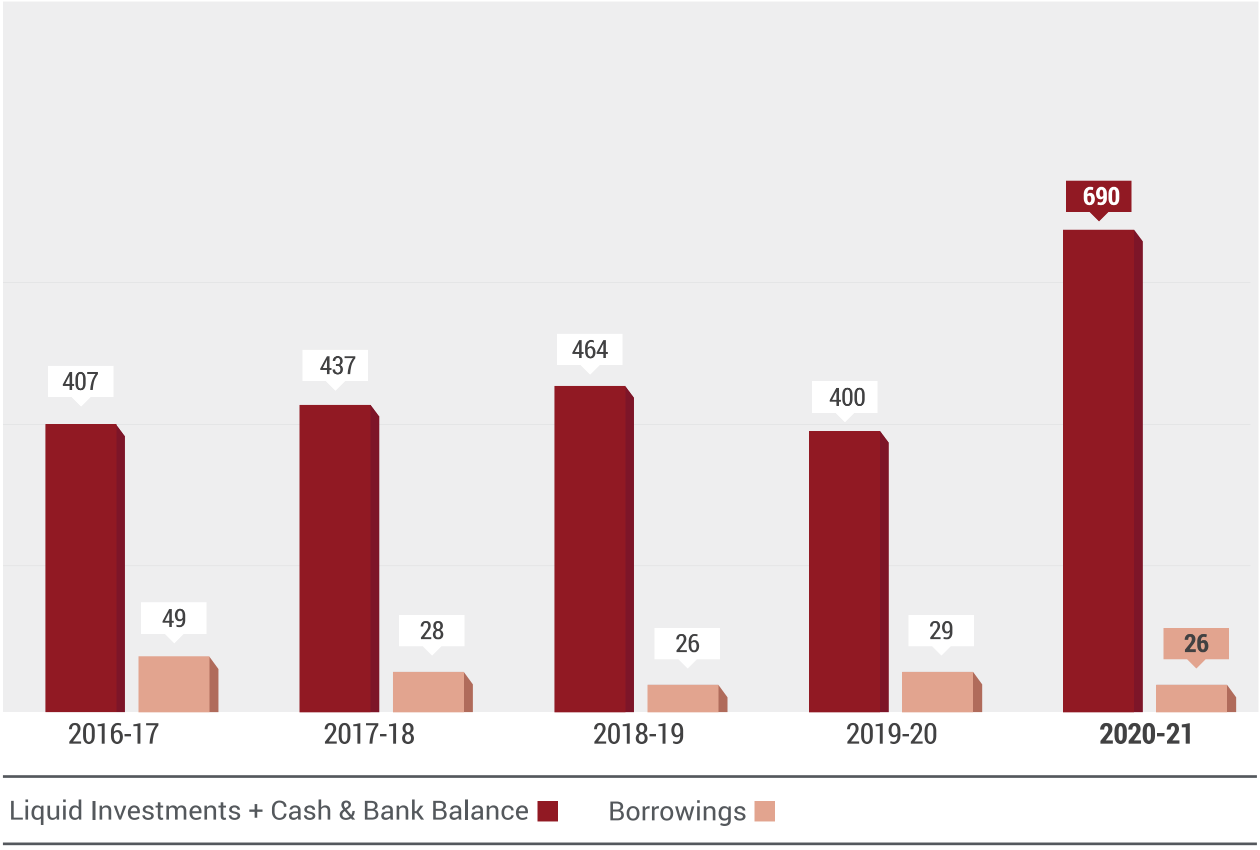
ROCE

(%)

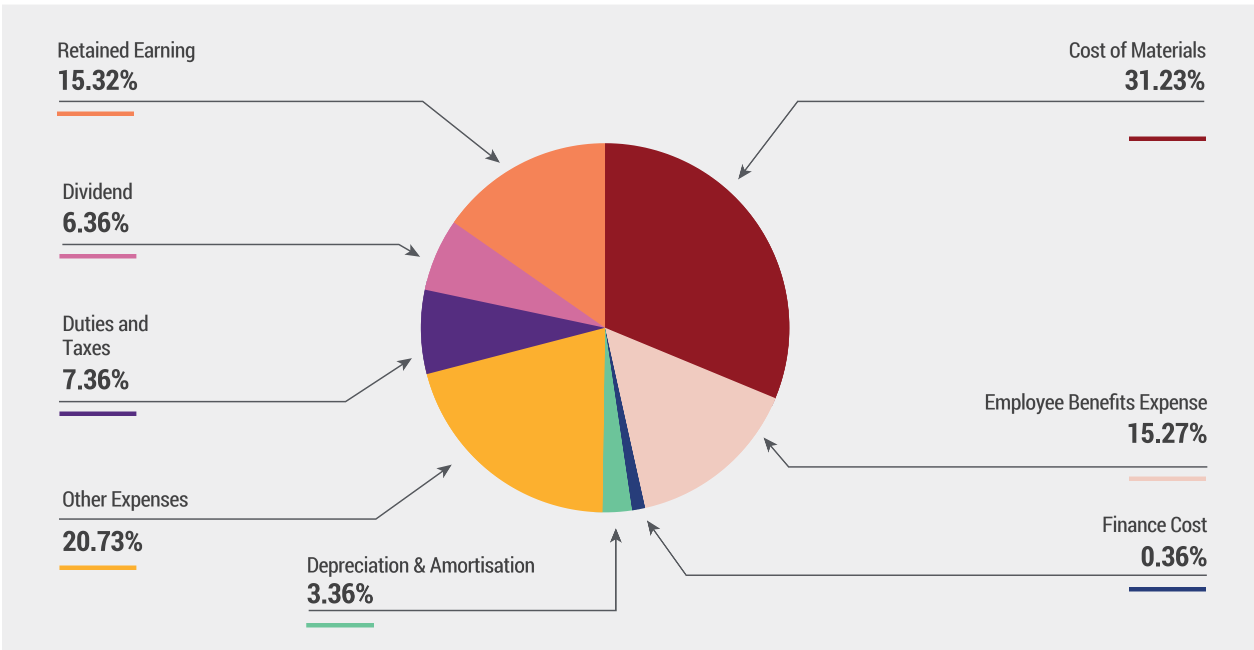


Liquid Investments + Cash & Bank Balance & Borrowings

(₹ in crores)



Distribution of Revenue for FY 2020-2021



CORPORATE INFORMATION

AUDIT COMMITTEE

Ms. Padmini Khare Kaicker (Chairperson)
Mr. Ranjit Shahani
Mr. Sumit Bose
Mr. Prashant Kumar

COMPANY SECRETARY

Mr. Sandeep Phadnis (from 15.07.2021)
Mr. M. C. Mehta (upto 14.07.2021)

AUDITORS

Deloitte Haskins & Sells LLP
Chartered Accountants
Mumbai

BANKERS

Bank of India
BNP Paribas
Standard Chartered Bank
Citibank N. A.

MANAGEMENT TEAM

Mr. Nikhil Chopra, Chief Executive Officer & Whole-time Director
Mr. Kunal Khanna, President – Transformation
Mr. Dilip Singh Rathore, President – Sales & Marketing (India Business)
Mr. Savya Sachi, President – Sales & Marketing (India Business)
Mr. P. K. Singh, President – Global Business
Dr. Milind Joshi, President – Global Regulatory Affairs
Dr. Sujay Rajhans, President – R&D
Mr. Parmeshwar Bang, Vice President – Operations
Mr. Bharat Dhanani, Vice President – Operations
Mr. Manoj Chitnis, Vice President – CQA
Mr. Bhushan Sachdev, Vice President – Supply Chain Management
Mr. Vijay Bhatt, Chief Financial Officer
Mr. Sandeep Rathod, Vice President – Legal
Mr. Jason D'Souza, Vice President – Investor Relations
Mr. Sridhar Bharadwaj, Vice President – HR
Mr. Suresh Bhise, Vice President – IT

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

REGISTRARS & SHARE TRANSFER AGENT

Datamatics Business Solutions Ltd.
Plot B- 5, Part- B,
Lane, M.I.D.C., Andheri (East),
Mumbai 400 093.
Tel No. (022) 6671 2001-06
Fax No.(022) 6671 2011

CORPORATE OFFICE

Cnergy IT Park,
Unit A2, 3rd floor, Unit A, 8th floor,
Appa Saheb Marathe Marg,
Prabhadevi,
Mumbai 400 025.
Tel No.(022) 24395200/24395500
Fax No.(022) 2431 5331/24315334

Website : www.jbcpl.com

Email id for investors: secretarial@jbcpl.com
investorelations@jbcpl.com

Passion WITH A PURPOSE

26-72

STATUTORY REPORTS

DIRECTORS' REPORT

Your directors are pleased to present forty-fifth report and audited financial statement of the Company for the financial year ended on March 31, 2021.

1. FINANCIAL HIGHLIGHTS

The following are the highlights of financial performance of the Company during the year under review.

(₹ in lakhs)

	2020-21	2019-20
Sales	**184,907.75**	160,619.62
Other Operating revenue	**4,291.80**	3,454.82
Other Income	**11,188.94**	4,934.27
Total Income	**200,388.49**	169,008.71
Profit before finance cost and depreciation	**66,825.48**	41,758.73
Less: Finance cost	**719.18**	293.51
Less: Depreciation & Amortisation expense	**6,735.50**	6,509.05
Profit before exceptional item and tax	**59,370.80**	34,956.17
Exceptional Item	**–**	1,000.00
Profit before tax	**59,370.80**	33,956.17
Tax Expense (Net)	**14,662.32**	7,141.77
Net Profit after tax	**44,708.48**	26,814.40
Other Comprehensive Income	**(1,249.67)**	(506.42)
Total Comprehensive Income after tax	**43,458.81**	26,307.98
Earnings per share of ₹2 (in ₹) (Basic & Diluted)	**57.85**	33.70

2. DIVIDEND

Your directors recommend a final dividend of ₹ 8 (400%) per equity share of face value of ₹ 2, payment whereof will be subject to deduction of tax at source. During the year, Board of directors declared interim dividend of ₹ 8.50 (425%) per equity share, which was paid on 5-3-2021. The final dividend, if declared, together with interim dividend already paid would result in total outgo of ₹ 127.52 crores. The Board has not proposed any transfer out of profit for the financial year to reserves in relation to these dividend payments. The Company paid interim dividend of ₹ 10 (500%) and final dividend of ₹ 1 (50%) per equity share in the previous year.

3. CHANGE IN CONTROL

Pursuant to Share Purchase Agreement dated 2-7-2020 entered into between founder Mody Family members and Tau Investment Holdings Pte. Ltd., Singapore, an affiliate of global private equity firm KKR, Tau Investment Holdings Pte. Ltd. acquired controlling stake of 41,731,363 (54%) equity shares of ₹ 2 each in the Company from Mody Family members. Consequently, Mody Family members having representation on the Board and occupying senior management positions resigned, following which other directors on the Board appointed prior to 2-7-2020 also resigned due to their personal reason. Hence, the Board of directors was re-constituted on 31-8-2020. The details of appointment and resignation of directors in the course of such re-constitution are set out in paragraph 10 below.

Following execution of the above referred Share Purchase Agreement to acquire shares in and control over the Company, Tau Investment Holdings Pte. Ltd. and persons acting in concert made an open offer for acquisition of 20,093,346 shares (26%) @ ₹ 745 per share from public shareholders of the Company as per provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

4. OPERATIONS/STATE OF AFFAIRS

The financial year 2020-21 was eventful as the Company saw change of control and management on one hand and witnessed unprecedented business environment due to COVID-19 on the other. There was no major impact of COVID-19 on business of the Company. Company's manufacturing facilities continued to operate but with some impact of restrictions on movement of people and materials due to COVID-19.

Total standalone sales during the year at ₹ 1,849.08 crores were 15.1% higher over the previous year, while EBITDA at ₹ 556.37 crores grew by 51.09% and was 29.4% of operating revenue.

Domestic formulations business at sales of ₹ 839.07 crores registered growth of 14.1% over the previous year against industry growth of 4% (MAT March 2021). This robust performance was enabled by strong performance of Company's key brands. In this business, the Company has implemented a new 'go to market' model with focus on productivity and driving progressive product portfolio, which should aid the performance in this business. Sales of contrast media products in the domestic market at ₹ 52.83 crores were 14% lower over the previous year due to COVID-19.

Overall formulations exports at ₹ 850.55 crores registered growth of 19.6% over the previous year. Exports to Rest of the World markets (other than Russia-CIS) with sales of ₹ 626.52 crores achieved good growth of 24.8%. The sales to US market and sales of branded generics products to other markets in this business achieved growth of 63% and 18% respectively. Sales to Russia-CIS market at ₹ 130.59 crores achieved growth of 4% as the demand in local markets was impacted by COVID-19 consequences. API sales at ₹ 81.79 crores achieved growth of 17.7% over the previous year.

Profit before tax at ₹ 593.71 crores registered growth of 74.85% mainly due to higher sales of chronic segment products, lower than normal operating cost during most part of the year due to COVID-19, favourable exchange rate during first half of the year and higher other income. Profit after tax at ₹ 434.58 crores consequently grew by 65.19%.

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 2020-21 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, 2021 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 2020-21 is presented in Schedule-A. After inter-company adjustments, subsidiary companies contributed ₹ 151.02 crores to consolidated income and ₹ 3.18 crores to consolidated profit before tax of the Company.

Sales of Biotech Laboratories (Pty.) Ltd., South Africa, for the financial year 2020-21 were Rand 477.19 million, which represents growth of 35.51% over the previous year, while its operating profit and profit after tax at Rand 34.58 million and Rand 25.67 million were 90.08% and 71.52% higher over the previous year respectively. Sales of LLC Unique Pharmaceutical Laboratories, Russia, for the financial year 2020-21, at Ruble 653.58 million were 9.1% lower over the previous year, while it incurred loss of Ruble 1.45 million against profit of Ruble 4.03 million in the previous year. Unique Pharmaceutical Laboratories FZE, Dubai is presently not engaged in any business activity. It earned net profit of AED 26,080 due to exchange gain.

7. CORPORATE GOVERNANCE AND COMPLIANCES

A certificate from practising company secretary on comliance with conditions of corporate governance is annexed to this Board's report. Management Discussion and Analysis Report, Compliance report on Corporate Governance, Business Responsibility Report and Dividend Distribution Policy form 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. TRIBUTE TO MR. JYOTINDRA B. MODY

Board has to inform the members with immense grief that Mr. J. B. Mody, founder Chairman and managing director of the Company since incorporation of the Company passed away on 21-07-2020. Mr. J. B. Mody built businesses, built brands and built organisation over the years through his vision, sheer entrepreneurship, deep focus and commitment. He played a vital role in growth of the Company and development of the businesses. Board has placed his valuable contributions on record with sense of gratitude.

10. DIRECTORS

Board appointed Mr. Ranjit Shahani, Mr. Sumit Bose and Ms. Padmini Khare Kaicker as additional directors (independent directors) and Mr. Sanjay Nayar, Mr. Prashant Kumar, Mr. Ajay Candade, Ms. Ananya Tripathi and Mr. Mayank Mishra as additional directors (non-executive) on 31-8-2020. Mr. Shirish B. Mody, Whole time director (Marketing), Mr. Bharat P. Mehta, Whole time director (Planning & Development), Mr. Kamlesh L. Udani, Executive director (Technical & Production), and Dr. Satyanarain Agarwala, Mr. Rajiv Mody, Ms. Krupa Gandhi, Mr. Devang Shah, Mr. Shaukat Merchant and Dr. Manoj Mashru, independent directors, resigned on 31-8-2020. These independent directors resigned because of their personal reason and they all confirmed that there was no other material reason for their resignation. Mr. Pranabh Mody stepped down from his executive position of President and Whole time director (Operations) on 31-8-2020 and resigned as director on 9-11-2020.

The members of the Company at annual general meeting held on 30-9-2020 appointed Mr. Ranjit Shahani, Mr. Sumit Bose and Ms. Padmini Khare Kaicker as independent directors for a term of five years from 31-8-2020 and Mr. Sanjay Nayar, Mr. Prashant Kumar, Mr. Ajay Candade, Ms. Ananya Tripathi and Mr. Mayank Mishra as directors liable to retire by rotation. Subsequent to this, Mr. Ajay Candade resigned on 5-10-2020 and Mr. Mayank Mishra resigned on 10-2-2021.

Board appointed Mr. Nikhil Chopra as additional director on 5-10-2020 and also appointed him as Chief Executive Officer and Whole-time director of the Company on the even date. The members appointed Mr. Nikhil Chopra as director of the Company and also approved his appointment as Chief Executive Officer and Whole-time director and remuneration payable to him as such on 23-12-2020.

Board appointed Mr. Gaurav Trehan as additional director on 10-2-2021, who holds office up to the date of ensuing annual general meeting. The Company has received, a notice from a member proposing candidature of Mr. Gaurav Trehan to the office of director of the Company, pursuant to Section 160 of the Companies Act, 2013. It is proposed to appoint Mr. Gaurav Trehan as non-executive director of the Company. Mr. Gaurav Trehan is Partner and Head of the Private Equity business for KKR India and possesses expertise in the areas of business strategy, business management and corporate governance. His detailed profile is given in notice for the ensuing annual general meeting. This profile is deemed to form part of this report.

In accordance with provisions of the Companies Act, 2013, Ms. Ananya Tripathi would retire by rotation at the ensuing annual general meeting. Being eligible, she has offered herself for re-appointment.

In the opinion of the Board of directors, Mr. Ranjit Shahani, Mr. Sumit Bose and Ms. Padmini Khare Kaicker, independent directors, are persons of integrity and they all possess relevant expertise and experience necessary for effective functioning of the Company. These independent directors have given declarations 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. They have also confirmed that they have registered with the Indian Institute of Corporate Affairs to include their names in the databank of independent directors. However, in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 as amended, these independent directors are not required to pass an online proficiency self-assessment test conducted by the said Institute notified under sub-section (1) of Section 150 of the Companies Act, 2013.

Total eight (8) meetings of the Board of directors were held during the financial year 2020-21. They were held on June 25, 2020, July 14, 2020, August 25, 2020, August 31, 2020, September 14, 2020, October 5, 2020, November 10, 2020 and February 10, 2021.

11. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION POLICY

The Company's policy on directors' appointment is set out in Schedule-B. The salient features of the Company's policy on remuneration for the directors, key managerial personnel and other employees is set out in Schedule-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.

12. 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 Rule 8(3) of the Companies (Accounts) Rules, 2014 are given in Schedule-D.

13. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) Committee of the Board consists of Mr. Ranjit Shahani, Mr. Sumit Bose, Mr. Nikhil Chopra and Ms. Ananya Tripathi. The CSR Committee formulated and recommended revised CSR Policy to the Board, which the Board approved on 10-2-2021. The salient features of the revised CSR Policy of the Company and the annual report on CSR in the prescribed form are set out in Schedule-E. The CSR Policy and annual report on CSR are posted on the Company's website www.jbcpl.com.

The Company spent ₹ 516.75 lakhs on prescribed CSR activities during financial year 2020-21 as against obligation of ₹ 509.35 lakhs being 2% of the average net profits of the Company made during three immediately preceding financial years.

14. AUDIT COMMITTEE AND VIGILANCE MECHANISM

The Board has constituted Audit Committee that consists of Ms. Padmini Khare Kaicker, Chairperson, Mr. Ranjit Shahani, Mr. Sumit Bose and Mr. Prashant Kumar. There has been no instance of non-acceptance of recommendation of Audit Committee by the Board.

The Board of directors has, on 10-11-2020, adopted revised vigil mechanism in the form of Whistle Blower Policy to enable directors, employees and other stakeholders to make Protected Disclosures (as defined in the Policy) in relation to Alleged Wrongful Conduct (as defined in the Policy) to the Redressal Committee for evaluation and investigation in consultation with the Audit Committee. The Policy empowers the Redressal Committee to initiate inquiry and investigation if the issue raised constitutes bona fide Protected Disclosure made in good faith. The Redressal Committee is required to complete the investigation in a time bound manner. Where it concludes that Unethical and/or Improper Activity (as defined in the Policy) has been committed, it shall recommend, after consultation with the Audit Committee, to the management of the Company to take such disciplinary or corrective action as it or the Audit Committee deems fit. 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 will be periodically reviewed by the Audit Committee. The Company has posted the Whistle Blower Policy and the associated Complaint Response Plan Policy on its website www.jbcpl.com.

15. ANNUAL PERFORMACE EVALUATION

The Board of Directors carried out formal annual evaluation of performance of the Board, its Committees and individual directors during 2020-21 in accordance with the manner specified by the Nomination and Remuneration Committee (NRC) and using evaluation criteria recommended by the NRC and approved by the Board. The performance evaluation was carried out in the following manner, being manner recommended by the NRC.

Evaluation of performance of the Board: Each member of the Board evaluated the Board on the given criteria on scale of 1 to 4 (4 being highest). The aggregate of simple average of rating assigned by each Board member was further averaged to ascertain Board's performance.

Evaluation of performance of the Board Committees: Each member of the concerned committee evaluated performance of the committee on the given criteria on scale of 1 to 4. Aggregate of simple average of rating assigned by each such member was further averaged to ascertain performance of the concerned committee.

Evaluation of performance of Individual Director: Each Board member (excluding director being evaluated) evaluated performance of all other Board members on the given criteria on scale of 1 to 4. Aggregate of simple average of rating assigned to each Board member was further averaged to ascertain performance of such director.

16. 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 Schedule-F1.

Every related party contract or arrangement entered into with approval of the Board under Section 188(1) of the Companies Act, 2013 is referred to in Schedule-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.

17. 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 Schedule-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 Schedule-H.

18. EMPLOYEE STOCK OPTION SCHEME

Board, on 28-4-2021 read with modifications/additions approved on 14-6-2021, basis of recommendation of the Compensation Committee, has approved a new employee stock option scheme termed as "JBCPL Employee Stock Option Scheme 2021" ("Scheme") for eligible employees and directors of the Company with a view to make the Company one of the attractive companies in the pharmaceutical industry with long term wealth creation opportunity for its employees linked to the Company's long term growth. The Scheme is in terms of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, and is subject to approval by members of the Company. 3,091,284 equity shares of ₹ 2 each, being 4% of the paid-up equity share capital of the Company as on March 31, 2021, have been reserved under the Scheme. The Company proposes to issue time-based options and performance-based options under the Scheme on such terms and conditions as determined by the Board/Compensations Committee from time to time.

The disclosure of details in respect of employee stock option scheme set-up with approval of the members of the Company granted at extra ordinary general meeting held on 18-3-2004 ('the said old scheme"), as required under the Companies (Share Capital and Debentures) Rules, 2014, is set out in Schedule-I to this report. There was no grant, vest, exercise or lapse of options during the year under the said old scheme. There was no change in the said old scheme during the year and it is in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014. Disclosure in respect of the said old scheme required in terms of SEBI Circular CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 are posted on the Company's website www.jbcpl.com and web link thereto is https://www.jbcpl.com/investors/pdf/2021_2022ESOPd31032021.pdf. As the said old scheme is not operational for long time and the Company does not plan to use the same and further that all options granted under the said old scheme are either exercised or lapsed, Board, basis recommendation of the Compensation Committee, has withdrawn and revoked the said old scheme effective 1-4-2021.

19. RISK MANAGEMENT

The Board of directors has developed and implemented risk management policy for the Company. Pursuant to the Listing Regulations, the Board has constituted Risk Management Committee and delegated monitoring and review of the risk management plan to the Committee. Committee would periodically review status of mitigation measures taken in respect of risk management plan and would report progress thereof and new risks identified to the Board and Audit Committee. Board at present does not perceive any element of risk, which may threaten existence of Profit before tax at ₹ 593.71 crores registered growth of 74.85% mainly due to higher sales of chronic segment products, lower the Company.

20. 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 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 sufficient/credible and in compliance with legal and regulatory requirement. The Board has appointed Ernst & Young LLP as internal auditor to periodically audit systems and controls in all key areas of operations to ascertain effective functioning of internal controls including internal financial controls. In the opinion of the Board, the Company has adequate internal controls with reference to the financial statements.

Neither management of the Company has come across any instance of fraud during the year 2020-21 nor the auditors of the Company has reported any such instance to the Audit Committee.

21. 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.

22. COST RECORDS

The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, 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.

23. SECRETARIAL AUDIT REPORT

Ashish Bhatt & Associates, Practising Company Secretaries, Secretarial Auditor of the Company, carried out secretarial audit for the financial year 2020-21 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 Schedule-J.

24. AUDITORS

DNV & Co., Chartered Accountants, (having firm registration no. 102079W), auditor of the Company, resigned during the year in order to enable the Company to appoint auditors who have more acceptability among institutional investors as also auditors, who have resources to assign across geographies in which the Company and its subsidiaries function so as to bring time and cost efficiencies. This resignation became effective after signing limited review report for quarter ended 30-9-2020 on 10-11-2020. Board, basis recommendation of the Audit Committee, appointed Deloitte Haskins & Sells LLP, (having firm registration no.117366W/W-100018) as auditor in casual vacancy, which appointment was also approved by members of the Company on 23-12-2020. Deloitte Haskins & Sells LLP thus hold office up to the date of ensuing annual general meeting. Board, on the basis of recommendation of the Audit Committee, now proposes to appoint Deloitte Haskins & Sells LLP as auditor to hold office as such for a term of five (5) years commencing from 23-12-2020 (being the date of passing of resolution through postal ballot for their appointment as auditors in casual vacancy) until conclusion of the 49th annual general meeting of the Company at such remuneration as may be agreed by the Board of directors with the auditors. Board recommends appointment of Deloitte Haskins & Sells LLP to the members for approval.

25. OTHER DISCLOSURES AND CONFIRMATIONS

Board has to make further disclosures and provide confirmations, as required, as under:

- The Company has placed annual return referred to in sub-section (3) of section 92 on its website www.jbcpl.com.
- No regulator or court or tribunal has passed, during the year, any significant or material order affecting the going concern status and Company's operations in future.
- The Company has complied with 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.
- The Company has complied with 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. HEALTH AND SAFETY

The Company continues to accord high priority to health and safety of employees and workmen at all manufacturing locations. Annual medical check-up of all employees at all sites was carried out. The Company also conducted safety training programmes and mock-drills for increasing disaster preparedness awareness among all employees at the plants. There was no casualty at any site during the year.

For and on behalf of the Board of Directors

Ranjit Shahani
Chairman

Place : Mumbai
Date : June 14, 2021

Schedule-A

Highlights of performance of the subsidiary companies for the year ended on March 31, 2021

(₹ in lakhs)

	LLC Unique Pharmaceutical Laboratories, Russia	Biotech Laboratories (Pty.) Ltd., South Africa	Unique Pharmaceutical Laboratories FZE, Dubai
Sales	5,823.80	21,842.57	–
Other operating income	2,245.64	2.73	46.21
Other income	–	28.89	–
Total income	8,069.44	21,874.19	46.21
Profit before tax	15.72	1,606.61	5.28
Provision for current tax	(18.85)	(451.47)	–
Deferred tax	(10.78)	19.98	–
Earlier year Tax	–	–	–
Profit/(Loss) after tax	(13.91)	1,175.12	5.28

For and on behalf of the Board of Directors

Ranjit Shahani
Chairman

Place : Mumbai
Date : June 14, 2021

Schedule-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/ ard 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

Ranjit Shahani
Chairman

Place : Mumbai
Date : June 14, 2021

Schedule-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

Ranjit Shahani
Chairman

Place : Mumbai
Date : June 14, 2021

Schedule-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 (A) at Panoli unit(s) (i) installed separate 50TR cooling tower for air compressor for night hours and holidays run (ii) optimised operation of air compressors by changing fixed set point to dynamic (iii) installed auto tube cleaning system for TR chillers, and (B) at Daman unit (i) continued replacement of conventional lights by LED lights (ii) installed high efficiency motors in AHUs, and (iii) started using PNG in boilers.

(ii) **The steps taken by the Company for utilising alternate sources of energy:** The Company installed 200 KVA solar power plant at Daman Unit, while it is in the process of purchase of electricity generated through wind power to replace use of conventional energy at Panoli/Ankleshwar units.

(iii) **The capital investment on energy conservation equipment:** During the year, the Company made capital investment of about ₹ 176 lakhs on energy conservation equipment at Daman unit.

(B) Technology absorption:

(i) **Efforts made towards technology absorption:** The Company continued efforts for absorption of certain technologies developed in-house in relation to development of pharmaceutical formulations and drug delivery system. These technologies were absorbed in development of new formulations for developed markets and manufacture of validation batches, exhibit batches and scale up batches therefor. 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 benefit of reduction in cost of materials and production, improvement in product yield and quality and receipt of regulatory approvals.

(iii) The Company has not imported any technology during last 3 financial years.

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

(₹ in lakhs)

(a) Capital	70.82
(b) Revenue	2,589.59
(c) Total	**2,660.41**

(C) Foreign exchange earnings and outgo:

The foreign exchange earned in terms of actual inflows during the year was ₹ 90,821.83 lakhs, while foreign exchange outgo in terms of actual outflows was ₹ 17,921.30 lakhs.

For and on behalf of the Board of Directors

Ranjit Shahani
Chairman

Place : Mumbai
Date : June 14, 2021

Schedule-E

Salient features of the revised CSR Policy:

The objective of Company's CSR Policy is to strive to create and/or encourage, directly or indirectly, a positive impact on the society at large through CSR activities or projects undertaken by the Company. CSR Policy of the Company specifies activities to be undertaken by the Company from time to time in terms of Schedule VII to the Companies Act, 2013 ("Act"), criteria for implementing CSR activity/projects through not-for profit organizations, modalities for execution of such activity/projects and implementation schedule.

The Company shall undertake any CSR activity covered under Schedule VII of the Act from time to time and in line with the Company's commitment to conduct its business in a socially, environmentally and ethically responsible manner; and contribute to the society and the environment in which it operates. The CSR Committee may decide to undertake CSR activities in projects such as healthcare, education, environment or any other area that the CSR Committee deems fit and is covered under Schedule VII of the Act. The CSR activity shall be carried out by the Company directly or in partnership with NGOs, not-for profit organizations or other third parties registered with Ministry of Corporate Affairs and recommended by the CSR Committee.

CSR Committee is, Itallics, responsible for formulating and recommending to the Board an annual action plan of CSR activities, identifying and recommending possible implementation platforms and formulating transparent monitoring mechanisms to ensure effective implementation of the CSR activity/project undertaken by the Company. While the Board is, Itallics, responsible for approval and overall monitoring of CSR expenditure and ensuring that the Company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance, of CSR Policy.

The Company management shall identify the CSR activity. The CSR Committee shall fix the implementation schedule of the CSR activity. Requests received from external partnering organizations for undertaking CSR activities, shall be in writing and shall set out the nature of activity, funds required for the CSR activity and a statement of its past CSR activities. Such requests shall be reviewed by the CSR Committee and approved by the Board.

Impact assessments shall be mandatorily conducted through an independent agency if average CSR obligations of the Company in immediately preceding three years is INR 10 crores or more. Impact assessments shall be conducted for projects with outlays of INR one crore or more and which have been completed not less than one year before undertaking the impact assessment.

If the Company spends an amount in excess of the requirement provided under Section 135 of Act, such excess amount may be carried forward and set off against the requirement to spend for immediate three succeeding years.

Annual Report on CSR
[pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended]

Annual Report on CSR Activities for financial year ended on March 31, 2021

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

   Corporate Social Responsibility ("CSR") is a company's sense of responsibility towards the society and the environment in which it operates and the Company has imbibed this philosophy in its CSR Policy to comply with stated requirement of the Companies Act, 2013 ("Act") and the Rules. The objective of Company's CSR Policy is to strive to create and/or encourage, directly or indirectly, a positive impact on the society at large through CSR activities or projects undertaken by the Company. CSR Policy of the Company specifies activities to be undertaken by the Company from time to time in terms of Schedule VII to the Act, criteria for implementing CSR activity/projects through not-for profit organizations, modalities for execution of such activity/projects and implementation schedule.

   The Company shall undertake any CSR activity covered under Schedule VII to the Act from time to time and in line with the Company's commitment to conduct its business in a socially, environmentally and ethically responsible manner; and contribute to the society and the environment in which it operates. The CSR Committee may decide to undertake CSR activities in areas such as healthcare, education, environment or any other area that the CSR Committee deems fit and is covered under Schedule VII to the Act. The CSR activity shall be carried out by the Company directly or through permitted partnering organization holding unique CSR registration number and recommended by the CSR Committee.

   CSR Committee is, Itallies, responsible for formulating and recommending to the Board an annual action plan of CSR activities, identifying and recommending possible implementation platforms and formulating transparent monitoring mechanisms to ensure effective implementation of the CSR activity/project undertaken by the Company. While the Board is, Itallies, responsible for approval and overall monitoring of CSR expenditure and ensuring that the Company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance, of CSR Policy.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	*Number of meetings of CSR Committee held during the year	*Number of meetings of CSR Committee attended during the year
1.	Mr. Ranjit Shahani (w.e.f. 31-08-2020)	Chairman, Independent director	2	1
2.	Mr. Sumit Bose (w.e.f. 31-08-2020)	Member, Independent director	2	1
3.	Mr. Nikhil Chopra (w.e.f. 05-10-2020)	Member, Chief Executive Officer and Whole-time director	2	1
4.	Ms. Ananya Tripathi (w.e.f. 31-08-2020)	Member, Non-executive director	2	1
5.	Mr. Mayank Mishra (from 31-08-2020 to 05-10-2020)	Member, Non-executive director	2	NA
6.	Dr. Satyanarain Agarwala (upto 31-08-2020)	Chairman, Independent director	2	1
7.	Mr. Bharat P. Mehta (upto 31-08-2020)	Member, Executive director	2	1
8.	Mr. Pranabh Mody (upto 31-08-2020)	Member, Executive director	2	1

*During financial year 2020-21, meeting of CSR Committee was held on June 23, 2020 and January 27, 2021. All members of the Committee attended the meeting held during their tenure.

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company;**

   The composition of CSR Committee is disclosed at https://www.jbcpl.com/investors/pdf/policy/Composition%20of%20CSR%20Committee.pdf, CSR Policy is disclosed at https://www.jbcpl.com/investors/pdf/policy/Corporate_Social_Responsibility_Policy.PDF and CSR project approved by the Board is disclosed at https://www.jbcpl.com/investors/pdf/2020_2021/CSR%20projects%20FY%202020-21.pdf.

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

   Not Applicable.

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2020-21	Nil	Nil

6. **Average net profit of the company as per section 135(5):** ₹ 2,546,745,000

7.

(a)	Two percent of average net profit of the company as per section 135 (5)	₹ 50,935,000
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
(c)	Amount required to be set off for the financial year, if any	Nil
(d)	Total CSR obligation for the financial year (7a+7b-7c)	₹ 50,935,000

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

Total Amount Spent for the Financial Year 2020-21 (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
51,675,202	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State	District.			Name	CSR Registration number
1.	Contribution to PM CARES Fund to support the Government's efforts to combat and mitigate the impact of COVID-19 outbreak.	Disaster management	Not ascertainable			20,000,000	No	PM CARES Fund	Not Applicable
2.	Contribution to Ankleshwar Industrial Development Society for Jayaben Mody Hospital to meet expenses to combat COVID-19.	Disaster management	Yes	Gujarat, Bharuch		5,360,000	Yes	Not Applicable	Not Applicable
3.	Provision of RT Quantitative Micro PCR System to B.Y.L Nair Charitable Hospital for COVID-19 testing.	Disaster management	Yes	Maharashtra, Mumbai		2,992,000	Yes	Not Applicable	Not Applicable
4.	Contribution to Apex Kidney Foundation towards purchase of PPE Kits to combat COVID-19 outbreak.	Disaster management	Yes	Maharashtra, Mumbai		1,500,000	Yes	Not Applicable	Not Applicable
5.	Contribution to Shrimad Rajchandra Adhyatmik Satsang Sadhana Kendra towards distribution of ration to daily wage earners, food kits to frontline workers and meals/bottled water to migrant travellers affected by COVID-19 outbreak.	Disaster management	Yes	Maharashtra, Mumbai		1,100,000	Yes	Not Applicable	Not Applicable
6.	Contribution to AIA-Community Trust, Ankleshwar for distribution of food kits among migrant workers at Ankleshwar due to COVID-19 outbreak.	Disaster management	Yes	Gujarat, Bharuch		700,000	Yes	Not Applicable	Not Applicable
7.	Contribution to Panoli Industries Association for distribution of food kits to migrant workers stranded in GIDC, Panoli due to COVID-19 outbreak.	Disaster management	Yes	Gujarat, Bharuch		400,000	Yes	Not Applicable	Not Applicable
8.	Contribution to Mahavir Khichadi Ghar for provision of food to COVID-19 affected migrant workers.	Disaster management	Yes	Gujarat, Bharuch		50,000	Yes	Not Applicable	Not Applicable
9.	Contribution to Jairamdas Agarwal Charitable Trust for providing food to poor people affected due to COVID-19.	Disaster management	Yes	Union Territory, Daman		41,000	Yes	Not Applicable	Not Applicable
10.	Contribution for distribution of masks, surgical hoods and food kits to COVID-19 affected people at Tata Memorial Hospital.	Disaster management	Yes	Maharashtra, Mumbai		500,000	No	Anjeze Charitable Trust	Not Applicable
11.	Contribution for distribution of food kits to people affected by COVID-19 outbreak.	Disaster management	Yes	Maharashtra, Mumbai		1,000,000	No	Rotary Club of Bombay North Charity Trust	Not Applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
12.	Contribution for distribution of meal/grain to migrant workers/ homeless/daily wage workers affected by COVID-19 outbreak.	Disaster management	Yes	Maharashtra, Mumbai		500,000	No	Rotary Club of Bombay Queens Necklace Charitable Trust	Not Applicable
13.	Contribution for provision of Pulse Oximeters to JJ Hospital for use in diagnosis of COVID-19 cases.	Disaster management	Yes	Maharashtra, Mumbai		280,000	No	Inner Wheel Club of Bombay Queen's Necklace	Not Applicable
14.	Contribution to Ankleshwar Industrial Development Society for procurement of Microscope and Laser technology system for urology treatment at Jayaben Mody Hospital, Bharuch, Gujarat.	Promoting healthcare including preventive healthcare	Yes	Gujarat, Bharuch		7,500,000	Yes	Not Applicable	Not Applicable
15.	Contribution to Ankleshwar Industrial Development Society for Jayaben Mody Hospital to meet expenses to combat COVID-19.	Promoting healthcare including preventive healthcare	Yes	Gujarat, Bharuch		4,640,000	Yes	Not Applicable	Not Applicable
16.	Contribution to Liver Foundation, West Bengal for procurement of USG machine for non-vascular and vascular interventional radiology at Indian Institute of Liver and Digestive Sciences at Sonarpur, West Bengal.	Promoting healthcare including preventive healthcare	Yes	West Bengal, Kolkata		2,800,000	Yes	Not Applicable	Not Applicable
17.	Contribution to Anukul Bhavi Trust for refurnishing class rooms and purchase of lab equipment for J.B. Mody Vidyalaya at Bharuch, Gujarat.	Promotion of education	Yes	Gujarat, Bharuch		2,000,000	Yes	Not Applicable	Not Applicable
18.	Construction of traffic Island at Thana Pardi Road junction, Moti Daman.	Promotion of education	Yes	Union Territory, Daman		312,202	Yes	Not Applicable	Not Applicable
	TOTAL					**51,675,202**			

(d) Amount spent in Administrative Overheads — Nil
(e) Amount spent on Impact Assessment, if applicable — Nil
(f) Total amount spent for the Financial Year (8b+8c+8d+8e) — ₹ 51,675,202
(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	50,935,000
(ii)	Total amount spent for the Financial Year	51,675,202
(iii)	Excess amount spent for the financial year [(ii)-(i)]	740,202
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	740,202

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2019-20	Not Applicable					
2.	2018-19	Not Applicable					
3.	2017-18	Not Applicable					

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

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

(a)	Date of creation or acquisition of the capital asset(s)	Not Applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset	Not Applicable
(c)	Details of the entity or public authority or beneficiary underwhose name such capital asset is registered, their address etc.	Not Applicable
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Not Applicable

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

Not Applicable

For and on behalf of Board of Directors

Place : Mumbai
Date : June 14, 2021

Nikhil Chopra
Chief Executive Officer and Whole-Time Director

Place : Mumbai
Date : May 24, 2021

Ranjit Shahani
Chairman, CSR Committee

Schedule F-1

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.

Sl. 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.

Sl. No.	Particulars	1	2	3	4	5
a)	Name(s) of the related party & nature of relationship	LLC Unique Pharmaceutical Laboratories, Russia (LLC UPL) –Subsidiary	LLC Unique Pharmaceutical Laboratories, Russia (LLC UPL) –Subsidiary	Biotech Laboratories (Pty.) Ltd., South Africa (Biotech) – Subsidiary	Lekar Pharma Limited (Lekar) - a company in which directors of the Company held more than 2% of the paid up capital at material point of time.	Lekar Pharma Limited (Lekar) - a company in which directors of the Company held more than 2% of the paid up capital at material point of time.
b)	Nature of contracts/ arrangements/ transactions	Supply Agreement	Marketing Services Agreement	Supply Agreement	Distribution Contract	Business Transfer Agreement
c)	Duration of the contracts/ arrangements/ transactions	5 years from January 1, 2018.	5 years from January 1, 2018.	Ongoing.	$Terminated	$One time
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	• The Company to manufacture and supply the products to LLC UPL for sale and distribution thereof by LLC 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 ₹ 6,215.49 lakhs	• The Company to avail marketing services from LLC UPL. • LLC UPL to execute marketing related services as communicated and approved by the Company. Total marketing services fees paid by the Company during the year amounted to ₹ 2,293.61 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 ₹ 6,141.17 lakhs.	• Company acted as a distributor of Lekar products in domestic market. • Lekar offered agreed discount to the Company. Total purchases by the Company during the year amounted to ₹ 2,819.19 lakhs	• The Company purchased pharmaceutical business undertaking of Lekar on slump sale basis. Company paid total consideration of ₹ 850.00 lakhs for purchase of this business.
e)	Date(s) of approval by the Board, if any.	*10/11/2017	10/11/2017	*19/11/2014	23/05/2017	14/07/2020
f)	Amount paid as advances, if any	Nil	Nil	Nil	Nil	Nil

$ Upon purchase of pharmaceutical business undertaking from Lekar vide Business Transfer Agreement dated July 21, 2020, Distribution contract stood terminated.

*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 on annual basis since then.

For and on behalf of the Board of Directors

Ranjit Shahani
Chairman

Place : Mumbai
Date : June 14, 2021

Schedule-F-2

Details of related party contracts or arrangements

Name of the related party	Nature of the contract or arrangement	Duration of the contract or arrangement	Broad terms of the contract or arrangement	Justification for the contract or arrangement
Biotech Laboratories (Pty.) Ltd., South Africa (Biotech)	Supply Agreement	Ongoing	• Biotech has been appointed as a distributor of the Company for distribution of various products 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 by the Company during the year amounted to ₹ 6,141.17 lakhs.	To increase Company's exports.
	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 fees received during the year amounted to ₹ 260.17 lakhs	To optimally utilise resources available within the Company.
	Re-imbursement of expenses	Ongoing	• Re-imbursement of expenses in the normal course of business. There was no such eimbursement transaction during the year.	This arrangement is in conformity with normal trade practice.
LLC Unique Pharmaceutical Laboratories, Russia (LLC UPL	Supply Agreement	5 years from January 1, 2018.	• The Company to manufacture and supply the products to LLC UPL for sale and distribution thereof by LLC 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 by the Company during the year amounted to ₹ 6,215.49 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 LLC UPL. • LLC UPL to execute marketing related services as communicated and approved by the Company. • Total marketing services fees paid during the year amounted to ₹ 2,293.61 lakhs.	The arrangement is intended to facilitate focused marketing of the products in Russian market.
	Agreement for performance of foreign manufacturer functions	From 10-2-2021 to 31-3-2024.	• The Company to avail from LLC UPL services relating to performance of functions of the foreign manufacturer with regard to ensuring the conformity of the goods to requirements provided by the legislation of the Russian Federation. • Company to pay fee of Ruble 2,950 per registered declaration of conformity of goods. • Company to reimburse documented expenses, if any, in relation to this assignment. No payment was made by the Company during the year under this contract.	Timely and faster clearance of goods at Russian customs authorities.
	Re-imbursement of expenses	Ongoing	• Re-imbursement of expenses in the normal course of business. • During the year ₹ 15.30 lakhs reimbursed.	This arrangement is in conformity with normal trade practice.

Name of the related party	Nature of the contract or arrangement	Duration of the contract or arrangement	Broad terms of the contract or arrangement	Justification for the contract or arrangement
$Lekar Pharma Limited (Lekar)	Distribution Agreement	[1]Terminated	• Company acted as distributor of Lekar products in domestic market. • Total purchases by the Company during the year amounted to ₹ 2,819.19 lakhs	Timely availability of quality products at competitive price for domestic market.
	Loan License Agreement	[1]Terminated	• The Company manufactured certain formulations on loan license basis for Lekar and supplied certain raw material and packing materials at agreed processing charges/cost respectively. • Total processing charges received by the Company amounted to ₹ 22.35 lakhs • Total materials supplied to Lekar during the year amounted to ₹.46.35 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.
	Business Transfer Agreement	[1]One-time	• Pursuant to agreement dated July 21, 2020 the Company purchased pharmaceutical business undertaking of Lekar on slump sale basis effective 31-8-2020. • Company paid consideration of ₹ 850.00 lakhs to Lekar for acquisition of its pharmaceutical business undertaking.	Consolidation of formulations business.
$Jyotindra Family Trust/D.B. Mody HUF/S. B. Mody HUF	[2]Leave and license agreement for office premises at Neelam Centre (4th Floor), Worli, Mumbai.	[2] 3 years	• License fee payable monthly in advance and security deposit paid in line with market practice. • Total license fee paid during the year across both the agreements[2] amounted to ₹ 30.32 lakhs. • Excess security deposit of ₹ 11 .50 lakhs refunded.	To continue to use the premises as office premises for the Company's executives at arm's length license fee.
$Jyotindra Family Trust/D.B. Mody HUF/S. B. Mody HUF	[3]Leave and license agreement for office premises at Neelam Centre (Basement), Worli, Mumbai.	[3]7 months	• License fee paid monthly in advance and security deposit paid in line with market practice. • Total license fee paid during the year across both the agreements[3] amounted to ₹ 13.94 lakhs. • Excess security deposit of ₹ 0.42 lakhs refunded.	To use the premises as office premises for the Company's executives at arm's length license fee.
$Jyotindra Family Trust/ Dinesh Family Trust/ Shirish Family Trust	[4]Leave and license agreement for office premises at Bharuch, Gujarat.	[4]Since expired.	• License fee paid monthly in advance and security deposit was paid in line with market practice. • Total license fee paid during the year amounted to ₹ 14.61 lakhs. • Security deposit has since been refunded.	To use the premises as office premises for the Company's executives at arm's length license fee.
$Jyotindra Mody Ventures LLP / D.B. Mody Enterprises LLP / Shirish Mody Property LLP	[5]Leave and license agreement for office premises at Cnergy IT Park, Prabhadevi, Mumbai	2 years from August 30, 2020	• License fee payable monthly in advance and security deposit paid in line with market practice. • Total license fee paid during the year across both the agreements[5] amounted to ₹ 522.20 lakhs • Total reimbursement towards utilities used during the year was ₹ 6.34 lakhs.	To continue to use the premises as corporate office of the Company at arm's length license fee.
$Boxcare Packagings Private Limited	Vendor Agreement	Discontinued	• Purchase by the Company of corrugated boxes of different sizes and specifications. • Total purchases during the year amounted to ₹ 587.78 lakhs	Reliability in timely supply and boxes of required quality and specification at arm's length prices to serve domestic and export orders.

Name of the related party	Nature of the contract or arrangement	Duration of the contract or arrangement	Broad terms of the contract or arrangement	Justification for the contract or arrangement
Jay Bharat Mehta	Employment contract	Since terminated w.e.f. 31-08-2020	Remuneration paid as an employee of the Company. Remuneration paid for the period from 1.4.2020 to 31.08.2020 was ₹ 93.87 lakhs.	Remuneration paid as per remuneration policy.
Nirav Shirish Mody	Employment contract	Since terminated w.e.f. 31-08-2020	Remuneration paid as an employee of the Company. Remuneration paid for the period from 1.4.2020 to 31.08.2020 was ₹ 93.87 lakhs	Remuneration paid as per remuneration policy.

[1] Upon implementation of Business Transfer Agreement on 30-8-2020, Distribution Agreement dated 4-9-2017 and Loan License Agreement dated 5-12- 2014 with Lekar Pharma Limited stood itallics terminated.

[2] Arrangement contained in Leave and License Agreement dated 26-5-2017 in respect of the said office premises was terminated on 31-8-2020 and fresh Leave and License Agreement dated 10-9-2020, effective from 31-8-2020, for reduced licensed area of the said office premises on restated terms and conditions was entered into.

[3] Leave and License Agreement dated 15-11-2017 in respect of the said office premises was terminated on 31-8-2020 and fresh Leave and License Agreement dated 10-9-2020, effective from 31-8-2020, on restated terms and conditions was entered into. This leave and license arrangement is now terminated effective 1-5-2021.

[4] Leave and License Agreement dated 10-11-2017 for license of the premises expired by efflux of time and is not renewed further.

[5] Leave and License Agreement dated 9-3-2016 (valid up to 3-11-2020) for the said premises was terminated on 31-8-2020 and fresh Leave and License Agreement dated 10-9-2020, effective from 31-8-2020, for period of two years was entered into.

[$] These party/parties ceased to be related party w.e.f. 9-11-2020.
The amount involved in the related party transactions mentioned above pertain to the period during which related party relationship subsisted.

For and on behalf of the Board of Directors

Ranjit Shahani
Chairman

Place : Mumbai
Date : June 14, 2021

Schedule-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 2020-21 (₹ in lakhs)	% increase in remuneration of 2020-21	Ratio of remuneration paid in 2020-21 to median remuneration
#Mr. Jyotindra B. Mody	Chairman & Managing Director	247.08	–	254:1
$Mr. Shirish B. Mody	Whole-time director (Marketing)	324.76	–	246:1
$Mr. Bharat P. Mehta	Whole-time director (Planning & Development)	143.97	–	109:1
$$Mr. Pranabh Mody	President & Whole-time director (Operations)	143.97	–	109:1
$Mr. Kamlesh L Udani	Executive director (Technical & Production)	102.60	–	78:1
£Mr. Nikhil Chopra	Chief Executive Officer and Whole- time director	240.63	N.A.	156:1

#Ceased to be director w.e.f. July 21, 2020.
$ Ceased to be director w.e.f. August 31, 2020.
$$Ceased to be executive director w.e.f. August 31, 2020. Excludes gratuity paid by the Gratuity Trust in all cases. No annual increment was received by any executive director during the year.
£ Appointed as Chief Executive Officer and Whole-time director w.e.f. October 5, 2020.

(ii) The non-executive directors were paid sitting fees during the year for attending meetings of the Board and Committees thereof. Further, Board has approved payment of profit related commission to independent directors for financial year 2020-21. The principles governing increase in the remuneration of executive directors and increase in sitting fees and commission 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 such director, while payment of commission to non-executive directors is determined based on performance of the concerned director and performance of the Company. The information with regard to sitting fees paid and profit related commission payable for financial year 2020-21 is given here below:

Name of independent/ non-executive director	Sitting fees paid during 2020-21 (₹ in lakhs)	Sitting fees paid during 2019-20 (₹ in lakhs)	% increase in 2020-21 over 2019-20[1]	Ratio of sitting fee paid during 2020-21 to median remuneration[1]
#Dr. Satyanarain Agarwala	13.00	12.00	8.33	4:1
#Mr. Rajiv C. Mody	8.40	6.60	27.27	3:1
#Ms. Krupa R. Gandhi	10.00	9.00	11.11	3:1
#Mr. Devang Shah	12.40	10.80	14.81	4:1
#Mr. Shaukat Merchant	6.00	5.40	11.11	2:1
#Dr. Manoj Mashru	3.00	5.00	(40.00)	1:1
*Mr. Ranjit Shahani	13.00	–	–	4:1
*Mr. Sumit Bose	14.00	–	–	4:1
*Ms. Padmini Khare Kaicker	9.00	–	–	3:1
$Mr. Pranabh Mody	1.00	–	–	0.3:1

ceased to be independent director on August 31,2020.
*appointed as independent director on August 31,2020.
$ Non-executive director from September 1, 2020 to November 9, 2020.
[1]Percentage increase in sitting fee and ratio of sitting fee to median remuneration would vary due to factors such as date of appointment, number of meetings held and attended during the year and number of committee positions held.

Name of independent director	#Commission payable for 2020-21 (₹ in lakhs)	Ratio of commission payable for 2020-21 to median remuneration
Mr. Ranjit Shahani	16.50	5:1
Mr. Sumit Bose	12.50	4:1
Ms. Padmini Khare Kaicker	14.50	5:1

FY 2020-21 is the first year for which the Board has approved payment of profit related commission. Hence, provision of information on percentage increase for the year is not applicable.

(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 17.1% and 18.7% respectively.

(iv) The percentage increase in the median remuneration of the employees in the financial year was 18%.

(v) As on March 31, 2021, the Company had 4,122 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 2020-21 was 11.44%. There was no increase in remuneration of managerial personnel during the year.

(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

Ranjit Shahani
Chairman

Place : Mumbai
Date : June 14, 2021

Schedule-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, 2021.

Statement of name of top ten employees in terms of remuneration drawn and name of every employee who was in receipt of remuneration of prescribed amount during the financial year.

(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

Employed for full year:

(a) Bang Parmeshwar (53) (b) Vice President-Works (c) 13,289,240 (d) M. Pharm, D.B.M. (27) (e) 28.08.2003 (f) Ankur Drugs & Pharma Ltd.-General Manager (a) Bhatt Vijay (51) (b) Chief Financial Officer (c) 10,970,208 (d) B.Com, Chartered Accountant (28) (e) 21.01.2015 (f) MIRC Electronics Ltd. -Head Finance & Accounts (a) Dhanani Bharat (52) (b) Vice President (Operation) (c) 11,329,129 (d) B. Pharm (27) (e) 12.10.2010 (f) Famycare Ltd. - General Manager (a) Joshi M.D. (Dr.) (57) (b) President-Global Regulatory Management (c) 21,457,748 (d) M.Sc., Ph.D. (35) (e) 07.12.1989 (f) Adonis Labs Private Limited-Executive Quality Assurance (a) Sachdev Bhushan (51) (b) Vice President-Supply Chain Management (c) 11,080,844 (d) Diploma in Mechanical Engineering, Graduate Diploma in Materials Management (23) (e) 13.06.2005 (f) Balsara Home Products Limited – Head Supply Chain & Projects (a) Sachi Savya (58) (b) President (Domestic Business Unit) (c) 16,660,839 (d) LLB, Diploma in Business Management (34) (e) 17.02.2012 (f) Dr. Reddy's Laboratories Ltd.- Director-Marketing (a) Singh P.K. (57) (b) President (Global Business) (c) 22,590,499 (d) M. Pharm (34) (e) 01.12.2001 (f) Coral Laboratories-General Manager (International Division) (a) Udani K.L. (67) (b) Executive Director (Technical & Production)/Senior President (Quality & Manufacturing) (c) 25,510,338 (d) B.E. (Elect.), M.B.A. (41) (e) 01.02.2001 (f) Unique Pharmaceutical Laboratories Ltd.-Managing Director.

Employed for part of the year:

(a) Chopra Nikhil (47) (b) Chief Executive Officer and Whole Time Director (c) *24,062,502 (d) M.Sc.(Chemistry) (24) (e) 5.10.2020 (f) Cipla Ltd. - CEO, India Business (a) D'Souza Jason (46) (b) Vice President - Investor Relations (c) 990,227 (d) MBA Finance (26) (e) 23.02.2021 (f) Glenmark Pharmaceuticals Ltd.- Senior Vice President- Corporate Strategy & Investor Relations (a) Khanna Kunal (40) (b) President - Transformation (c) 7,271,633 (d) MBA / PGDM Marketing (16) (e) 31.08.2020 (f) Cipla Ltd.- Vice President- India Business (a) Mehta B.P. (73) (b) Whole time director (Planning & Development) (c) 14,396,572(d) B.Sc. (50) (e) 01.01.1977 (f) Unique Pharma Labs.-Production Manager (a) Mehta J.B. (43) (b) President - Global Business (Russia CIS) & CRAMS (c) 9,386,763 (d) B.Sc. (Chem. Engg.) (16) (e) 01.10.2004 (f) Allergan Pharmaceuticals-Research Project-In charge (a) Mody J.B. (91) (b) Managing Director (c) 24,707,854 (d) Inter Sc. (69) (e) 01.01.1977 (f) J.B. Chemicals & Pharmaceuticals Pvt. Ltd.-Managing Director (a) Mody N.S. (40) (b) President–Global Business & Business Development (c) 9,386,763 (d) B.Sc. in Business Admn. (16) (e) 13.07.2004 (f) Rodman & Renshaw-Equity Research Analyst (a) Mody P.D. (57) (b) President & Whole time director (Operations) (c) 14,396,572 (d) B. Pharm., M.B.A. (USA) (34) (e) 25.06.1987 (f) First employment (a) Mody S.B. (80) (b) Whole time director (Marketing) (c) 32,476,302 (d) B.Sc. (Tech.) (61) (e) 01.01.1977 (f) J.B. Chemicals & Pharmaceuticals Pvt. Ltd.- Director-Technical (a) Nasa Sandeep (53) (b) Head Marketing - Russia, Ukraine & CIS (c) 20,586,395 (d) M. Pharm (25) (e) 01.02.2018 (f) Unique Pharmaceutical Laboratories FZE. (a) Rathod Sandeep (43) (b) Vice President - Legal (c) 1,321,548 (d) LLM (15) (e) 02.03.2021 (f) USV Private Limited- Vice President-Legal (a) Rathore Dilip Singh (44) (b) President- Domestic Business (c) 2,302,161 (d) M.Sc. (19) (e) 28.01.2021 (f) Cipla Limited- Sr. Vice President - India Business Marketing.

Notes: (1) The nature of employment of the above employees is/was contractual in nature. The other terms and conditions of each of the above are/were as per the contract/letter of appointment and rules of the Company. (2) Mr. K.L.Udani resigned as director on 31-8-2020 and from 1-9-2020 he was appointed as Senior President- Quality and Manufacturing. His total remuneration of ₹ 2,55,10,338 comprises of ₹ 1,02,60,054 received by him as executive director of the Company and ₹ 1,52,50,284 received by him in his capacity as Senior President-Quality and Manufacturing. (3) Mr. J.B. Mody ceased to be in employment on 21-7-2020, while Mr. S.B. Mody, Mr. B.P. Mehta, Mr. P.D. Mody, Mr. J.B. Mehta and Mr. N.S. Mody ceased to be in employment on 31-8-2020. Mr. Udani ceased to be in employment on 31-3-2021 (4) Mr. J.B. Mody and Mr. S.B. Mody were related as brother. Mr. P.D. Mody was nephew of Mr. J. B. Mody and Mr. S. B. Mody. Mr. N.S. Mody was son of Mr. S. B. Mody. Mr. B.P. Mehta was son-in-law of Mr. J.B. Mody and Mr. J.B. Mehta was son of Mr. B.P. Mehta. (5) The amount of remuneration does not include gratuity received as the same was paid by the Gratuity Trust of the Company.

*includes remuneration of ₹ 82,90,411 for financial year 2020-21 provided for in the books but not paid during the said year.

For and on behalf of the Board of Directors

Ranjit Shahani
Chairman

Place : Mumbai
Date : June 14, 2021

Schedule-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

Ranjit Shahani
Chairman

Place : Mumbai
Date : June 14, 2021

Schedule-J

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021

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

To,
The Members,
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, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

(i) The Companies Act, 2013 (the Act) and the Rules made 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, 2018; (Not applicable to the Company during audit period);
  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;;
  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during 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 (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during audit period);
(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 Obligations and Disclosure Requirements) Regulations, 2015.

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 the special/ordinary resolutions for the appointment of three Independent Directors, five non-executive directors and one executive director, which could be considered as having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Ashish Bhatt & Associates

Ashish Bhatt
Practicing Company Secretary
FCS No: 4650
C.P. No. 2956
UDIN: F004650C000455760

Place : Thane
Date : June 14, 2021

Note: This report is to be read with our letter of even date which is annexed as Annexure II and forms an integral part of this report.

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 relating to prevention and control of pollution;
7. Acts relating to Environmental protection;
8. Acts relating to direct tax and indirect tax;
9. Labour Welfare Act of respective States;
10. Trade Marks Act 1999; and
11. The Legal Metrology Act, 2009.

For Ashish Bhatt & Associates

Ashish Bhatt
Practicing Company Secretary
FCS No: 4650
C.P. No. 2956
UDIN: F004650C000455760

Place : Thane
Date : June 14, 2021

Annexure -II

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

Our report of even date is to be read along with this letter.

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

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

3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

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

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

For Ashish Bhatt & Associates

Ashish Bhatt
Practicing Company Secretary
FCS No: 4650
C.P. No. 2956
UDIN: F004650C000455760

Place : Thane
Date : June 14, 2021

INDUSTRY DEVELOPMENTS

The domestic formulations industry at sales of over ₹156,797 crores (IQVIA, March, MAT 2021) achieved value growth of 4%. 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 expanding in a secular manner over several years and the outlook remains positive in view of the expansion in the economy, increased spending on healthcare and improving lifestyles in the country. While India has historically been a market dominated by acute therapies, the trend has been shifting to a larger contribution from chronic drugs in the consumption base. As per IQVIA IMS data, the share of chronic therapies in the Indian pharmaceutical market has expanded from 31% to 36% in the period between FY2013 and FY2021. This is in line with the trend in several global economies that have seen a larger incidence of lifestyle diseases on the back of improved diagnosis and better compliance by patients. Increasingly sedentary lifestyles, transitioning dietary habits, more obesity and stress at the workplace also contribute to this trend. Thus, chronic therapy segments could be expected to maintain outperformance within the overall formulations mix over several years to come. 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 remains a key focus area and it has been consistently growing at better than industry growth rate over the last several years. For instance, in FY21, the Company grew at 20% in its covered markets, which was twice the industry growth rate. Its growth exceeded that of all the other leading companies in India, driven by the continuing success of the strong brands portfolio. During this period, its overall rank in the Indian pharmaceuticals market improved from #32 to #28.

Within the chronic therapies space, the Indian market has a significant contribution from cardiac and anti-diabetes segments therapies and the Company has strong brands in these segments as well as plans for further expansion in core and adjacent therapies. The Company has placed aggressive focus on India Business and has implemented a new "Go-to-Market" strategy that aims at higher growth and enhanced productivity by expanding the product portfolio of top brands, entering into progressive and complementary therapeutic segments such as Pediatrics, Respiratory, Gastro and Nephrology. The focus will also be on sales force automation with increased in-clinic effectiveness of the sales force to drive visibility with prescribers/specialists. These initiatives are expected to be implemented while leveraging the existing front-ended marketing investments with productivity improvements. In view of the positive long-term growth prospects offered by the domestic industry and the Company's strengths and focus in this business, the Company believes it has the potential to deliver long-term outperformance.

During the year, domestic formulations business registered revenues of ₹839.07 crores, growing at 14.1%. While outperforming industry growth, the Company benefited from therapy focused divisions coupled with wide market coverage, backed by investments in technology and training. The Company's field force as at the year-end had a strength of more than 2,100 medical representatives and supervisors, creating strong visibility for its products.

The Company's leading brands Cilacar (calcium channel blocker), Rantac (anti-peptic ulcerant), Nicardia (calcium channel blocker), Metrogyl (amoebicide) and Cilacar-T (calcium channel blocker/ angiotensin receptor blocker) continued to strongly grow during the year. These brands feature in top 125 brands in unit terms (IQVIA, March, 2021) and top 250 brands in value terms and are ranked #1 or #2 in their respective segments. The Company's cardiac and gastro-intestinal range of products achieved growth of 46.1% and 42.7% respectively. During the year, the Company launched ten new products across angiotensin receptor blocker, anti-diabetic, calcium channel blocker, hypotensive, anti-peptic ulcerant, anti-viral and anti-parasitic segments, which have shown good traction in the market.

Contrast media products sales at ₹52.83 crores were 14% lower over the previous year due to the impact of COVID-19 as many hospitals were converted to treat COVID-19 patients and a majority of the hospitals deferred planned procedures/surgeries.

Going forward, the Company has outlined the key priorities that will shape its India business. One, the focus will be on strengthening its position in core chronic therapies such as cardio metabolic, including hypertension and diabetes, through new launches. Two, the Company will seek to expand into synergetic therapies by utilizing the existing field force and prescriber network. Three, improved operating leverage is expected from better resource effectiveness driven by investments in digital/automation. Four, the Company will look to expand the distribution of some of its bigger brands beyond Tier 1/Tier 2 towns. Finally, new partnerships will be core to the Company's growth prospects, furthering its prospects in core therapy areas.

International Business:

The Company operates distinct operating models across multiple international businesses with direct presence in Russia and South Africa as well as distributor relationships in the U.S. and a large number of markets across Asia, Africa and Latin America. The Company also has a leading global position in the contract manufacturing (CMO) market driven by marquee client relationships. These businesses are backed by wide-ranging manufacturing capabilities that offer substantial headroom for growth. Overall, the Company's international business derives strong visibility from its wide geographical presence, increased focus on ANDA filings, new product introductions in home markets of Russia and South Africa, focus on lucrative contract manufacturing business backed by state-of-the-art manufacturing facilities that are approved by regulatory bodies such as US FDA, TGA Australia, EU GMP, SAHPRA South Africa, MoH-Russia, Ukraine (PICs), MoH Japan with a wide range of products across injectables, solids and semi-solids.

The Company's overall consolidated formulations exports during the year at ₹1,007.01 crores were 19.1% higher over the previous year. Despite many markets in the Rest of the World business (other than Russia-CIS) remaining subdued due to COVID-19, exports to these markets delivered revenues of ₹565.04 crores and achieved robust growth of 24.8% on the back of strong growth of 63% delivered by the U.S. market. The Company holds 19 ANDAs and 2 ANDAs are pending approval by US FDA. Exports to CIS-Ukraine markets at consolidated sales of ₹68.44 crores achieved marginal growth of 1.3%.

API business with sales of ₹81.79 crores achieved good growth of 17.7%. Sales of Russian subsidiary at ₹61.66 crores were 13.5% lower due to COVID-19 conditions in the local market as well as weakness in demand in the cough and cold segment, which is a sizeable part of the Company's products portfolio. Sales of the South African subsidiary at ₹218.43 crores achieved growth of 28.1% due to higher tender business.

The Company has developed a strategic blue print for the next level growth in the international business that includes ramping up of ANDA filings over medium term and selective backward integration in US business and deeper penetration in the other markets of RoW business, expansion of OTC presence and launch of new products in Russia-CIS business and expansion of public market business through portfolio augmentation and expansion of base in private market business in South Africa.

The Company perceives currency volatility, increased competition in generics business, price erosion and changing regulatory environment as a major concern in the international business. However, the Company is hopeful of growing its international business in view of the discussed growth initiatives.

OUTLOOK

In view of the positive business outlook both in domestic and international markets that is backed by a state-of-the-art manufacturing infrastructure, strong products portfolio with high growth brands, improving marketing capability and a strong balance sheet, the Company is positioned for growth and organizational improvements on a variety of parameters. The key objective is to sustain the historical trend of industry-leading growth while re-investing operating accruals into new initiatives, expanding focus on R&D and maintaining availability of infrastructure and other resources. Overall, the Company will drive continuous value accretion for all its key stakeholders by executing on its strategic initiatives.

RISKS AND CONCERNS

The 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

The 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

Standalone financial performance of the Company with respect to operational performance for the financial year ended on March 31, 2021 is as under:

Parameter	2020-21 (₹in crores)	2019-20 (₹in crores)	Growth (%)
Revenue from operations	**1,891.99**	1,640.74	15.31
Total income	**2,003.88**	1,690.09	18.57
EBIT	**489.01**	303.15	61.31
EBITDA	**556.36**	368.24	51.09
PBT before exceptional item	**593.81**	349.56	69.87
Total Comprehensive Income	**434.59**	263.08	65.19

Revenue growth continues to be driven by chronic therapies. This has enabled the domestic business to outperform the industry while the international business continues to penetrate deeper within existing markets.

Improvement in EBITDA was based on a favourable product-mix, operating leverage at higher scale, subdued operating expenditure due to COVID-19, benefits from cost excellence initiatives and an advantageous exchange rate in first half of the year.

Consolidated financial performance of the Group for the financial year ended on March 31, 2021 is as under:

Parameter	2020-21 (₹in crores)	2019-20 (₹in crores)	Growth (%)
Revenue from operations	**2,042.52**	1,774.73	15.09
Total income	**2,154.90**	1,825.40	18.05
EBIT	**489.01**	303.15	61.31
EBITDA	**560.41**	377.57	48.43
PBT before exceptional item	**596.88**	358.89	66.31
Total Comprehensive Income	**448.86**	257.42	74.37

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 2021, permanent employees' strength and temporary employees' strength was 4,122 and 486 respectively.

KEY FINANCIAL RATIOS

The key financial ratio for 2020-21 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 5.15 (times) as against 4.99 (times) in the previous year.

b) Inventory Turnover Ratio: Cost of Goods Sold/Average Inventory

This ratio for the year was 2.45 (times) as against 2.59 (times) in the previous year.

c) Interest Coverage Ratio: EBITDA/Interest Payment

This ratio for the year was 77.36 (times) as against 125.46 (times) in the previous year. The Company has very healthy interest coverage ratio in absolute terms. However, the coverage at the end of financial year decreased by 38.34% on account of other interest payment of ₹492.51 which may not reoccur.

d) Current Ratio: Current Assets/Current Liabilities

This ratio for the year was 4.73 (times) as against 3.43 (times) in the previous year. This ratio improved by 38.10% due to higher sales and higher profit during the year.

e) Debt-Equity Ratio: Total Liabilities/Shareholders' Equity

This ratio for the year was 0.22:1 (times) as against 0.25:1 (times) in the previous year.

f) Operating Profit Margin: EBIT/Sales

Operating profit margin for the year was 26.45% as against 18.87% in the previous year. This ratio improved by 40.12% on account of higher profit that Company realised due to higher sales of chronic products, acquisition of pharmaceutical business of Lekar Pharma Limited, price increase in certain products and favourable exchange rate in first half of the year.

g) Net Profit Margin: Net Profit/Sales

Net profit margin is calculated on Total Comprehensive Income (excluding other income) for the year was 17.45% as against 13.31% in the previous year. This ratio improved by 31.15% for the reasons stated above for improvement in operating profit margin.

The ratio for the previous year has been re-stated wherever necessary to make it comparable to current year calculation.

RETURN ON NET WORTH

This financial performance is calculated by dividing Total Comprehensive Income (as reduced by other income) by shareholders' equity. Return on Net worth or Return on Equity during the year was 17.45% as against 13.31% in the previous year. This ratio improved by 48.84% due to higher net profit during the year the reasons whereof are stated above for improvement in operating profit margin.

For and on behalf of the Board of Directors

Ranjit Shahani
Chairman

Place: Mumbai
Date: June 14, 2021

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 at the year-end was eight. The Company's Board consists of three independent directors including one independent woman director, four non-executive directors and an executive director being the CEO and whole-time director of the Company. The Chairman of the Board, Mr. Ranjit Shahani, is independent director.

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 financial year ended on March 31, 2021 and at the last annual general meeting and their directorships in other companies and committee membership/chairmanship in other public companies as at the year-end is as under:

Name of the director	Category	No. of board meetings attended	Attendance at last AGM	No. of other director-ship(s)	Other committee position	
					Member	Chairman
^ Mr. Ranjit Shahani (w.e.f. 31/08/2020)	Independent	5	Yes	2	–	1
Mr. Sumit Bose (w.e.f. 31/08/2020)	Independent	5	Yes	5	1	3
Ms. Padmini Khare Kaicker (w.e.f. 31/08/2020)	Independent	5	Yes	4	–	4
Mr. Sanjay Nayar (w.e.f. 31/08/2020)	Non-executive	5	Yes	2	3	–
Mr. Prashant Kumar (w.e.f. 31/08/2020)	Non-executive	5	Yes	–	–	–
Ms. Ananya Tripathi (w.e.f. 31/08/2020)	Non-executive	4	Yes	1	1	–
Mr. Gaurav Trehan (w.e.f. 10/02/2021)	Non-executive	–	NA	–	–	–
Mr. Nikhil Chopra (w.e.f. 05/10/2020)	Executive	3	NA	–	–	–
Mr. Ajay Candade (w.e.f. 31/08/2020 up to 05/10/2020)	Non-executive	2	Yes	*	*	*
Mr. Mayank Mishra (w.e.f. 31/08/2020 up to 10/02/2021)	Non-executive	5	Yes	*	*	*
Mr. Jyotindra B. Mody (up to 21/07/2020)	Executive (Promoter)	1	NA	*	*	*
Mr. Shirish B. Mody (up to 31/08/2020)	Executive (Promoter)	4	NA	*	*	*
Mr. Bharat P. Mehta (up to 31/08/2020)	Executive (Promoter Group)	4	NA	*	*	*
Mr. Pranabh Mody (up to 9/11/2020)	@Non-executive (Promoter)	5	Yes	*	*	*
Mr. Kamlesh L. Udani (up to 31/08/2020)	Executive	2	NA	*	*	*
Dr. Satyanarain Agarwala (up to 31/08/2020)	Independent	4	NA	*	*	*
Mr. Rajiv C. Mody (up to 31/08/2020)	Independent	4	NA	*	*	*
Ms. Krupa R. Gandhi (up to 31/08/2020)	Independent	4	NA	*	*	*
Mr. Devang R. Shah (up to 31/08/2020)	Independent	4	NA	*	*	*
Mr. Shaukat Merchant (up to 31/08/2020)	Independent	4	NA	*	*	*
Dr. Manoj Mashru (up to 31/08/2020)	Independent	3	NA	*	*	*

@Executive director up to 31-8-2020.

*Not applicable as not a director as on March 31, 2021.

^ Pursuant to provisions of Regulation 17 (1A) of the Listing Regulations, the Company passed special resolution on September 30, 2020 for continuation of directorship on and after his attaining age of seventy-five years during his tenure as non-executive director of the Company.

Notes : (1) The directorships exclude directorships of private companies and section 8 companies.
(2) The committee positions pertain to position held on Audit Committee and Stakeholders Relationship Committee of other public limited companies.
(3) The Board of Directors was re-constituted on August 31, 2020 as nine directors on the board had resigned and consequently eight additional directors were appointed. Accordingly, the number of Board meeting attended by the directors and their attendance at the last AGM represents the meetings attended during their respective tenure as director during the financial year.

(b) Directorship in Other Listed Entities:

The information as to directorship held by the Board members in other listed entities is as under:

Name of director	Category of directorship	Name of listed entity	Security Listed
Mr. Ranjit Shahani	Independent	Hikal Limited	Equity
	Non-executive	Ambuja Cements Limited	Equity
Ms. Padmini Khare Kaicker	Independent	Tata Chemicals Limited	Equity
	Independent	Rallis India Limited	Equity
	Independent	Kotak Mahindra Investments Limited	Debt
	Independent	Tata Cleantech Capital Limited	Debt
Mr. Sumit Bose	Independent	Coromandel International Limited	Equity
	Independent	HDFC Life Insurance Company Limited	Equity
	Independent	BSE Limited	Equity
	Independent	Tata AIG General Insurance Company Limited	Debt
Mr. Sanjay Nayar	Non-executive	Max Healthcare Institute Limited	Equity
Ms. Ananya Tripathi	Non-executive	Max Healthcare Institute Limited	Equity

Directorships held by directors of the Company are within the limit prescribed under the Listing Regulations and the Companies Act, 2013.

(c) Meetings and Review:

Eight meetings of the Board of directors were held during the financial year ended on March 31, 2021. These meetings were held on June 25,2020, July 14, 2020, August 25, 2020, August 31, 2020, September 14, 2020, October 5, 2020, November 10, 2020 and February 10, 2021.

The Board of directors reviews compliance of applicable laws on quarterly basis. The Board has constituted Risk Management Committee. Board has formulated a risk management plan and delegated monitoring and reviewing of the plan to the Risk Management Committee. The Committee would review mitigation measures taken by the Company and new risks that may be identified by the management following risk management policy of the Company. The Company has also laid down system to inform Board members about risk assessment and minimization procedures. 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 incorporating duties of independent directors, for members of the Board and senior management personnel of the Company. Board members, and senior management personnel have affirmed compliance with the code and based thereon a declaration by the Chief Executive Officer & Whole - time director of the Company in this regard has been annexed to this report.

(e) CEO/CFO Certification:

The Chief Executive Officer & Whole-time Director and Chief Financial Officer have provided certificate as specified in Part B of Schedule II of the Listing Regulations for financial year 2020-21 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.

Independent directors have also confirmed that their names are included in the databank for independent directors maintained by the Indian Institute of Corporate Affairs in accordance with the Companies Act, 2013 and Rules made thereunder.

Dr. Satyanarain Agarwala, Mr. Rajiv Mody, Ms. Krupa Gandhi, Mr. Devang Shah, Mr. Shaukat Merchant and Dr. Manoj Mashru, Independent directors, resigned from the Board of directors with effect from August 31, 2020 due to personal reasons. Each of them also confirmed that it was the only reason for his/her resignation and that there was no other material reason. The confirmations so received were submitted to the Stock Exchanges as well as posted on the website of the Company.

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 2020-2021 as well as evaluation of fulfilment of independence criteria as specified in the Listing Regulations and their independence from the management.

(ii) Relationship between directors *inter–se* and shareholding of non-executive directors:

None of the directors are related *inter-se*. None of the non-executive directors hold any share in the Company as on March 31, 2021.

(iii) Familiarisation programme:

The Company conducted a familiarisation programme on March 25, 2021 for all its directors to familiarize them with (a) Company's current business position and key initiatives planned for its growth over next five years (b) composition and size of domestic pharmaceutical industry, industry growth, disruption anticipated in the domestic industry, new initiatives for India business and growth opportunities available for the Company over medium to long term and (c) Current business and business model in South Africa, Russia-CIS business, US business and other rest of the world markets and new initiatives and investments being considered for growth over medium to long term. The Company has posted the details of this familiarisation programme on its website and web link thereto is https://www.jbcpl.com/investors/pdf/policy/Familiarisation_programme_2021.pdf.

(iv) 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 are the following.

Sr. No.	Core competency/ expertise
1.	Leadership
2.	New product development
3.	Marketing
4.	Business strategy
5.	Business finance
6.	Regulatory compliance
7.	Accountancy & audit
8.	Corporate Governance
9.	Business Management; and
10	Business Administration.

The directors-wise competence/expertise as aforesaid is as under:

Sr. No.	Name of the director	Competence/ expertise
1.	Mr. Ranjit Shahani	Leadership, Business management, corporate governance.
2.	Mr. Sumit Bose	Business administration, corporate governance.
3.	Ms. Padmini Khare Kaicker	Accounts, audit, corporate governance.
4.	Mr. Sanjay Nayar	Leadership, business strategy, business finance, business management, corporate governance.
5.	Mr. Gaurav Trehan	Leadership, business strategy, business finance, business management, corporate governance.
6.	Mr. Prashant Kumar	Leadership, business strategy, business finance, business management, corporate governance.
7.	Mr. Nikhil Chopra	Leadership, marketing, new products development, regulatory compliance.
8.	Ms. Ananya Tripathi	Business strategy, business management.

AUDIT COMMITTEE

Composition and attendance at the meetings:

Name of the director	Position held	Category	*No. of meetings attended
Ms. Padmini Khare Kaicker (w.e.f. 31/08/2020)	Chairperson	Independent director	3
Mr. Ranjit Shahani (w.e.f. 31/08/2020)	Member	Independent director	3
Mr. Sumit Bose (w.e.f. 31/08/2020)	Member	Independent director	3
Mr. Prashant Kumar (w.e.f. 31/08/2020)	Member	Non–executive director	3
Mr. Sanjay Nayar (w.e.f. 31/08/2020 up to 04/11/2020)	Member	Non–executive director	–
Ms. Krupa R. Gandhi (up to 31/08/2020)	Chairperson	Independent director	4
Dr. Satyanarain Agarwala (up to 31/08/2020)	Member	Independent director	4
Mr. Devang R. Shah (up to 31/08/2020)	Member	Independent director	4
Mr. Pranabh D. Mody (up to 31/08/2020)	Member	Executive director (Promoter)	4

**Represents the number of meetings attended by the member during his/her tenure as member during the financial year.*

Seven meetings of the Audit Committee were held during the financial year ended on March 31, 2021. These meetings were held on June 25, 2020, July 14, 2020, August 25, 2020, August 31, 2020, September 14, 2020, November 10, 2020 and February 10, 2021.

The Committee complies with the requirements laid down under the Listing Regulations and the Companies Act, 2013. M.C. Mehta, Company Secretary, acts as Secretary to the Audit Committee. Chief Executive Officer & Whole-time director, Chief Financial Officer and Statutory Auditor are regular invitees to the Audit Committee meetings.

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. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to: a. Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013; b. Changes, if any, in accounting policies and practices and reasons for the same; c. Major accounting entries involving estimates based on the exercise of judgment by management; d. Significant adjustments made in the financial statements arising out of audit findings; e. Compliance with listing and other legal requirements relating to financial statements'; f. Disclosure of any related party transactions; and g. Modified opinion(s) in the draft audit report.
6. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
8. Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the Company, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems;
11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
12. 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;
13. Discussion with internal auditors of any significant findings and follow up there on;
14. 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;
15. 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;

16. 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;

17. To review the functioning of the whistle blower mechanism;

18. Approval of appointment of the chief financial officer (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;

19. Approval or any subsequent modifications of transactions of the Company with related parties as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in force from time to time;

20. Examination of the financial statements and the auditors' report thereon;

21. Reviewing the utilization of loans and/or advances from/investment by the Company in the subsidiary exceeding 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;

22. Monitoring the end use of funds raised through public offers and related matters;

23. To review the information and the matters specified in Part C(B) of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

24. Such other items of business as per the provisions of the Companies Act, 2013, the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

NOMINATION AND REMUNERATION COMMITTEE

Composition and attendance at the meetings:

Name of the director	Position held	Category	*No. of meetings attended
Mr. Sumit Bose (w.e.f. 31/08/2020)	Chairman	Independent director	4
Mr. Ranjit Shahani (w.e.f. 31/08/2020)	Member	Independent director	4
Mr. Sanjay Nayar (w.e.f. 31/08/2020)	Member	Non-executive director	4
Mr. Prashant Kumar (w.e.f. 31/08/2020)	Member	Non-executive director	4
Dr. Satyanarain Agarwala (up to 31/08/2020)	Chairman	Independent director	3
Mr. Rajiv C. Mody (up to 31/08/2020)	Member	Independent director	3
Mr. Devang R. Shah (up to 31/08/2020)	Member	Independent director	3

**Represents the number of meetings attended by the member during his tenure as member during the financial year.*

Seven meetings of the Nomination and Remuneration Committee were held during the financial year ended on March 31, 2021. These meetings were held on June 23, 2020, August 24, 2020, August 31, 2020, October 5, 2020, December 4, 2020, January 27, 2021 and February 9, 2021.

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 employees. The Nomination and Remuneration Committee shall, while formulating such policy, ensure that: (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully; (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;

2. To formulate criteria for evaluation of performance of independent directors and the Board of directors;

3. To devise a policy on diversity of the Board of directors (including diversity of thought, experience, knowledge, perspective and gender);

4. 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;

5. 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.

6. To recommend to the Board, all remuneration, in whatever form, payable to senior management.

7. To specify the manner 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;

8. To determine remuneration package for executive directors and chief executive officers and also approve remuneration of executive directors in the event of absence or inadequacy of profits in any year pursuant to Schedule V to and other related provisions of the Companies Act, 2013;

9. To carry out such other function and duty as is or may be prescribed under the provisions of the Companies Act, 2013, the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, from time to time.

The Nomination and Remuneration Committee has, *inter alia*, formulated criteria for evaluation of performance of independent directors, which are approved by the Board. The criteria for performance evaluation of the Independent directors are:

1. Possesses sufficient skills, experience and level of preparedness which allows the person to clearly add value to discussions and decisions.
2. Sufficient understanding and knowledge of the Company and the sector in which it operates.
3. Understands and fulfils the functions as assigned to him/her as director.
4. Able to function as an effective team member.
5. Actively takes initiatives with respect to various areas.
6. Available for meetings of the Board and attends the meeting regularly and timely, without delay. Adequately committed to the Board and the Company.
7. Contributes effectively to the Company and in the Board meetings.
8. Demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.).
9. Exercises his/her own judgment and voices opinion freely.
10. Independence: Whether person is independent from the other directors and there is no conflict of interest.
11. Independent views and judgement: Whether the person exercises his/her own judgement and voices opinion freely.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Sumit Bose, independent director, heads the Committee as Chairman, and Mr. Prashant Kumar and Mr. Nikhil Chopra, directors, are other members of the Committee. M. C. Mehta, Company Secretary & Vice President-Compliance is compliance officer and acts as Secretary to the Committee.

The complaints received from the investors are being regularly attended to and are believed to be resolved to their satisfaction. One meeting of the members of the Stakeholders Relationship Committee was held on March 22, 2021 and all the members attended the meeting. During the year, the Company received five (5) 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. No investor grievance was pending at the year-end.

RISK MANAGEMENT COMMITTEE

Composition and attendance at the meeting:

Name of the director	Position held	Category	Meeting attended
Ms. Padmini Khare Kaicker (w.e.f. 31/08/2020)	Chairperson	Independent director	1
Mr. Prashant Kumar (w.e.f. 31/08/2020)	Member	Non-executive director	1
Mr. Nikhil Chopra (w.e.f. 31/08/2020)	Member	Executive director	1
Mr. Vijay Bhatt (w.e.f. 31/08/2020)	Member	Chief Financial Officer (Member of management)	1
Mr. Devang Shah (up to 31/08/2020)	Chairman	Independent director	–
Mr. Bharat P. Mehta (up to 31/08/2020)	Member	Executive director	–
Mr. Nirav Mody (up to 31/08/2020)	Member	President- Global Business & Business Development (Member of management)	–

One meeting of the members of the Risk Management Committee was held on March 22, 2021 and all the members attended the meeting. The terms of reference of the Committee are:

(1) To periodically review risks/additional risks, including cyber security, identified by the Company's management and evaluate the effectiveness of the mitigations measures and report to the Board risks/additional risks identified along with mitigation measures.

(2) To formulate a detailed risk management policy which shall include:

    (a) a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

    (b) Measures for risk mitigation including systems and processes for internal control of identified risks.

    (c) Business continuity plan.

(3) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(4) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(5) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(6) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken; and

(7) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

REMUNERATION OF DIRECTORS

(i) Remuneration of Non-executive directors

The independent directors are paid sitting fees for attending meetings of the Board and Committee(s) thereof. At present, sitting fee is not being paid to other non-executive directors. The sitting fee presently being paid does not require prior approval of the shareholders. Further, for the financial year 2020-21, Board has also approved payment of profit related commission to independent directors. Based on the role and responsibilities of non-executive directors, being the criteria relied upon by the Board, the Board decides the amount of sitting fees to be paid from time to time and profit related commission to independent directors, in accordance with the Remuneration Policy of the Company. The amount of sitting fees paid to the non-executive directors during the financial year ended on March 31, 2021 and profit related commission payable to independent directors is as under:

Name of the director	Sitting Fees (₹)	Commission (₹)
Mr. Ranjit Shahani	1,300,000	1,650,000
Mr. Sumit Bose	1,400,000	1,250,000
Ms. Padmini Khare Kaicker	900,000	1,450,000
Dr. Satyanarain Agarwala*	1,300,000	N.A.
Mr. Rajiv C. Mody*	840,000	N.A.
Ms. Krupa R. Gandhi*	1,000,000	N.A.
Mr. Devang Shah*	1,240,000	N.A.
Mr. Shaukat Merchant*	600,000	N.A.
Dr. Manoj Mashru*	300,000	N.A.
Mr. Pranabh Mody*	100,000	N.A.

**These directors resigned from the Board of directors during the year.*

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

(ii) Remuneration of Executive directors

The remuneration of the executive directors of the Company for the year ended on March 31, 2021 summarized under major elements is as under:

(₹ in lakhs)

Sr. No.	Name of the director	Salary (Fixed component)	Salary (Variable component)	Allowances & Perquisites	Retiral benefits	Total
1.	*Mr. Jyotindra B. Mody	85.71	–	107.15	54.22	247.08
2.	**Mr. Shirish B. Mody	116.54	–	145.68	62.54	324.76
3.	**Mr. Bharat P. Mehta	56.75	–	56.76	30.46	143.97
4.	# Mr. Pranabh Mody	56.75	–	56.76	30.46	143.97
5.	**Mr. Kamlesh L. Udani	38.62	–	38.11	25.87	102.60
6.	^Mr. Nikhil Chopra	74.81	^^82.91	70.27	12.64	240.63

* ceased to be director w.e.f. July 21, 2020 due to demise.
** resigned as director on August 31, 2020.
\# stepped-down from executive position on August 31, 2020.
^ appointed as Chief Executive Officer & Whole-time director with effect from October 5, 2020.
^^ Provided for in the accounts for financial year 2020-21 but not paid in the said year.

Notes:

1. The appointment of Mr. Nikhil Chopra, as Chief Executive Officer and Whole-time director, was made on 5-10-2020 pursuant to the Employment Contract of even date setting out the terms and conditions of appointment. The appointment is for a period of five years from 5-10-2020 and can be terminated by the employee by notice period of 270 days and by the Company by notice period of 90 days. The said contract does not provide for payment of severance fees.
2. Performance criteria for payment of variable component to Mr. Nikhil Chopra would vary from year to year. Such criteria for financial year 2020-21 were (i) target growth in revenue. EBITDA, EBITDA% and sales in key markets (ii) commercial model alignment and therapy shaping for key businesses of the Company (iii) business process realignment and cost improvement initiatives (iv) new portfolio launch and strategy, and (v) organisation and leadership development, as agreed.
3. The appointment of and payment of remuneration to Mr. Nikhil Chopra as Chief Executive Officer and Whole-time director was approved by the shareholders on 23-12-2020.
4. Pursuant to the above referred Employment Contract as amended on 11-2-2021, Mr. Nikhil Chopra is entitled for (i) performance based Options aggregating to one point two per cent (1.2%) of the total issued and paid up share capital of the Company as on date at a per share price of ₹745, and (ii) time based Options aggregating to point eight per cent (0.8%) of the total issued and paid up share capital of the Company as on date at a per share price of ₹ 745. However, these stock options are yet to be granted as Employee Stock Option Scheme approved by the Board on 28-4-2021 as modified on 14-6-2021 is yet to be approved by the shareholders.
5. Employment Contract with directors mentioned at 2 to 5 above was mutually terminated consequent to their resignation from the Board and contractual notice period was waived by both the parties.

GENERAL BODY MEETINGS

(i) 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
2017-18	Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400020.	September 4, 2018	3.30 p.m.	Yes. Five special resolutions passed.
2018-19		August 23, 2019	3.30 p.m.	Yes. One special resolution passed.
2019-20	Conducted through video conferencing/ other audio visual means in accordance with circulars issued by the Ministry of Corporate Affairs.	September 30, 2020	3.30 p.m.	Yes. One special resolution passed.

(ii) During the year 2020-21, the Company passed three ordinary resolutions as under through postal ballot vide notice dated November 20, 2020. Mr. Ashish Bhatt, proprietor of Ashish Bhatt & Associates, Practising Company Secretary, was appointed as scrutinizer to conduct the remote e-voting process for postal ballot in a fair and transparent manner. Explanatory statement annexed to the said notice contained recommendation of the Board to the shareholders for approval of the said resolutions. The result of the voting was as under:

Sr. No.	Particulars	Vote in favour of the resolution		Vote against the resolution	
		No. of votes	% to votes polled	No. of votes	% to votes polled
1.	Appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, as auditors in casual vacancy caused by resignation of D N V & Co., Chartered Accountants.	55,590,526	99.99	3,179	0.01
2.	Appointment of Mr. Nikhil Chopra (DIN: 07220097) as a director of the Company.	55,464,927	99.77	128,753	0.23
3.	Approval to appointment of Mr. Nikhil Chopra (DIN: 07220097) as Chief Executive Officer & Whole-time director of the Company and the terms and conditions of such appointment and remuneration payable to him.	55,504,117	99.84	86,810	0.16

The results of the postal ballot were submitted to the Stock Exchanges as well as posted on the website of the Company and website of NSDL.

(iii) The Company proposes to pass five Special Resolutions viz. approval of new employee stock option scheme (ESOS), grant of options to eligible employees of subsidiary/holding company, grant of option exceeding 1% of issued capital to an identified employee in one year and revocation of employee stock option scheme set up based on approval of shareholders granted at EGM held on 18-3-2004 and increase in cap of 5% on remuneration of whole-time director prescribed under section 197 of the Companies Act, 2013, to a level to cover increase in remuneration taking place due to perquisite value arising on exercise of stock options by Mr. Nikhil Chopra thorough postal ballot.

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. The presentation to institutional investors / analysts made by the Company are communicated to the Stock Exchanges and also posted on the Company's website www.jbcpl.com.

GENERAL SHAREHOLDER INFORMATION

AGM: Date, Time and Venue	September 9, 2021 at 3.30 p.m. (This AGM shall be conducted through video conferencing/other audio visual means due to ongoing COVID-19 pandemic.)
Record Date (for electronically held shares)	September 2, 2021.
Book closure date (for physically held shares)	September 3, 2021 to September 9, 2021 (both days inclusive)
Financial year	April to March
Dividend Payment Date	On or after September 17, 2021
Listing on Stock Exchanges	-BSE Limited Address: Phiroze Jeejeebhoy 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 annual listing fee for the period April 1, 2021 to March 31, 2022 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	SEBI, vide Circular No. SEBI/LAD-NRO/GN/2018/24 dated 08-06-2018 and SEBI/LAD-NRO/GN/2018/49 dated 30-11-2018, had discontinued the transfer of shares held in physical mode from April 1, 2019. Subsequently vide PR No. 12/2019 dated 27-03-2019 it was clarified that cases where transfer deeds were lodged prior to April 1, 2019, but were returned due to deficiency in documents, could be re-lodged for transfer even after April 1, 2019 alongwith the requisite documents. SEBI vide Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated September 7, 2020 notified March 31, 2021 as the cut-off date for re-lodgement of such transfer deeds. Accordingly, now transfer of shares has to be only through shares held in dematerialised form.
Distribution of Shareholding as on 31-03-2021	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 instrument.
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 and GBP. Therefore, exchange risk assumes significance for the Company and volatility of currencies bears direct relationship on performance of the Company. 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	Company's seven plants are located across Ankleshwar and Panoli (Gujarat) and Daman (Union Territory).
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 2020-21, the Company did not obtain 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 the 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 details of compliance with mandatory requirements of corporate governance and 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 http://www.jbcpl.com/investors/pdf/policy/Policy%20for%20determining%20Material%20Subsidiaries.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 https://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 Ashish Bhatt & Associates, company secretary in practice, certifying that none of the directors of the Company is disqualified or has been debarred from being appointed or continuing as director 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 ₹ 85.48 lakhs, on consolidated basis, as statutory audit fee for 2020-21. 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 financial year 2020-21, the Company did not receive any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redresssal) Act, 2013.

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 requirement set out in Part E of Schedule II of the Listing Regulations is as Under :

- **The Board:** Need to maintain regular office is not expressed by Chairman of the Board. In case such need is expressed, the Company would support maintenance of such office at Company's expense and also reimburse expenses incurred by him in performance of his duties.
- **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 at present reports to the management. However, their detailed observations on each audit area are thoroughly reviewed by the Audit Committee.

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 Company has also framed a Compliant Response Plan Policy, which lays down the guidelines for responding to any complaint and provides for information regarding collection, collation and preservation of evidences. The Whistle Blower 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 Chairman of the Audit Committee in appropriate or exceptional circumstances.

RELATED PARTY TRANSACTIONS

Board of directors has formulated a policy on materiality of related party transactions and on dealing with related party transactions. Audit Committee reviews details of the related party transactions on quarterly basis. The Company submits disclosure of related party transactions on consolidated basis as required to the Stock Exchanges on half-yearly basis and posts the same on Company's website. All related party transactions are entered into with prior approval (including omnibus approval wherever warranted) of the Audit Committee and the Board. In case of omnibus approval by the Audit Committee, the conditions mentioned in the Companies Act, 2013 and Listing Regulations have been complied with. Disclosures in respect of the related party transactions in compliance with accounting standard on "Related Party Disclosures" have been made in the note no. 46 of the accompanying standalone financial statement of the Company for the year ended on March 31, 2021, forms part of this annual report. None of the related party transactions is material within the meaning of Regulation 23 of the Listing Regulations. 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 them. 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 AND COMPLAINCE REPORT

Secretarial audit report given by a company secretary in practice for financial year 2020-21 has been annexed to Directors' report and forms part of this annual report. The Company has also submitted to the Stock Exchanges secretarial compliance report within the prescribed time.

SENIOR MANAGEMENT

All members of the 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. Appointment of and remuneration payable to CEO/executive director and senior management is reviewed and approved by the Nomination and Remuneration Committee and recommended by it to the Board for approval.

QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE

During the year 2020-21, 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.

DIVIDEND DISTRIBUTION POLICY

Dividend Distribution Policy formulated by the Company pursuant to Regulation 43A of the Listing Regulations, as revised effective from April 1, 2020, 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 along with Compliant Response Plan 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 non-executive directors

(i) Dividend Distribution Policy

(j) Business Responsibility Policy

(k) Secretarial compliance report

(l) Presentations made to investors/analysts

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 the Board of directors and senior management personnel have affirmed compliance with the code of conduct, for the financial year ended on March 31, 2021.

For and on behalf of the Board of directors

Place : Mumbai
Date : June 14, 2021

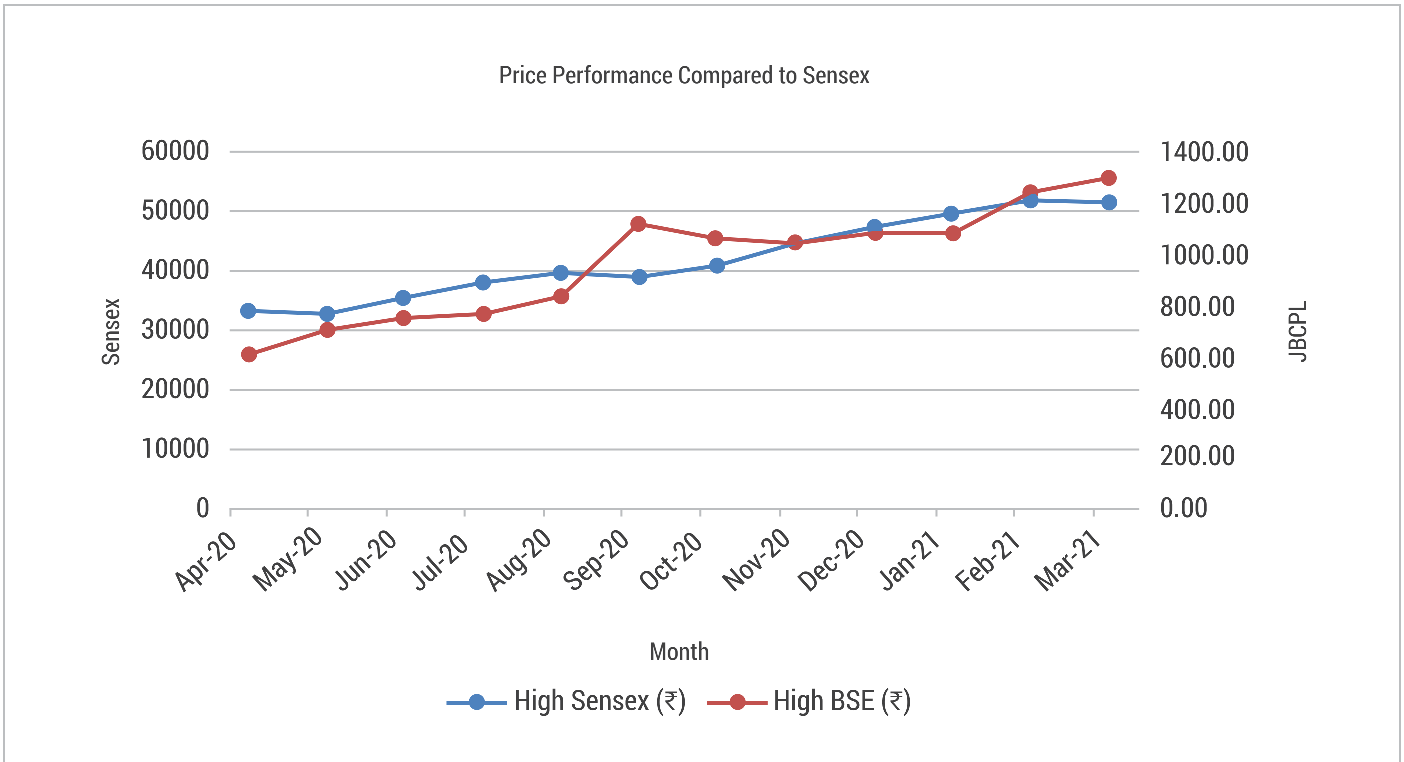
Nikhil Chopra
Chief Executive Officer and Whole-time director

Annexure A

The high and low prices of the Company's equity shares (face value - 2 each) on BSE Limited (BSE) and on National Stock Exchange of India Limited (NSE) during each month in the financial year 2020-21 were as under:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume of shares traded	High (₹)	Low (₹)	Volume of shares traded
April 2020	588.05	443.00	208,095	589.40	440.45	5,668,800
May 2020	697.45	539.55	284,338	696.90	541.65	6,928,644
June 2020	743.00	658.10	234,051	743.80	656.85	5,312,577
July 2020	750.00	697.35	178,529	750.00	697.10	6,351,116
August 2020	828.00	725.95	461,600	828.85	726.10	8,839,448
September 2020	1,150.00	753.00	1,015,814	1,149.90	753.00	20,768,746
October 2020	1,087.00	942.60	234,217	1,076.00	942.25	3,686,763
November 2020	1,053.00	892.60	132,449	1,053.00	883.30	2,618,992
December 2020	1,092.60	981.90	142,272	1,095.00	981.00	2,637,057
January 2021	1,085.00	978.05	194,217	1,078.80	978.30	2,682,666
February 2021	1,262.95	957.00	574,116	1,263.00	956.05	8,700,355
March 2021	1,317.90	1,108.00	262,012	1,318.00	1,108.10	4,107,400

Annexure B



Annexure C

Distribution of shareholding as on March 31, 2021 is as under:

Range of equity shares held	No. of shareholders	% of shareholders	No. of equity shares held	% of capital
Upto 500	61,007	90.68	3,878,892	5.02
501 – 1000	2,706	4.02	2,094,325	2.71
1001 – 2000	1,806	2.68	2,731,709	3.54
2001 – 3000	735	1.09	1,877,230	2.43
3001 – 4000	295	0.44	1,046,134	1.35
4001 – 5000	153	0.23	701,364	0.91
5001 – 10000	268	0.40	1,884,580	2.44
10001 – 50000	229	0.34	4,678,655	6.05
50001 and above	81	0.12	58,389,208	75.55
Total	**67,280**	**100.00**	**77,282,097**	**100.00**

Annexure D

Shareholding pattern as on March 31, 2021 is as under:

Category	No. of shares	% holding
Promoters & Promoter Group	43,210,625	55.91
Mutual Funds, Banks & Insurance Companies	9,590,221	12.41
Foreign Portfolio Investors	5,824,995	7.54
Alternate Investment Funds	591,000	0.76
Clearing Member	58,478	0.08
IEPF Authority	206,353	0.27
Bodies Corporate	929,694	1.20
Individuals	16,870,731	21.83
Total	**77,282,097**	**100.00**

Annexure E

The position as to dematerialization of shares as on March 31, 2021 is as under:

Category	No. of shares	% of shares	No. of Shareholders	% of Shareholders
Electronic Form	76,532,230	99.03	66,610	99.00
Physical Form	749,867	0.97	670	1.00
Total	**77,282,097**	**100.00**	**67,280**	**100.00**

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

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 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, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN
1.	Mr. Ranjit Gobindram Shahani, Chairman, Independent Director	00103845
2.	Mr. Nikhil Ashokkumar Chopra, Chief Executive Officer and Whole-time Director	07220097
3.	Mr. Sanjay Omprakash Nayar, Director	00002615
4.	Mr. Prashant Kumar, Director	08342577
5.	Mr. Gaurav Trehan, Director	03467781
6.	Ms. Ananya Tripathi, Director	08102039
7.	Ms. Padmini Bhalchandra Khare, Independent Director	00296388
8.	Mr. Sumit Bose, Independent Director	03340616

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
UDIN: F004650C000455782

Place : Thane
Date : June 14, 2021

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 frame work 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 Payout:

Dividend for any financial year will be declared out of profit after tax of the Company or out of profits of the Company after tax for previous financial years or out of both. Provided in computing profit for the purpose of declaration or recommendation of dividend, any amount representing unrealised gains, notional gains or revaluation of assets and any change in carrying amount of an asset or of a liability on measurement thereof at fair value shall be excluded as provided in Section 123 of the Companies Act, 2013.

Keeping in view the provisions of this Policy, the Board will endeavour to achieve dividend pay-out 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;
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;
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.

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.

d) This Policy is subject to the provisions of the Companies Act, 2013, Rules framed thereunder and the Regulations.

Independent Auditors' Certificate of Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

1. This report contains details of compliance of conditions of Corporate Governance by J. B. Chemicals & Pharmaceuticals Limited ('the Company') for the year ending 31st March 2021 as stipulated in Regulation 17 to 27, clause (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

2. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditors' Responsibility

3. Our examination was limited to procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor expression of opinion in the financial statements of the Company.

4. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2021.

Opinion

5. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above-mentioned Listing Regulations.

6. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restrictions on Use

7. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it 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 for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Ashish Bhatt & Associates
Company Secretaries

Ashish Bhatt
Membership No 4650
CP No 2956
UDIN: F004650C000455804

Place : Thane
Date : June 14, 2021

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, 2020 to March 31, 2021
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	7 manufacturing facilities across Ankleshwar, Panoli and Daman, 27 distribution locations across the country, 1 area office each in New Delhi, Kolkata and Thane, R & D Centre at Thane (Maharashtra), samples warehouse at Bhiwandi (Maharashtra) 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)	1,545.64 lakhs
2.	Total Turnover (INR)	184,907.75 lakhs
3.	Total profit after taxes (INR)	44,708.48 lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Company's total spending of 516.75 lakhs on CSR during FY 2020-21 was 1.16% 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) Disaster Management to combat and mitigate the impact of Covid-19 pandemic (ii) Promoting health care including preventive healthcare and (iii) Promotion of education. For details of such activities/projects, please refer to Schedule-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.

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	07220097
2.	Name	Nikhil Chopra
3.	Designation	Chief Executive Officer & Whole-time Director

(b) Details of the BR head

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 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.								

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 https://www.jbcpl.com/investors/pdf/2021_2022/brs202021.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 standards. Hence, this question does not have direct relevance to nature of products manufactured by the Company.

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 for 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 two 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, about 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 waste is not permitted. Waste water generated at the manufacturing facilities is treated in effluent treatment plant, followed by RO. The recovered water from RO plant is used in cooling towers and boilers. The Company disposes off by selling hazardous wastes, recovered solvents and recovered material generated in API manufacturing process, as per GPCB approval. Other hazardous wastes are disposed off as per GPCB approval. 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, 2021 were 4,122.

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

   Total temporary workers as on March 31, 2021 were 486, while total workers hired through contract labour contractors were 1,492.

3. **Please indicate the number of permanent women employees.**

   450

4. **Please indicate the number of permanent employees with disabilities.**

   9

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 at all locations: 100%. Skill upgradation training i.) at all location (except Daman): 100% ii.) at Daman: 60%
(b)	Permanent Women Employees	Safety training at all locations: 100%. Skill upgradation training i.) at all location (except Daman): 100% ii.) at Daman – 70%
(c)	Casual/Temporary/ Contractual Employees	Safety training at all locations: 100% and skill up-gradation at plant location: 62% (average).
(d)	Employees with Disabilities	Safety Training at plant location where there are such employees: 100%

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 a specific policy to address this issue. However, as a responsible corporate, the Company is committed to environmental sustainability and accordingly strives to improve climate within the sphere of its activities. The Company is committed to use resources efficiently and thereby reduce greenhouse gases emission.

   The Company's manufacturing facilities are zero liquid discharge for waste water and it otherwise takes steps to discharge and dispose-off effluents and waste in a manner that does not affect environment adversely. The Company has installed Soil Biotechnology - which is a green engineering approach, for treatment and recycling of the waste water generated at its plants. The Company uses the recycled water for gardening and domestic purpose. 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 or process and addresses potential environmental risks. The Company also periodically assesses potential risk to environment due to possible release of gas or solvents or chemical vapour or liquid in case of failure or break down of any device or equipment, and takes necessary preventive action to avoid such risk.

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 any project that can generate certified emission reduction units. However, regular environmental audits of the Company's manufacturing facilities are undertaken by competent agencies and the reports are submitted to the pollution control board.

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 for conservation of energy. Please refer to Schedule-D of Directors' Report for steps taken for conservation of energy and use of alternate energy during financial year 2020-21.

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

Yes. The emissions/waste generated by the Company were within permissible limit specified by CPCB/SPCB.

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.

No show cause/legal notice was received during the year 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 Drugs Manufacturers' Association

(b) Pharmaceuticals Export Promotion Council

(c) Federation of Indian Export Organisations

(d) 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 healthcare 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 through external NGOs as well as direct contribution to NGO/Government hospitals engaged in providing services.

3. Have you done any impact assessment of your initiative?

No formal impact assessment is done. However, 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.

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 2020-21, the Company spent 516.75 lakhs on such projects/activities. Please refer to Schedule-E to Directors' report for details of the projects / activities undertaken during 2020-21.

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.

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.

For and on behalf of the Board of Directors

Ranjit Shahani
Chairman

Place : Mumbai
Date : June 14, 2021.

Passion WITH A PURPOSE

74-126

STANDALONE FINANCIAL STATEMENTS

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

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of J. B. Chemicals & Pharmaceuticals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. This matter was 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 this matter. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Auditor's Response
Revenue recognition – Sale of products [Note 31 to the standalone financial statements] Company being a listed entity, revenue is one of the critical component of the financial statements considered by the stakeholders. There may be pressures to meet the expectations that may result in recording revenues for sales for which the revenue recognition criteria may not have been met by the year end. We have therefore specifically focused on the said risk and have considered this to be a key audit matter.	Assessed the appropriateness of the Company's revenue recognition policy by mapping them with the applicable accounting standards. Performed a walkthrough of the revenue business cycle to obtain an understanding of the relevant risks and controls around the timing of revenue recognition. Tested the design, implementation and operating effectiveness of the relevant controls. From the revenue recorded towards the year end, we tested transactions on a sample basis by, agreeing the recorded balances with the invoices, purchase orders, delivery documents / other documents evidencing transfer of control. On a test check, we reviewed the contracts / purchase orders, as applicable, to assess the terms of sale and ensured that they were recorded in the accounting period in which the control in the goods was transferred to the customer and other revenue recognition criteria as specified under Ind AS 115 'Revenue from contracts with customers' were met. We sought confirmations from customers on a test check basis and performed other alternate procedures, where applicable, to support the assertion that revenue has been recognised in the correct period. We made enquiries of the management and obtained written representations as to whether there exist any side agreements or unusual arrangements which may impact revenue recognition. We also test checked subsequent sales returns to determine whether the initial recognition of revenue was appropriate.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, Corporate Governance report and the Business Responsibility report, but does not include the consolidated financial statements, 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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by 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.

    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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

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

    g) 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.

    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, as amended, 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 standalone financial statements.

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

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order..

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh K. Hiranandani
Partner
(Membership No.36920)
(UDIN: 21036920AAAABX6583)

Place : Mumbai
Date : June 14, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of J. B. Chemicals & Pharmaceuticals Limited on the standalone financial statements for the year ended March 31, 2021]

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

We have audited the internal financial controls over financial reporting of J. B. Chemicals & Pharmaceuticals Company Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 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 accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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, to the best of our information and according to the explanations given to us, 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, 2021, based on the criteria for internal financial control over financial reporting 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 DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh K. Hiranandani
Partner
(Membership No.36920)
(UDIN:21036920AAAABX6583)

Place : Mumbai
Date : June 14, 2021

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of J. B. Chemicals & Pharmaceuticals Limited)

(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 of fixed assets to cover all the items in a phased manner over a period of two years 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, the discrepancies noticed on such verification were not material.

c. According to the information and explanations given to us and the records examined by us and based on the examination of the registered deed of sale / agreement for sale / deed of transfer / deed of confirmation and other documents evidencing title, 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 buildings that have been taken on lease and disclosed as Property, Plant and Equipment in the Ind AS financial statements, the certified true copy of the lease deeds and deed of assignment, are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to 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 186 of the Act in respect of making investments. The Company has not granted any loans covered under Section 185 and Section 186 of the Act and has also not provided guarantees and securities covered under Section 186 of the Act.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder and hence reporting under clause (v) of paragraph 3 of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty and other material statutory dues applicable to it with the appropriate authorities.

b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

c. Details of dues of Income-tax, Sales Tax, Service Tax, Excise Duty and Value added Tax which have not been deposited as at March 31, 2021 on account of disputes, are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved	Amount paid / adjusted under protest
				(₹ in lakhs)	(₹ in lakhs)
Income Tax Act, 1961	Income Tax	Commissioner (Appeals)	2012-13	50.81	–
The Uttar Pradesh Sales Tax Act	Sales Tax	Supreme Court of India	2006-2009	0.25	–
Tamil Nadu VAT Act, 2006	Value Added Tax	Commissioner (Appeals)	2006-2007 to 2011-2012	3.53	–
Central Excise Act, 1944	Excise Duty & Penalty	CESTAT	2006-2009	7.59	0.40
			2011-12 to 2014-15	50.2	3.35
			July 2010 to October 2011	2.22	1.00
			November 2011 to March 2012	0.67	–
			April 2012 to September 2013	3.20	1.50
The Finance Act, 1994	Service Tax & Interest	CESTAT	2010-2011	28.38	8.12
The Finance Act, 1994	Service Tax & Penalty	CESTAT	2010-2011	1.46	–
			April 2017 to June 2017	5.75	0.58

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government or has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of paragraph 3 of the Order is not applicable.

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

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary companies or persons connected with them and hence provisions of Section 192 of the Act are not applicable.

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

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh K. Hiranandani
Partner
(Membership No.36920)
(UDIN: 21036920AAAABX6583)

Place : Mumbai
Date : June 14, 2021

STANDALONE BALANCE SHEET

As at March 31, 2021

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	5	**54,227.21**	56,533.49
(b) Capital work-in-progress		**2,556.68**	1,616.69
(c) Goodwill	41	**431.92**	–
(d) Other Intangible assets	6	**1,801.25**	1,787.22
(e) Financial Assets			
(i) Investments	7	**14,587.55**	20,242.13
(ii) Loans	8	**518.75**	252.92
(iii) Other financial assets	9	**18.53**	13.23
(f) Other non-current assets	10	**106.89**	128.76
Total non-current assets		**74,248.78**	80,574.44
Current assets			
(a) Inventories	11	**27,891.28**	23,203.82
(b) Financial Assets			
(i) Investments	12	**66,497.48**	33,381.26
(ii) Trade receivables	13	**37,410.81**	34,423.91
(iii) Cash and cash equivalents	14	**2,426.29**	962.27
(iv) Bank balances other than (iii) above	14	**216.62**	194.02
(v) Loans	15	**164.77**	482.30
(vi) Other financial assets	16	**851.98**	641.27
(c) Current Tax Assets (Net)	17	**1,683.83**	1,391.19
(d) Other current assets	18	**8,651.08**	5,889.17
Total current assets		**145,794.14**	100,569.21
TOTAL ASSETS		**220,042.92**	181,143.65
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	19	**1,545.64**	1,545.64
(b) Other Equity	20	**179,100.45**	142,983.44
Total Equity		**180,646.09**	**144,529.08**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
Other financial liabilities	21	**514.14**	109.37
(b) Provisions	22	**1,257.14**	738.68
(c) Deferred tax liabilities (Net)	23	**6,376.60**	5,884.58
(d) Other non-current liabilities	24	**493.22**	596.84
Total non-current Liabilities		**8,641.10**	7,329.47
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	**2,643.28**	2,949.36
(ii) Trade payables	26		
A) Dues to Micro and Small Enterprises		**1,309.55**	1,004.02
B) Dues to Other than Micro and Small Enterprises		**15,092.41**	14,183.97
(iii) Other financial liabilities	27	**7,267.81**	7,132.63
(b) Other current liabilities	28	**1,377.54**	2,940.19
(c) Provisions	29	**2,461.75**	472.88
(d) Current Tax Liabilities (Net)	30	**603.39**	602.05
Total current liabilities		**30,755.73**	29,285.10
TOTAL EQUITY AND LIABILITIES		**220,042.92**	181,143.65

See accompanying notes to the Standalone financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rajesh K. Hiranandani
Partner

Place : Mumbai
Date : June 14, 2021

For and on behalf of the Board of Directors

Nikhil Chopra
Chief Executive Officer &
Whole-Time Director
DIN - 07220097

Prashant Kumar
Director
DIN - 08342577

Vijay D. Bhatt
Chief Financial Officer

M. C. Mehta
Company Secretary
ACS No. 8854

Place : Mumbai
Date : June 14, 2021

STANDALONE STATEMENT OF PROFIT & LOSS

For the year ended March 31, 2021

(₹ in lakhs)

	Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
	INCOME			
I	Revenue From Operations	31	**189,199.55**	164,074.44
II	Other Income	32	**11,188.94**	4,934.27
III	**Total Income (I+II)**		**200,388.49**	169,008.71
IV	**EXPENSES**			
	Cost of materials consumed	33	**54,216.52**	45,210.43
	Purchases of stock-in-trade		**9,929.08**	11,450.09
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	**(1,570.03)**	252.83
	Employee benefits expense	35	**30,597.97**	29,378.09
	Finance costs	36	**719.18**	293.51
	Depreciation and amortization expense	5 & 6	**6,735.50**	6,509.05
	Other expenses	37	**40,389.47**	40,958.54
	Total expenses		**141,017.69**	134,052.54
V	Profit before exceptional item and tax (III-IV)		**59,370.80**	34,956.17
VI	Exceptional Item	44	**–**	1,000.00
VII	**Profit before tax (V-VI)**		**59,370.80**	33,956.17
VIII	**Tax expense:**	30		
	Current tax		**13,750.00**	8,250.00
	Deferred tax		**912.32**	(1,060.22)
	Reversal of excess current tax relating to earlier years		**–**	(48.01)
	Total Tax expense		**14,662.32**	7,141.77
IX	**Profit for the year (VII-VIII)**		**44,708.48**	26,814.40
X	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	Re-measurement of defined benefit plan		**(1,669.97)**	(676.74)
	Income tax on above		**420.30**	170.32
	Total other comprehensive income		**(1,249.67)**	(506.42)
XI	**Total Comprehensive Income for the year (IX + X)**		**43,458.81**	26,307.98
XII	**Earnings per equity share**	47		
	Basic		**57.85**	33.70
	Diluted		**57.85**	33.70

See accompanying notes to the Standalone financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rajesh K. Hiranandani
Partner

Place : Mumbai
Date : June 14, 2021

For and on behalf of the Board of Directors

Nikhil Chopra
Chief Executive Officer &
Whole-Time Director
DIN - 07220097

Prashant Kumar
Director
DIN - 08342577

Vijay D. Bhatt
Chief Financial Officer

M. C. Mehta
Company Secretary
ACS No. 8854

Place : Mumbai
Date : June 14, 2021

STANDALONE CASH FLOW STATEMENT

For the year ended March 31, 2021

(₹ in lakhs)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
A. Cash Flow from Operating Activities				
Net Profit Before Tax		**59,370.80**		33,956.17
Adjustments For:				
Depreciation and amortization expense	**6,735.50**		6,509.05	
Unrealised Foreign Exchange Fluctuation (Net)	**(605.68)**		97.10	
Interest Expense	**689.35**		259.46	
Profit/loss on disposal/discard of Property, Plant and Equipment (Net)	**(1,868.30)**		(166.24)	
Profit on sale of Investments measured at FVTPL	**(1,000.81)**		(2,501.30)	
Profit on sale of product registration along with its marketing authorization and trademark	**(3,368.66)**		–	
Net Gain on investments measured at FVTPL	**(4,054.22)**		(1,298.40)	
Interest Income	**(141.19)**		(138.53)	
Dividend Income	**(0.50)**		(148.04)	
Government Grant	**(165.66)**		(91.14)	
Re-measurement of defined benefit plan	**(1,669.97)**		(676.74)	
Excess provision written back	**(223.09)**		(416.48)	
Discontinuance of Lease Assets	**(7.19)**		–	
Expected credit loss allowance and bad debts written off	**39.47**		90.52	
		(5,640.95)		1,519.26
Operating Profit Before Working Capital Changes		**53,729.85**		35,475.43
Adjustments For:				
Trade and other receivables	**(5,331.50)**		(1,853.95)	
Inventories	**(4,418.32)**		(2,393.41)	
Trade, other payables and provisions	**3,604.77**		4,681.86	
		(6,145.05)		434.50
Cash Generated From Operations		**47,584.80**		35,909.93
Direct Taxes Paid (Net)		**(14,041.31)**		(8,715.26)
Net Cash from Operating Activities		**33,543.49**		27,194.67
B. Cash Flow from Investing Activities				
Payments for purchase of Property, plant and equipment	**(4,730.49)**		(7,172.87)	
Proceeds from disposal of Property, plant and equipment	**2,641.44**		234.22	
Balance proceeds from sale of product registration along with its marketing authorization and trademark	**2,156.75**		–	
Payment for acquisition of a business undertaking on slump sale basis	**(850.00)**		–	

(₹ in lakhs)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
Payment for purchases of Investments	**(54,097.97)**		(38,267.56)	
Proceeds from Sale of Investments	**31,691.35**		47,393.12	
Increase in other bank balances (Net)	**(22.60)**		(53.99)	
Interest Received	**143.30**		99.47	
Dividend Received	**0.50**		148.04	
Net Cash (used in) / from Investing Activities		**(23,067.72)**		2,380.43
C. Cash Flow from Financing Activities				
Payments for buy-back of equity shares	**–**		(16,081.90)	
Proceeds from short-term borrowings (Net)	**32.22**		631.40	
Interest Paid	**(633.95)**		(186.49)	
Dividend Paid (Including Dividend Distribution Tax, in previous year)	**(7,324.02)**		(14,100.31)	
Lease Rent payments	**(763.95)**		(811.09)	
Net Cash Used in Financing Activities		**(8,689.70)**		(30,548.39)
Net Increase / (decrease) in Cash and Cash Equivalents		**1,786.07**		(973.29)
Cash and Cash Equivalents as at the beginning of the year*	**636.67**		1,611.25	
Exchange differences on restatement of foreign currency cash and cash equivalents	**3.55**		(1.29)	
Cash and Cash Equivalents as at the end of the year*	**2,426.29**	**1,786.07**	636.67	(973.29)

***Cash and Cash Equivalents comprises the following**

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31,2020
Balances with banks	**2,170.78**	924.21
Cheques on hand	**243.16**	9.95
Cash on hand	**12.35**	22.40
Fixed Deposits with maturity of less than 3 months	**–**	5.71
	2,426.29	962.27
Less : Bank Overdraft	**–**	325.60
Cash and Cash Equivalents	**2,426.29**	636.67

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

See accompanying notes to the Standalone financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rajesh K. Hiranandani
Partner

Place : Mumbai
Date : June 14, 2021

For and on behalf of the Board of Directors

Nikhil Chopra
Chief Executive Officer &
Whole-Time Director
DIN - 07220097

Prashant Kumar
Director
DIN - 08342577

Vijay D. Bhatt
Chief Financial Officer

M. C. Mehta
Company Secretary
ACS No. 8854

Place : Mumbai
Date : June 14, 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2021

A. Equity Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the reporting period	**1,545.64**	1,604.73
Changes in equity share capital during the year		
Buy-back of equity shares	**–**	59.09
Balance at the end of the reporting period	**1,545.64**	1,545.64

B. Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus								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, 2019	34.86	63.53	4.21	2,020.00	4,946.15	91.67	30,445.26	109,245.82	146,851.50
Profit for the year	–	–	–	–	–	–	–	26,814.40	26,814.40
Other comprehensive income for the year: Re-measurement of the defined benefit plan (net of deferred tax)	–	–	–	–	–	–	–	(506.42)	(506.42)
Total comprehensive income for the year	–	–	–	–	–	–	–	26,307.98	26,307.98
Dividend including Dividend Distribution Tax	–	–	–	–	–	–	–	(14,153.24)	(14,153.24)
Transfer to Capital Redemption Reserve on buyback of equity shares	–	–	–	–	–	–	(59.09)	–	(59.09)
Transfer from General Reserve on buyback of equity shares	–	–	–	–	–	59.09	–	–	59.09
Buyback of shares (including expenses)	–	–	–	–	–	–	(16,022.81)	–	(16,022.81)
Balance as on March 31, 2020	**34.86**	**63.53**	**4.21**	**2,020.00**	**4,946.15**	**150.76**	**14,363.36**	**121,400.57**	**142,983.44**

(₹ in lakhs)

Particulars	Reserves and Surplus								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	
Profit for the year	–	–	–	–	–	–	–	44,708.48	44,708.48
Other comprehensive income for the year: Re-measurement of the defined benefit plan (net of deferred tax)	–	–	–	–	–	–	–	(1,249.67)	(1,249.67)
Total comprehensive income for the year	–	–	–	–	–	–	–	43,458.81	43,458.81
Dividend	–	–	–	–	–	–	–	(7,341.80)	(7,341.80)
Balance as on March 31, 2021	**34.86**	**63.53**	**4.21**	**2,020.00**	**4,946.15**	**150.76**	**14,363.36**	**157,517.58**	**179,100.45**

See accompanying notes to the Standalone financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rajesh K. Hiranandani
Partner

Place : Mumbai
Date : June 14, 2021

For and on behalf of the Board of Directors

Nikhil Chopra
Chief Executive Officer &
Whole-Time Director
DIN - 07220097

Prashant Kumar
Director
DIN - 08342577

Vijay D. Bhatt
Chief Financial Officer

M. C. Mehta
Company Secretary
ACS No. 8854

Place : Mumbai
Date : June 14, 2021

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 manufacturing and marketing of diverse range of pharmaceutical formulations, herbal remedies and APIs.

These standalone financial statements for the year ended March 31, 2021 were approved for the issue by the Board of Directors vide their resolution dated June 14, 2021.

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, 2015, as amended, 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 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 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 classified 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.

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 control of the goods is transferred to a customer and 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 (including provision thereof made during the year on the basis of historical experience, future expectation of sales return/claims) 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

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

  Revenue from export incentives is recognized in terms of accounting policy referred to as below.

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

- **Other Income**

  Other income mainly comprises of interest income, dividend from investments, profits from redemption of investments and fair value changes on the investments which are held at 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 interest rate applicable, which is the rate that discounts the estimated future cash receipts through the expected life of the financial asset to that asset's carrying amount on initial recognition.

Dividend income from investment is recognized when the 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 into functional currency 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 items, 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.

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.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. 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 profit or loss on a systematic basis over the periods during which the 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 profit or 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 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.

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.

2.9. Property, Plant and Equipment:

Freehold Land is stated at historical cost and is not depreciated

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.

Estimated useful lives of key items of property, plant and equipment are as follows

Category	Useful Life
Leasehold Land	Lower of lease term or useful life
Buildings	30 to 60 years
Plant and Machinery	10 to 20 years
Furniture and Fixtures	10 years
Vehicles	8 to 10 years
Office equipment	3 to 6 years
Air conditioners	15 years

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.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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 accumulated amortization and accumulated impairment losses, if any. 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 representing acquired software, are amortized on a straight line basis over a period of 3 years. The useful lives of all other intangible assets 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.

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. Business Combinations and Goodwill:

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred at acquisition date fair value.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values.

Goodwill is initially measured at the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. After initial recognition, Goodwill is not amortised. Goodwill is accordingly recognised at original value less any accumulated impairment.

A cash generating unit to which Goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any Goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for Goodwill is recognised in Statement of Profit and Loss. An impairment loss recognised for Goodwill is not reversed in subsequent periods.

2.12. Borrowing Cost:

Borrowing Costs directly attributed to the acquisition, construction or production of qualifying assets are capitalized as a part of the cost of asset up to the date the asset is substantially ready for its intended use. Other Borrowing Costs are charged to the Satement of Profit and Loss account in the year in which they are incurred.

2.13. Impairment of Tangible and Intangible Assets Other than Goodwill:

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets (other than Goodwill as stated above) 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 estimates the recoverable amount of the CGU to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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.

2.14. Inventories:

Inventories are stated at the lower of cost or net realizable value. Cost is determined on the basis of Moving Average method. Cost includes expenditures incurred in acquiring the inventories and other related costs incurred in bringing them to their existing location. In case of manufactured finished goods, cost includes appropriate share of overheads based on normal operating capacity.

2.15. 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.

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 and contingent assets are reviewed at each balance sheet date.

2.16. Leases:

The Company's leased assets consist of leases for Buildings. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is or contains, a lease if the contract conveys the right to control the use of anidentified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and (iii) the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-Term Leases and Leases of Low-Value Assets:

The Company has elected not to recognize right-to-use assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an operating expense as per the terms of the lease.

2.17. 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 Assets 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.

Debt Instruments 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. The Company does not have any financial asset under this category.

Debt Instruments and Derivatives 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 Profit or 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 fair 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.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that 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 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. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability. 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 is recognized in the Profit or Loss.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

2.18. 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, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows.

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.

2.19. 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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Company from April 1, 2021.

4. KEY ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires the management to make judgments, 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 judgment 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. Judgment 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.

j) **Allowances for Inventories:**

Management reviews the inventory age listing on a periodic basis. The purpose is to compare the carrying value of the aged inventory items with the respective net realizable value and also to identify obsolete and slow-moving items, so as to make adequate allowances for the same. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the standalone financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 01, 2020	Additions	Disposals	As at March 31, 2021	As at April 01 2020	Depreciation charge for the year	On disposals	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021
Land (Freehold)	57.16	–	–	**57.16**	–	–	–	**–**	**57.16**	**57.16**
Right of use asset-Land (Leasehold) (Note 2)	1,077.88	292.75	11.68	**1,358.95**	123.45	12.26	5.78	**129.93**	**1,229.02**	**954.43**
Factory Buildings	21,404.54	54.72	181.79	**21,277.47**	6,194.20	652.89	139.01	**6,708.08**	**14,569.39**	**15,210.34**
Other Buildings (Note 1)	5,746.09	–	64.04	**5,682.05**	578.00	93.16	27.96	**643.20**	**5,038.85**	**5,168.09**
Plant & Equipment	60,411.58	2,624.44	2,825.13	**60,210.89**	34,942.84	3,914.81	2,719.06	**36,138.59**	**24,072.30**	**25,468.74**
Furniture & Fixtures	3,812.73	94.01	60.83	**3,845.91**	1,781.20	266.55	58.65	**1,989.10**	**1,856.81**	**2,031.53**
Vehicles	1,509.90	38.87	979.04	**569.73**	584.33	139.35	407.86	**315.82**	**253.91**	**925.57**
Office Equipment	4,424.12	593.78	169.64	**4,848.26**	3,152.67	449.57	164.88	**3,437.36**	**1,410.90**	**1,271.45**
Air Conditioners	7,921.94	56.63	32.77	**7,945.80**	3,025.93	434.73	28.59	**3,432.07**	**4,513.73**	**4,896.01**
Right of Use Asset-Other Buildings (Note 2)	1,322.27	1,670.82	1,274.42	**1,718.67**	772.10	741.71	1,020.28	**493.53**	**1,225.14**	**550.17**
Total	107,688.21	5,426.02	5,599.34	**107,514.89**	51,154.72	6,705.03	4,572.07	**53,287.68**	**54,227.21**	**56,533.49**

(₹ in lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 01, 2019	Additions	Disposals	As at March 31, 2020	As at April 01 2019	Depreciation charge for the year	On disposals	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Land (Freehold)	57.16	–	–	57.16	–	–	–	–	57.16	57.16
Right of use asset-Land (Leasehold) (Note 2)	1,081.64	–	3.76	1,077.88	112.80	11.74	1.09	123.45	954.43	968.84
Factory Buildings	20,956.32	489.51	41.29	21,404.54	5,580.60	645.76	32.16	6,194.20	15,210.34	15,375.72
Other Buildings (Note 1)	5,746.08	0.01	–	5,746.09	484.79	93.21	–	578.00	5,168.09	5,261.29
Plant & Equipment	55,029.17	5,528.16	145.75	60,411.58	31,347.85	3,730.00	135.01	34,942.84	25,468.74	23,681.32
Furniture & Fixtures	3,524.98	287.75	–	3,812.73	1,528.77	252.43	–	1,781.20	2,031.53	1,996.21
Vehicles	1,421.09	237.67	148.86	1,509.90	540.33	147.53	103.53	584.33	925.57	880.76
Office Equipment	3,855.14	571.15	2.17	4,424.12	2,767.45	387.28	2.06	3,152.67	1,271.45	1,087.69
Air Conditioners	7,544.78	377.16	–	7,921.94	2,599.68	426.25	–	3,025.93	4,896.01	4,945.10
Right of Use Asset-Other Buildings (Note 2)	–	1,339.12	16.85	1,322.27	–	782.95	10.85	772.10	550.17	–
Total	99,216.36	8,830.53	358.68	107,688.21	44,962.27	6,477.15	284.70	51,154.72	56,533.49	54,254.09

Note 1. Value of buildings includes a sum of ₹ 3,600/- being the cost of shares in the societies.
Note 2. Refer note 48.
Note 3. No depreciation has been claimed on the assets to the extent of GST claimed.

6. OTHER INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 01, 2020	Additions	Disposals	As at March 31, 2021	As at April 01 2020	Amortization for the year	Deductions	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
(Acquired)										
Trade Marks	827.67	17.36	–	**845.03**	3.66	–	–	**3.66**	**841.37**	824.01
Computer Software	1,094.06	27.14	4.20	**1,117.00**	1,036.13	30.47	4.20	**1,062.40**	**54.60**	57.93
Product Dossiers	905.28	–	–	**905.28**	–	–	–	**–**	**905.28**	905.28
Total	2,827.01	44.50	4.20	**2,867.31**	1,039.79	30.47	4.20	**1,066.06**	**1,801.25**	1,787.22

(₹ in lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 01, 2019	Additions	Disposals	As at March 31, 2020	As at April 01 2019	Amortization for the year	Deductions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
(Acquired)										
Trade Marks	3.67	824.00	–	827.67	3.66	–	–	3.66	824.01	0.01
Computer Software	1,055.95	38.11	–	1,094.06	1,004.23	31.90	–	1,036.13	57.93	51.72
Product Dossiers	905.28	–	–	905.28	–	–	–	–	905.28	905.28
Total	1,964.90	862.11	–	2,827.01	1,007.89	31.90	–	1,039.79	1,787.22	957.01

Note: Some of the Trade Marks are yet to be transferred in Company's name.

7. NON CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31,2020
A. Investment in Equity Instruments (unquoted) (Fully paid)		
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) (unquoted) (Fully paid)		
3,866 (Previous year 3,866) Equity Shares of ₹10 each of BEIL Infrastructure Ltd.	**20.85**	15.66
612,032 (Previous year 612,032) Equity Shares of ₹10 each of Narmada Clean Tech	**113.64**	117.32
20,000 (Previous year 20,000) Equity Shares of ₹10 each of Enviro Technology Ltd.	**34.43**	31.50
60,000 (Previous year 60,000) Equity Shares of ₹10 each of Panoli Enviro Technology Ltd.	**23.75**	15.43
50,000 (Previous year 50,000) Equity Shares of ₹10 each of Ankleshwar Research & Analytical Infrastructure Ltd.	**4.08**	4.24
2,000,000 (Previous year 2,000,000) Equity Shares of ₹10 each of Asian Heart Institute & Research Centre Pvt. Ltd.	**1,094.12**	1,104.32
Total	**1,290.87**	1,288.47
Total Investment in Equity Instruments	**14,587.55**	14,585.15
B. In Mutual Funds : Quoted (At fair value through Profit & Loss) (Fully paid)		
Nil (Previous year 2,000,000) units of ₹10 each of DSP Black Rock FMP Series 221-40M-Regular-Growth	–	236.61
Nil (Previous year 2,000,000) units of ₹10 each of DSP Black Rock FMP Series 223-39M-Regular-Growth	–	236.77
Nil (Previous year 2,000,000) units of ₹10 each of DSP Black Rock FMP Series 226-39M-Regular-Growth	–	235.52
Nil (Previous year 2,000,000) units of ₹10 each of IDFC Fixed Term Plan Series 144-1141Day -Growth	–	235.09
Nil (Previous year 2,000,000) units of ₹10 each of HDFC FMP 1147 Days March 2018 (1) Series 39 Direct -Growth	–	235.55
Nil (Previous year 10,000,000) units of ₹10 each of HDFC FMP 1134 Days May 2018(1) Series 40 Direct Growth	–	1,188.41
Nil (Previous year 2,000,000) units of ₹10 each of ICICI Prudential FMP Series 83 1105 Days Plan A	–	237.06
Nil (Previous year 6,000,000) units of ₹10 each of HDFC FMP 1113 Days June 2018(1) Series 41 Direct Growth	–	707.88
Nil (Previous year 5,000,000) units of ₹10 each of DSP Black Rock FMP Series 235 36 M Direct Growth	–	585.60

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31,2020
Nil (Previous year 5,000,000) units of ₹ 10 each of ICICI Prudential FMP Series 83 1100 Days Plan O Direct Growth	–	587.55
Nil (Previous year 5,000,000) units of ₹ 10 each of ICICI Prudential FMP Series 83 1107 Days Plan Q Direct Growth	–	585.59
Nil (Previous year 5,000,000) units of ₹ 10 each of IDFC FMP Series 156 1103 Days Direct Growth	–	585.35
Total	–	5,656.98
Total Non current Investment	**14,587.55**	20,242.13
Aggregate amount of quoted investments - At Cost	–	4,800.00
Aggregate amount of quoted investments - At Market Value	–	5,656.98
Aggregate amount of unquoted investments	**14,587.55**	14,585.15
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	**1,290.87**	6,945.45
Total Non current Investment	**14,587.55**	20,242.13

8. NON CURRENT FINANCIAL ASSETS - LOANS

Unsecured Considered Good, unless otherwise stated

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31,2020
Loans to Employees	**54.90**	16.37
Security Deposits for leased premises	**338.85**	11.73
Other Security Deposits	**125.00**	224.82
	518.75	252.92
Other Security Deposits- Credit Impaired	**75.65**	75.65
Less: Loss allowance	**(75.65)**	(75.65)
	–	–
Total	**518.75**	252.92

9. NON CURRENT FINANCIAL ASSETS - OTHERS

Unsecured Considered Good

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31,2020
Fixed Deposit having maturity more than 12 months #	**18.53**	13.23
Total	**18.53**	13.23

#These Fixed Deposits are placed with various Government Authorities/ Institutions

10. OTHER NON CURRENT ASSETS

Unsecured Considered Good

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31,2020
Capital Advances	**43.43**	105.97
Prepaid Expenses	**63.46**	22.79
Total	**106.89**	128.76

11. CURRENT ASSETS - INVENTORIES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31,2020
Raw materials (stock in transit ₹ 158.94 lakhs, Previous year ₹ Nil)	**12,803.86**	9,429.06
Packing Materials	**2,871.52**	3,126.83
Work-in-progress	**2,413.77**	2,247.90
Finished goods (stock in transit ₹ 205.64 lakhs, Previous year ₹ 843.92 lakhs)	**8,023.09**	6,441.31
Stock-in-trade	**1,737.70**	1,915.32
Fuel	**41.34**	43.40
Total	**27,891.28**	23,203.82

The write-down of inventories to net realisable value during the year amounted to ₹ 48.32 lakhs (Previous year ₹ 47.00 lakhs). The write downs are included in changes in inventories of finished goods.

The cost of inventories recognised as an expense during the year is disclosed in Notes 33, 34, 37 and as purchases of stock-in-trade in the statement of profit and loss.

12. CURRENT FINANCIAL ASSETS - INVESTMENT

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31,2020
In Mutual Funds : Quoted (At fair value through Profit & Loss) (Fully paid)		
6,316,027.61 (Previous year 6,316,027.61) units of ₹ 10 each of Aditya Birla Sun Life Corporate Bond Fund Growth	**5,425.74**	4,942.56
9,600,000 (Previous year 9,600,000) units of ₹ 10 each of HDFC Short Debt Fund Regular Plan Growth	**2,358.45**	2,173.41
14,960,414.311 (Previous year 14,960,414.311) units of ₹ 10 each of HDFC Corporate Bond Fund Regular Plan Growth	**3,729.32**	3,428.01
1,258,152.830 (Previous year 1,258,152.830) units of ₹ 100 each of Aditya Birla Sun Life Banking & PSU Debt Fund Regular Plan Growth	**3,563.62**	3,294.76
1,926,292.692 (Previous year 1,926,292.692) units of ₹ 10 each of HDFC Hybrid Equity Fund Growth	**1,297.44**	817.75
614,895.941 (Previous year 614,895.941) units of ₹ 10 each of ICICI Prudential Equity & Debt Fund Growth	**1,043.48**	651.54
10,150,115.42 (Previous year 10,150,115.42) units of ₹ 10 each of HDFC Corporate Bond Fund Direct Growth	**2,556.15**	2,343.01
9,462,062.439 (Previous year 8,837,181.561) units of ₹ 10 each of ICICI Prudential Bond Fund Direct Growth	**3,027.95**	2,607.00
859,598.903 (Previous year 790,446.713) units of ₹ 100 each of Aditya Birla Sun Life Banking & PSU Debt Direct Growth	**2,490.43**	2,110.19
13,022,757.615 (Previous year 9,061,435.25) unit of ₹ 10 each of IDFC Corporate Bond Fund Direct Growth	**1,988.28**	1,265.21
9,144,615.360 (Previous year 7,434,577.867) units of ₹ 10 each of ICICI Prudential Banking and PSU Debt Fund Regular Growth	**2,284.45**	1,7 22.02
202,632.181 (Previous year 447,748.982) units of ₹ 10 each of HDFC Balanced Advantage Fund-Direct Growth	**502.79**	703.75
40,503.066 (Previous year Nil) units of ₹ 1,000 each of HDFC Overnight Fund Direct Growth	**1,238.61**	–
65,592.897 (Previous year Nil) units of ₹ 1,000 each of DSP Liquidity Fund Direct Plan Growth	**1,929.19**	–
2,936,159.078 (Previous year 2,936,159.078) units of ₹ 10 each of HDFC Corporate Bond Fund Direct Growth	**739.43**	677.77
5,531,522.430 (Previous year 3,851,387.783) units of ₹ 10 each of IDFC Banking and PSU Debt Fund Regular Growth	**1,063.97**	683.36
5,699,139.28 (Previous year 1,903,589.535) units of ₹ 10 each of IDFC Banking and PSU Debt Fund Direct Growth	**1,113.64**	341.96
54,346.643 (Previous year 33,999.978) units of ₹ 1,000 each of Axis Banking & PSU Debt Fund Direct Growth	**1,140.08**	659.94

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31,2020
3,465.449 (Previous year Nil) units of ₹ 1,000 each of Kotak Corporate Bond Fund Regular Growth	100.52	–
14,855,822.504 (Previous year Nil) units of ₹ 10 each of DSP Corporate Bond Fund Direct Growth	1,901.65	–
7,315,770.457 (Previous year Nil) units of ₹ 10 each of DSP Corporate Bond Fund Regular Growth	930.43	–
6,743.605 (Previous year Nil) units of ₹ 1,000 each of Kotak Corporate Bond Fund Direct Growth	201.27	–
367,033.088 (Previous year 367,033.088) units of ₹ 10 each of HDFC Hybrid Equity Fund Direct Growth	260.68	163.29
1,125,511.777 (Previous year 696,469.014) units of ₹ 10 each of Kotak Banking & PSU Debt Fund Direct Growth	566.30	325.37
286,956.777 (Previous year 286,956.777) units of ₹ 10 each of ICICI Prudential Equity & Debt Fund Direct Growth	527.34	327.62
387,674.728 (Previous year 119,110.205) units of ₹ 10 each of DSP Equity & Bond Fund Direct Growth	844.22	165.73
72,307.312 (Previous year 72,307.312) units of ₹ 10 each of SBI Equity Hybrid Fund Direct Growth	133.89	91.43
Nil (Previous year 10,000,000) units of ₹ 10 each of HDFC FMP 370D March 2014 (1)-Growth	–	1,598.28
Nil (Previous year 10,000,000) units of ₹ 10 each of DSP Black Rock FMP Series 210-36 M-Direct-Growth	–	1,230.95
Nil (Previous year 5,000,000) units of ₹ 10 each of HDFC FMP 1165D April 2017 (1)-Direct Growth-Series 38	–	617.62
3,623,865.676 (Previous year Nil) units of ₹ 10 each of ICICI Prudential Banking and PSU Debt Fund Direct Growth	928.30	–
7,628,768.551 (Previous year Nil) units of ₹ 10 each of DSP Banking and PSU Debt Fund Direct Growth	1,463.50	–
7,039,700.502 (Previous year Nil) units of ₹ 10 each of IDFC Corporate Bond Fund Regular Growth	1,057.57	–
2,000,000 (Previous year Nil) units of ₹ 10 each of DSP Black Rock FMP Series 221-40M-Regular-Growth	251.62	–
2,000,000 (Previous year Nil) units of ₹ 10 each of DSP Black Rock FMP Series 223-39M-Regular-Growth	252.63	–
2,000,000 (Previous year Nil) units of ₹ 10 each of DSP Black Rock FMP Series 226-39M-Regular-Growth	251.30	–
2,000,000 (Previous year Nil) units of ₹ 10 each of IDFC Fixed Term Plan Series 144-1141Day -Growth	250.57	–
2,000,000 (Previous year Nil) units of ₹ 10 each of HDFC FMP 1147 Days March 2018 (1) Series 39 Direct -Growth	250.67	–
10,000,000 (Previous year Nil) units of ₹ 10 each of HDFC FMP 1134 Days May 2018 (1) Series 40 Direct Growth	1,264.01	–
2,000,000 (Previous year Nil) units of ₹ 10 each of ICICI Prudential FMP Series 83 1105 Days Plan A	251.56	–
6,000,000 (Previous year Nil) units of ₹ 10 each of HDFC FMP 1113 Days June 2018 (1) Series 41 Direct Growth	755.51	–
5,000,000 (Previous year Nil) units of ₹ 10 each of DSP Black Rock FMP Series 235 36 M Direct Growth	624.51	–
5,000,000 (Previous year Nil) units of ₹ 10 each of ICICI Prudential FMP Series 83 1100 Days Plan O Direct Growth	627.26	–
5,000,000 (Previous year Nil) units of ₹ 10 each of ICICI Prudential FMP Series 83 1107 Days Plan Q Direct Growth	626.80	–
5,000,000 (Previous year Nil) units of ₹ 10 each of IDFC FMP Series 156 1103 Days Direct Growth	627.23	–
3,265.4340 (Previous year Nil) units of ₹ 1,000 each of TATA Treasury Advantage Fund-Regular Growth	100.39	–
1,903,832.611 (Previous year Nil) units of ₹ 10 each of DSP Low Duration Fund-Direct Growth	301.26	–
522,232.797 (Previous Year Nil) units of ₹ 100 each of Aditya Birla Floating rate Fund-Direct-Growth	1,413.60	–
189,547.622 (Previous Year Nil) units of ₹ 100 each of Aditya Birla Floating rate Fund-Regular-Growth	503.85	–
77,669.18 (Previous Year Nil) units of ₹ 1,000 each of Kotak Floating rate Fund-Direct-Growth	898.67	–
52,041.208 (Previous Year Nil) units of ₹ 1,000 each of Kotak Floating rate Fund-Regular-Growth	598.39	–
358,788.507 (Previous Year Nil) units of ₹ 100 each of ICICI Prudential Savings Fund-Direct-Growth	1,505.79	–
168,892.949 (Previous Year Nil) units of ₹ 100 each of ICICI Prudential Savings Fund-Regular-Growth	702.60	–
9,632,027.462 (Previous Year Nil) units of ₹ 10 each of Axis Corporate Debt Fund-Direct Growth	1,306.72	–
4,571,463.547 (Previous year Nil) units of ₹ 10 each of Axis Corporate Debt Fund-Regular Growth	602.31	–
64,634.865 (Previous year Nil) units of ₹ 1,000 each of UTI Treasury Advantage Fund-Direct Growth	1,709.64	–

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31,2020
23,069.634 (Previous year Nil) units of ₹ 1,000 each of UTI Treasury Advantage Fund-Regular Growth	**603.42**	–
12,878.237 (Previous year Nil) units of ₹ 1,000 each of TATA Treasury Advantage Fund-Direct Growth	**401.65**	–
1,293,537.812 (Previous year Nil) units of ₹ 10 each of DSP Low Duration Fund-Regular Growth	**200.82**	–
14,999,250.037 (Previous year Nil) units of ₹ 10 each of DSP Floater Fund-Direct Growth	**1,507.86**	–
4,999,750.012 (Previous year Nil) units of ₹ 10 each of DSP Floater Fund-Regular Growth	**502.57**	–
Total	**66,497.48**	33,381.26
Aggregate amount of quoted investments - At Cost	**52,585.52**	24,378.10
Aggregate amount of quoted investments - At Market Value	**66,497.48**	33,381.26

13. CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(Unsecured considered good, unless otherwise stated)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31,2020
Considered Good	**37,724.81**	34,737.91
Less: Loss Allowance	**314.00**	314.00
	37,410.81	34,423.91
Credit Impaired	**14.21**	14.21
Less : Loss allowance	**14.21**	14.21
	–	–
Total	**37,410.81**	34,423.91

14. CURRENT FINANCIAL ASSETS - CASH AND BANK BALANCE

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31,2020
Cash and cash equivalents		
Balances with banks	**2,170.78**	924.21
Cheques on Hand	**243.16**	9.95
Cash on hand	**12.35**	22.40
Fixed Deposits with maturity of less than 3 months	**–**	5.71
	2,426.29	962.27
Other Bank Balances		
Unclaimed Dividend A/cs *	**203.11**	185.34
Fixed Deposits with maturity of more than 3 months but less than 12 months@	**13.51**	8.68
	216.62	194.02
Total	**2,642.91**	1,156.29

*The amount is to be utilised towards settlement of respective unpaid dividends.

@ These Fixed Deposits are placed with various Government Authorities/ Institutions.

15. CURRENT FINANCIAL ASSETS - LOANS

(Unsecured considered good, unless otherwise stated)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31,2020
Loan to Employees	**35.59**	30.19
Security Deposits for leased premises	**–**	347.13
Tender Deposits	**31.75**	24.56
Other Security Deposits	**97.43**	80.42
	164.77	482.30
Tender Deposits- Credit Impaired	**6.70**	7.20
Less: Loss Allowance	**6.70**	7.20
	–	–
Total	**164.77**	482.30

16. CURRENT FINANCIAL ASSETS - OTHERS

Unsecured Considered Good

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31,2020
Accrued interest on Deposits	**4.34**	6.45
Claim Receivable	**–**	353.10
Forward Contract Receivables	**466.62**	–
Receivable for sale of land	**200.00**	239.47
Other receivables	**181.02**	42.25
	851.98	641.27
Receivable for sale of land-Credit Impaired	**39.47**	–
Less: Loss Allowance	**39.47**	–
	–	–
Total	**851.98**	641.27

17. CURRENT TAX ASSETS (NET)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31,2020
Taxes Paid	**28,382.34**	14,442.23
Less: Provision for taxes	**26,698.51**	13,051.04
Total	**1,683.83**	1,391.19

18. OTHER CURRENT ASSETS

Unsecured Considered Good

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31,2020
Advances to Suppliers	**316.57**	1,372.03
Prepaid Expenses	**1,042.82**	712.07
Balances/Recoverable with/from Government Authorities	**6,899.50**	3,355.69
Other receivables	**392.19**	449.38
Total	**8,651.08**	5,889.17

19. EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31,2020
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		
77,282,097 (Previous year 77,282,097) Equity Shares of ₹ 2/- each	**1,545.64**	1,545.64
Total	**1,545.64**	1,545.64

Reconciliation of the shares outstanding and amount of Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Shares outstanding at the beginning of the year	**77,282,097**	**1,545.64**	80,236,642	1,604.73
Less : Buy-back of shares	–	–	2,954,545	59.09
Shares outstanding at the year end	**77,282,097**	**1,545.64**	77,282,097	1,545.64

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

For the period of five years immediately preceding the date as at which the Balance Sheet is prepared, the Company has bought back, in aggregate, 7,537,878 (as at Previous year: 7,537,878) equity shares of ₹ 2 each.

Details of Shareholders holding more than 5% shares.

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Tau Investment Holdings Pte. Ltd. (Holding Company)	**41,732,332**	**54.00**	–	–
Jyotindra B. Mody	–	–	4,943,445	6.40
Shirish Bhagwanlal Mody	–	–	4,653,025	6.02
Kumud Dinesh Mody	–	–	4,453,914	5.76
Bharati S. Mody	–	–	4,567,157	5.91
Pallavi Bharat Mehta	**606,261**	**0.78**	4,786,363	6.19
Pranabh Dinesh Mody	**525,339**	**0.68**	7,346,459	9.51
Nirav Shirish Mody	**342,759**	**0.44**	4,587,381	5.94

20. OTHER EQUITY

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31,2020
Capital Reserves (transferred from amalgamating company)		
• Investment allowance Reserve (utilised)	**34.86**	34.86
• Capital Reserve	**63.53**	63.53
Capital Reserve	**4.21**	4.21
Contingency Reserve	**2,020.00**	2,020.00
Securities Premium	**4,946.15**	4,946.15
Capital Redemption Reserve	**150.76**	150.76
General Reserve	**14,363.36**	14,363.36
Retained Earnings *	**157,517.58**	121,400.57
Total	**179,100.45**	142,983.44

* including re-measurement of defined benefit plan.
For movement from the beginning of the reporting period to the end of the reporting period, please refer "Standalone Statement of Changes in Equity".

Nature and purpose of Reserves

A. **Investment Allowance Reserve (utilised) and Capital Reserve (transferred from amalgamating company)**
This Reserve was created on amalgamation of J. B. Chemicals and Pharmaceuticals Pvt. Ltd. with this company wef April 1, 1984 (appointed date).

B. **Capital Reserve**
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**
Transfered 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.

21. NON CURRENT FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liabilities (Refer note 48)	**514.14**	109.37
Total	**514.14**	109.37

22. NON CURRENT LIABILITIES - PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits:		
Gratuity (Refer note 42)	136.22	–
Compensated absences (Refer note 42)	1,120.92	738.68
Total	1,257.14	738.68

23. DEFERRED TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Liabilities		
Depreciation	3,796.80	3,875.56
Fair valuation of Investments measured at FVTPL	3,415.79	2,533.39
	7,212.59	6,408.95
Deferred Tax Assets		
Retirement Benefits	629.80	304.92
Others	206.19	219.45
	835.99	524.37
Net	6,376.60	5,884.58

24. NON CURRENT LIABILITIES - OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Government Grant	493.22	596.84
Total	493.22	596.84

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, 2021	As at March 31, 2020
Loans repayable on Demand - from Banks		
Secured (At amortised cost)#		
Bank Overdraft	–	325.60
Export Packing Credit in Rupees	2,000.00	2,000.00
Export Packing Credit in Foreign currency	643.28	623.76
Total	2,643.28	2,949.36

Working capital borrowings from the banks are secured by first pari passu charge on the stocks and book debts of the company.

26. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Dues to Micro and Small Enterprises	**1,309.55**	1,004.02
Dues to Other than Micro and Small Enterprises	**15,092.41**	14,183.97
Total	**16,401.96**	15,187.99

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, 2021	As at March 31, 2020
a) The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal	**1,248.99**	945.29
Interest due thereon	**60.56**	58.73
b) The amount of interest paid by the buyer in terms of Section 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.	**128.35**	1,751.13
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.	**1.83**	7.56
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	**60.56**	58.73
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 Section 23 of Micro, Small and Medium Enterprise Development Act, 2006.	**60.56**	58.73

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.

27. CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest accrued and due on borrowings	**0.17**	2.23
Unclaimed Dividends	**203.11**	185.34
Creditors for capital expenditure	**726.89**	787.41
Forward contracts payable	**–**	389.69
Other payables (mainly, payable to employees)	**5,368.01**	5,058.32
Lease Liabilities (Refer note 48)	**704.38**	445.39
Deposits from Distributors	**254.25**	254.25
Security Deposits from Customers	**11.00**	10.00
Total	**7,267.81**	7,132.63

28. OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances from Customers	**253.79**	1,369.08
Deferred Government Grant	**166.04**	164.86
Statutory Remittances	**795.71**	656.25
Advances against disposal of Property, plant and equipment	**162.00**	750.00
Total	**1,377.54**	2,940.19

29. CURRENT LIABILITIES - PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
Gratuity (Refer note 42)	**970.23**	292.79
Compensated absences (Refer note 42)	**275.02**	180.09
Expected sales returns	**1,216.50**	–
Total	**2,461.75**	472.88

30. CURRENT TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Taxes	**7,723.12**	7,620.59
Less: Taxes Paid	**7,119.73**	7,018.54
Total	**603.39**	602.05

A. The components of income tax expense are as under

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
i. Income tax recognized in profit or loss		
Current Tax:		
on profits for the year	**13,750.00**	8,250.00
adjustment in respect of prior years	**–**	(48.01)
Deferred tax :		
charge/(credit)	**912.32**	(1,060.22)
Total Income tax recognized in profit or loss	**14,662.32**	7,141.77
ii. Income tax recognized in other comprehensive income		
Deferred tax :		
On re-measurement of the defined benefit plan	**420.30**	170.32
Total Income tax recognized in other comprehensive income	**420.30**	170.32

B. Reconciliation of tax expense and the accounting profit is under

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting Profit before tax	**59,370.80**	33,956.17
Enacted tax rate in India (%)	**25.17**	25.17
Expected income tax expense	**14,942.44**	8,546.09
Tax effect of:		
Expenses not deductible	**156.24**	479.74
Income chargable at different tax rate and on which indexation benefit is availed	**(359.70)**	(159.78)
Utilization of brought forward losses on which no deferred tax asset was recognised	**(22.20)**	(248.02)
Income exempt from tax	**–**	(37.26)
Others	**(54.46)**	(24.69)
Changes in Tax rate	**–**	(1,366.30)
Tax expenses	**14,662.32**	7,189.78
Adjustment recognised in current year in relation to the current tax of earlier years	**–**	(48.01)
Tax expenses recognized in profit or loss	**14,662.32**	7,141.77

31. REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sales of Products and Services:		
Sale of Pharmaceuticals Products	**183,457.35**	158,831.08
Product Development Services	**986.62**	1,195.36
Realised exchange differences on sale of product and services	**463.78**	593.18
	184,907.75	160,619.62
Other Operating Revenues :		
Processing Charges	**19.95**	79.80
Export Incentives	**3,283.14**	2,883.93
Sale of Scrap	**203.67**	214.03
Government Grant	**165.66**	91.14
Insurance Claims	**14.62**	13.34
Others	**604.76**	172.58
	4,291.80	3,454.82
Total	**189,199.55**	164,074.44

32. OTHER INCOME

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income on financial instruments measured at amortised cost:		
Fixed Deposits	**8.80**	10.28
Others	**132.39**	128.25
Dividend from Investments	**0.50**	148.04
Net gain on financial assets mandatorily measured at FVTPL		
Profit on sale of Investment	**1,000.81**	2,501.30
Fair value changes of Investments measured at FVTPL	**4,054.22**	1,298.40
Profit on sale of Property, plant & equipment (Net)	**1,868.30**	166.24
Profit on sale of product registration along with its marketing authorization and trademark	**3,368.66**	–
Credit balances written back	**223.09**	416.48
Others	**532.17**	265.28
Total	**11,188.94**	4,934.27

33. COST OF MATERIAL CONSUMED

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Raw materials and Packing materials		
Opening Inventories	**12,555.89**	9,920.06
Purchases	**57,336.01**	47,846.26
	69,891.90	57,766.32
Less: Closing Inventories	**15,675.38**	12,555.89
Total	**54,216.52**	45,210.43

34. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the beginning		
Finished goods	**6,441.31**	6,981.17
Work-in-progress	**2,247.90**	1,928.71
Stock-in-trade	**1,915.32**	1,947.48
	10,604.53	10,857.36
Less: Inventories at the end		
Finished Goods	**8,023.09**	6,441.31
Work-in-progress	**2,413.77**	2,247.90
Stock-in-trade	**1,737.70**	1,915.32
	12,174.56	10,604.53
Total	**(1,570.03)**	252.83

35. EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and Other Benefits	**28,159.69**	26,965.91
Contribution to Provident Fund and Other Funds	**1,682.93**	1,727.27
Gratuity Expense (Refer note 42)	**325.33**	266.34
Staff Welfare	**430.02**	418.57
Total	**30,597.97**	29,378.09

36. FINANCE COSTS

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense for financial liabilities not classified at FVTPL:		
Working capital borrowings	**96.78**	181.15
Lease Liabilities	**57.46**	70.92
Security Deposits	**22.63**	22.66
Others	**492.51**	7.56
Other Borrowing Cost:		
Net interest on defined benefit obligation	**19.97**	(22.83)
Loan Processing Charges	**18.81**	21.42
Guarantee Charges	**11.02**	12.63
Total	**719.18**	293.51

37. OTHER EXPENSES

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Processing Charges	**1,030.30**	839.80
Consumption of Stores and spares	**551.46**	505.58
Power and fuel	**6,260.49**	6,153.96
Lease rent (Refer note 48)	**40.07**	33.29
Rates and taxes	**90.47**	113.10
Insurance	**693.40**	375.90
Freight and transport charges	**4,983.03**	4,233.04
Repairs to:		
Building	**284.97**	315.91
Machinery	**1,481.12**	1,552.42
Others	**354.75**	301.38
Sales promotion and publicity	**7,135.27**	7,710.52
Sales commission	**2,859.10**	2,947.14
Travelling and conveyance	**3,166.87**	4,009.88
Labour Hire Charges	**2,412.98**	2,252.70
Laboratory Expenses	**2,353.41**	1,938.61
Directors' fees and commission	**133.30**	48.80
Royalty	**–**	1,000.12
Payment to Statutory Auditors:		
Audit fees	**56.50**	30.00
Reimbursement of expenses	**1.34**	–
CSR Activity Expenses	**516.75**	442.47
Donations	**3.29**	14.97
Net (Gain)/loss on foreign currency transactions and translation	**(403.45)**	220.97
Bad debts	**–**	0.66
Provision for doubtful debts/deposits/expected credit loss	**39.47**	89.86
Miscellaneous expenses	**6,344.58**	5,827.46
Total	**40,389.47**	40,958.54

38. A. COMMITMENTS & CONTINGENCIES:

Commitments

- Capital Commitments:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amounts of contracts remaining to be executed on capital account and not provided (Net of Advance)	**414.74**	1,046.69

- 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, 2021	As at March 31, 2020
Export obligations under EPCG Scheme	**4,870.73**	2,631.80

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, had received demand notices from Department 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. 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, 2021	As at March 31, 2020
• Central Excise, Service tax & GST demands / show causes (against which the company has made pre deposit of ₹ 6.82 lakhs, Previous year ₹ 6.82 lakhs)	**415.39**	550.22
• Income Tax (against which the company has made pre deposit of ₹ 7.63 lakhs, Previous year ₹ 7.63 lakhs)	**2,477.97**	2,089.13
• Sales Tax (against which the company has made pre deposit of ₹ 0.43 lakhs, Previous year ₹ 0.43 lakhs)	**4.22**	4.22

The Company does not expect the outcome of the matters stated above to have a material adverse impact on the Company's financial condition, results of operations or cash flows.

Future cash outflows in respect of above matters is dependent on outcome of certain event and/ or decisions of the relevant authorities for the matter under dispute.

38. B. OUTSTANDING LETTER OF CREDIT AND GUARANTEES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Letters of Credit by the banks	**811.41**	3,037.34
Guarantees issued by bank on behalf of the Company	**1,653.36**	1,753.64

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)

Research And Development Centers at	Revenue Expenditure		Capital Expenditure		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Thane	**966.77**	1,056.41	**42.29**	4.34	**1,009.06**	1,060.75
Panoli API	**74.25**	87.77	**–**	3.26	**73.96**	91.03
Panoli Formulation and Development	**1,246.43**	1,151.07	**28.53**	126.33	**1,272.88**	1,277.40
Daman	**305.27**	217.51	**–**	–	**304.51**	217.51
Total	**2,592.72**	2,512.76	**70.82**	133.93	**2,660.41**	2,646.69

41. Pursuant to the Business Transfer Agreement, entered during the year, between the Company and Lekar Pharma Limited ("the Seller"), a related party up to August 31, 2020, the Company has acquired the Pharmaceutical Business Undertaking of the Seller as a going concern by way of a slump sale for a consideration of ₹ **850.00 lakhs**. An amount of ₹ **431.92 lakhs**, being the excess of consideration paid, as above, over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed of ₹ 418.08 lakhs has been recognised as Goodwill.

42. EMPLOYEE BENEFITS:

a. Defined Contribution Plan

Contribution to defined contribution plan, recognized as expense for the year are as under:

(₹ in lakhs)

Particulars	2020-21	2019-20
Employer's Contribution to Provident Fund & Family Pension Fund	**1,424.14**	1,327.33
Employer's Contribution to Superannuation Fund	**114.93**	227.95
Employer's Contribution to various Insurance Schemes	**111.65**	130.34

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.

i. Changes in Present Value of defined Benefit Obligation during the year

(₹ in lakhs)

Particulars	2020-21	2019-20
Present value of Defined Benefit Obligation at the beginning of the year	**5,222.33**	4,661.91
Interest Cost	**356.16**	362.70
Current Service Cost	**325.33**	266.34
Benefits paid from the Fund	**(2,275.04)**	(687.70)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	**48.40**	–
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	**1,193.86**	286.01
Actuarial (Gains)/Losses on Obligations - Due to Experience	**327.94**	333.07
Present value of Defined Benefit Obligation at the end of the year	**5,198.98**	5,222.33

ii. Changes in fair value of plan assets during the year

(₹ in lakhs)

Particulars	2020-21	2019-20
Fair Value of Plan Assets at the Beginning of the year	**4,929.54**	4,955.33
Interest Income	**336.19**	385.52
Contributions by the Employer	**1,201.61**	334.05
Benefit paid from the Fund	**(2,275.04)**	(687.70)
Return on Plan Assets, excluding Interest Income	**(99.77)**	(57.66)
Fair Value of Plan Assets at the end of the year	**4,092.53**	4,929.54

iii. Net (asset)/liability recognized in the balance sheet

(₹ in lakhs)

Particulars	31-03-2021	31-03-2020
Present Value of Benefit Obligation at the end of the year	**5,198.98**	5,222.33
Fair Value of Plan Assets at the end of the year	**(4,092.53)**	(4,929.54)
Net (asset)/liability recognized in the Balance Sheet	**1,106.45**	292.79
Net liability Non-current (refer Note No.22)	**136.22**	–
Net liability Current (refer Note No. 29)	**970.23**	292.79

iv. Expenses recognized in the statement of profit and loss for the year

(₹ in lakhs)

Particulars	2020-21	2019-20
Current Service Cost	**325.33**	266.34
Net Interest	**19.97**	(22.83)
Expenses recognized	**345.30**	243.51

v. Expense recognized in other comprehensive income for the year

(₹ in lakhs)

Particulars	2020-21	2019-20
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	**48.40**	–
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	**1,193.86**	286.01
Actuarial (Gains)/Losses on Obligations - Due to Experience	**327.94**	333.07
Return on Plan Assets, Excluding Interest Income	**99.77**	57.66
Net (Income)/Expense For the Period Recognized in OCI	**1,669.97**	676.74

vi. Actuarial assumptions

(₹ in lakhs)

Particulars	2020-21	2019-20
Expected Return on Plan Assets	**6.33%**	6.82%
Rate of Discounting	**6.33%**	6.82%
Rate of Salary Increase	**8.00%**	4.00%
Rate of Employee Turnover		2.00% for all service groups
- For service 2 years and below	**35.00%**	
- For service 3 years to 4 years	**20.00%**	
- For service 5 years and above	**5.00%**	
Mortality rate during employment	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)

vii. Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	2020-21	2019-20
Within 1 year	**972.02**	970.11
1-2 Years	**541.37**	406.59
2-3 Years	**350.81**	830.89
3-4 Years	**431.31**	365.80
4-5 Years	**334.35**	426.91
5-10 Years	**1,855.70**	1,804.40
11 years and above	**4,569.04**	4,264.45

viii. Sensitivity analysis for significant assumptions is as below

(₹ in lakhs)

Particulars	As at March 31,2021	As at March 31,2020
Projected Benefit Obligation on Current Assumptions	**5,198.98**	5,222.33
Delta Effect of +1% Change in Rate of Discounting	**(325.42)**	(297.16)
Delta Effect of -1% Change in Rate of Discounting	**376.38**	340.84
Delta Effect of +1% Change in Rate of Salary Increase	**366.47**	347.19
Delta Effect of -1% Change in Rate of Salary Increase	**(323.53)**	(307.44)
Delta Effect of +1% Change in Rate of Employee Turnover	**(47.87)**	68.74
Delta Effect of -1% Change in Rate of Employee Turnover	**53.41**	(77.91)

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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.

The Company expects to make a contribution of ₹ 970.23 lakhs (March 31, 2020: ₹ 618.11 lakhs) to the defined benefit plans during the next financial year.

x. Risk exposure

Through its defined benefit obligation, the Company is exposed to a number of risks, the most significant of which are detailed below:

- Interest rate risk – The defined benefit obligation calculated uses a discount rate based on Government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
- Salary inflation risk – Higher than expected increase in salary will increase the defined benefit obligation.
- Longevity risk – The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- Investment return risk – Lower the expected investment return, higher will be the defined benefit obligation.

c. Compensated Absences:

The Company's employees are entitled for compensated absences which are allowed to be accumulated and encashed as per the Company's rule. The liability of compensated absences, which is non-funded, has been provided based on report of independent actuary using "Projected Unit Credit Method". Accordingly, the Company has made provision for compensated absences for the year of ₹ 477.17 lakhs (Previous year ₹ 211.78 lakhs) and accumulated liability is ₹ 1,395.94 lakhs as of March 31, 2021 (Previous year ₹ 918.77 lakhs).

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 Company, accordingly has only one reportable business segment i.e. 'Pharmaceuticals'.

The Company has presented segment information in its consolidated financial statements. In accordance with paragraph 4 of the Indian Accounting Standard (Ind AS 108) "Operating Segments", no separate disclosures related to segment information are presented in this standalone financial statement.

44. Exceptional item of ₹ 1,000.00 lakhs for the previous year ended March 31,2020 represents charge of one-time compensation ordered by the Supreme Court vide its judgement dated April 1, 2020 in respect of the appeal filed by the Company against the order dated January 8, 2016 passed by the National Green Tribunal (NGT). The Supreme Court has *inter-alia*, set aside the closure of the Company's Active Pharmaceutical Ingredients-Unit at Panoli, Gujarat and ordered deposit of this compensation on the basis of precautionary principle, which has been paid by the Company.

45. DEFERRED TAX

The major components of deferred tax liabilities and assets arising on account of timing differences are as follows:

As at March 31, 2021

(₹ in lakhs)

Particulars	As at April 1, 2020	Recognised in profit or loss	Recognised in other comprehensive income	As at March 31, 2021
Tax effect of item constituting deferred tax liabilities				
i. Property, plant and equipment	3,875.56	(78.76)	–	**3,796.80**
ii. Investments measured at FVTPL	2,533.39	882.40	–	**3,415.79**
	6,408.95	803.64	–	**7,212.59**
Tax effect of item constituting deferred tax assets				
i. Retirement benefits	304.92	(95.42)	420.30	**629.80**
ii. Others	219.45	(13.26)	–	**206.19**
	524.37	(108.68)	420.30	**835.99**
Net deferred tax liability/ (asset)	5,884.58	912.32	(420.30)	**6,376.60**

As at March 31, 2020

(₹ in lakhs)

Particulars	As at April 1, 2019	Recognised in profit or loss	Recognised in other comprehensive income	As at March 31, 2020
Tax effect of item constituting deferred tax liabilities				
i. Property, plant and equipment	5,401.93	(1,526.37)	–	3,875.56
ii. Investments measured at FVTPL	2,231.31	302.08	–	2,533.39
	7,633.24	(1,224.29)	–	6,408.95
Tax effect of item constituting deferred tax assets				
i. Employee benefits	247.05	(112.45)	170.32	304.92
ii. Others	271.07	(51.62)	–	219.45
	518.12	(164.07)	170.32	524.37
Net deferred tax liability/ (asset)	7,115.12	(1,060.22)	(170.32)	5,884.58

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 had not recognized the following deferred tax asset in the Balance Sheet:

(₹ in lakhs)

Financial Year	As at March 31, 2021	Expiry Date	As at March 31, 2020	Expiry Date
2015 – 2016	–	N.A.	84.19	March 31, 2024

46. RELATED PARTY DISCLOSURE

Related party disclosure as required by Ind AS 24, 'Related Party Disclosures', are given below:

Names and Relationships of the Related Parties:

I. Holding Company

Tau Investment Holdings Pte. Ltd. (from November 09, 2020)

II. Subsidiary Companies:

a. OOO Unique Pharmaceutical Laboratories, Russia

b. Unique Pharmaceutical Laboratories FZE, United Arab Emirates

c. Biotech Laboratories (Pty.) Ltd. South Africa (through Unique Pharmaceutical Laboratories FZE)

Other related parties with whom Company has transactions

III. Entities controlled by key management personal (upto August 31, 2020)

a.	Jyotindra Family Trust	g.	Shirish Mody Enterprises LLP
b.	Dinesh Family Trust	h.	Unique Pharmaceutical Laboratories Ltd.
c.	Shirish Family Trust	i.	Namplas Chemicals Pvt. Ltd.
d.	Lekar Pharma Ltd.	j.	Jyotindra Mody Ventures LLP
e.	J.B.Mody Enterprises LLP	k.	D. B. Mody Entreprises LLP
f.	Dinesh Mody Ventures LLP	l.	Shirish Mody Property LLP

IV. Key Management Personnel (KMP):

a. Shri Jyotindra B. Mody (upto July 21, 2020)

b. Shri Shirish B. Mody (upto August 31, 2020)

c. Shri Bharat P. Mehta (upto August 31, 2020)

d. Shri Pranabh D. Mody (upto August 31, 2020)

e. Shri Kamlesh L. Udani (upto August 31, 2020)

f. Shri Nikhil Chopra (from October 05, 2020)

V. Relative of KMP:

a. Shri Nirav S. Mody (upto August 31, 2020)

b. Shri Jay B. Mehta (upto August 31, 2020)

c. D. B. Mody HUF (upto August 31, 2020)

d. S. B. Mody HUF (upto August 31, 2020)

Following transactions were carried out with related parties:

(₹ in lakhs)

	Name of Related Party	Nature of Transaction	2020-21	2019-20
(I)	**Subsidiary Companies:**			
a.	OOO Unique Pharmaceuticals Laboratories	Sale of goods	**6,215.49**	5,806.10
		Outstanding Receivable	**5,014.88**	3,652.16
		Sales Promotion Expenses paid	**2,293.61**	2,843.40
		Destruction Charges paid	**15.30**	N.A
		Outstanding Payable	**399.68**	482.53
b.	Unique Pharmaceutical Laboratories FZE	Guarantee Commission Income	**N.A.**	4.53
c.	Biotech Laboratories (Pty.) Ltd.	Sale of goods	**6,141.17**	4,939.91
		Technical Service Fee	**260.17**	97.76
		Outstanding Receivable	**1,320.19**	2,265.07
(II)	**Entities Controlled by Key Management Personnel:**			
a.	Jyotindra Family Trust	Payment of Rent	**19.62**	37.51
		Security Deposit Receivable	**N.A.**	9.68
b.	Dinesh Family Trust	Payment of Rent	**4.87**	8.35
		Security Deposit Receivable	**N.A.**	3.50
c.	Shirish Family Trust	Payment of Rent	**4.87**	8.35
		Security Deposit Receivable	**N.A.**	3.50
d.	J. B. Mody Enterprises LLP	Payment of Rent	**N.A.**	3.96
		Rent deposit refund	**N.A.**	1.26
e.	Dinesh Mody Ventures LLP	Payment of Rent	**N.A.**	3.96
		Rent deposit refund	**N.A.**	1.26
f.	Shirish Mody Enterprises LLP	Payment of Rent	**N.A.**	3.96
		Rent deposit refund	**N.A.**	1.26
g.	Jyotindra Mody Ventures LLP	Payment of Rent	**174.07**	261.10
		Reimbursement of Expenses	**4.07**	8.81
		Security Deposit Receivable	**N.A**	110.64
h.	D. B. Mody Enterprises LLP	Payment of Rent	**174.07**	261.10
		Security Deposit Receivable	**N.A**	110.64
i.	Shirish Mody Property LLP	Payment of Rent	**174.07**	261.10
		Security Deposit Receivable	**N.A.**	110.64
j.	Unique Pharmaceutical Laboratories Ltd.	Royalty paid	**N.A.**	1,120.02
		Purchase of Trade mark	**N.A.**	896.00

(₹ in lakhs)

	Name of Related Party	Nature of Transaction	2020-21	2019-20
k.	Namplas Chemicals Pvt Ltd	Processing Charges	**N.A.**	22.79
l.	Lekar Pharma Ltd	Sale of goods	**46.35**	155.88
		Purchases of goods	**2,819.19**	6,315.52
		Receipt of Manufacturing Charges	**22.35**	93.37
		Acquisition of business undertaking	**850.00**	N.A.
		Outstanding Payable	**N.A.**	1,252.13
(III)	**Key Management Personnel:**			
a.	Shri Jyotindra B. Mody	Remuneration	**223.93**	600.72
		Contribution to Provident Fund and Superannuation Fund	**23.14**	72.09
		Gratuity*	**578.23**	–
b.	Shri Dinesh B. Mody (upto August 28, 2019)	Remuneration	**N.A.**	262.18
		Contribution to Provident Fund and Superannuation Fund	**N.A.**	28.05
		Gratuity*	**N.A.**	525.66
c.	Shri Shirish B. Mody	Remuneration	**293.30**	600.72
		Contribution to Provident Fund and Superannuation Fund	**31.47**	72.09
		Gratuity*	**578.23**	N.A.
d.	Shri Bharat P. Mehta	Remuneration	**128.64**	272.42
		Contribution to Provident Fund and Superannuation Fund	**15.32**	36.78
		Gratuity*	**320.88**	N.A.
e.	Shri Pranabh D. Mody	Remuneration	**128.64**	272.42
		Contribution to Provident Fund and Superannuation Fund	**15.32**	36.78
		Gratuity*	**216.10**	N.A
f.	Shri Kamlesh L. Udani	Remuneration	**92.17**	180.20
		Contribution to Provident Fund and Superannuation Fund	**10.43**	24.33
		Gratuity**	**182.68**	N.A.
		Outstanding Payable	**198.13**	N.A.
g.	Shri Nikhil Chopra	Remuneration	**145.08**	N.A.
		Retirement benefit Expenses#	**12.64**	N.A.

(₹ in lakhs)

	Name of Related Party	Nature of Transaction	2020-21	2019-20
IV	**Relative of Key Management Personnel:**			
a.	Shri Nirav S. Mody	Remuneration	**83.88**	172.24
		Contribution to Provident Fund and Superannuation Fund	**9.99**	23.25
		Gratuity*	**68.32**	N.A.
b.	Shri Jay B. Mehta	Remuneration	**83.88**	172.24
		Contribution to Provident Fund and Superannuation Fund	**9.99**	23.25
		Gratuity*	**68.32**	N.A.
c.	D. B. Mody – HUF	Payment of Rent	**14.75**	29.16
		Outstanding Payable	**N.A.**	2.22
		Security Deposit Receivable	**N.A.**	6.18
d.	S. B. Mody – HUF	Payment of Rent	**14.75**	29.16
		Security Deposit Receivable	**N.A.**	6.18

* Paid through Gratuity Trust
** Paid through Gratuity Trust in April 2021.
# Excludes provision for compensated leave and gratuity as both liabilities are provided on overall company basis and not identified separately in actuarial valuation.

Note: Figures are inclusive of GST where ever applicable.

47. EARNINGS PER SHARE

Particulars	2020-21	2019-20
Net Profit attributable to Equity Shareholders (₹in lakhs)	**44,708.48**	26,814.40
Weighted Average No. of Equity shares (Nos)		
Basic	**77,282,097**	79,556,692
Diluted	**77,282,097**	79,556,692
Nominal value of equity shares (₹)	**2.00**	2.00
Earnings per share (₹)		
Basic	**57.85**	33.70
Diluted	**57.85**	33.70

48. The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied this Standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognized on the date of initial application, that is, April 1, 2019.

On initial application, the Company measure lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application, and measure that right-of-use asset an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application. This had resulted in recognizing a right-of-use (ROU) assets of ₹ 1,339.12 lakhs and lease liability of ₹ 1,301.10 lakhs as at April 1, 2019.

The effect of this adoption was not significant on the profit and loss and on earning per share for the year ended March 31, 2020.

A) Following are the changes in the carrying amount of Right-of-Use Assets.

(₹ in lakhs)

Particulars	2020 -21	2019 -20	2020 -21	2019 -20
	Leasehold Land		Other Buildings	
Gross Block as at beginning of the year	**1,077.88**	–	**1,322.27**	–
On Transition to Ind AS 116	**–**	1,081.64	**–**	1,339.12
Additions	**292.75**	–	**1,670.82**	–
Deletion	**(11.68)**	(3.76)	**(1,274.42)**	(16.85)
Balance as at the end of the year (A)	**1,358.95**	1,077.88	**1,718.67**	1,322.27
Cumulative Depreciation as at the beginning of the year	**123.45**	112.80	**(772.10)**	–
Depreciation for the year	**12.26**	11.74	**(741.71)**	(782.95)
Depreciation on deletion	**5.78**	1.09	**1,020.28**	10.85
Cumulative Depreciation as at the end of the year (B)	**129.93**	123.45	**(493.53)**	(772.10)
Balance as at the end of the year A-B	**1,229.02**	954.43	**1,225.14**	550.17

B) The following is the movement in Lease Liabilities during the year

(₹ in lakhs)

Particulars	2020 -21	2019 -20
Other Buildings		
Balance as at beginning of the year	**554.76**	–
On Transition to Ind AS 116	**–**	1,301.10
Additions during the year	**1,631.59**	–
Finance Cost incurred during the year	**57.46**	70.92
Deletion on Cancellation of lease	**(261.33)**	6.17
Payment of lease liabilities	**(763.95)**	811.09
Balance as at end of the year	**1,218.53**	554.76

The table below provides details regarding the contractual maturities of lease liabilities as at year end on an undiscounted basis: (₹ in lakhs)

Particulars	2020 -21	2019 -20
Due within one year	**755.19**	464.82
Due within one year to five years	**544.96**	122.99
Total undiscounted Lease Liabilities	**1,300.15**	587.81
Lease Liabilities included in the Statement of Financial Position		–
Non-current Liabilities	**514.14**	109.37
Current Liabilities	**704.38**	445.39
Total	**1,218.52**	554.76

The Company does not face a liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

C) The following amounts are recognized in the Statement of Profit and Loss:

(₹ in lakhs)

Particulars	2020 -21	2019 -20
Interest Expenses on Financial Liabilities	**57.46**	70.92
Depreciation	**753.97**	794.69
Expenses relating to Short Term Lease	**30.84**	22.33
Expenses relating to Leases of Low Value Assets	**9.23**	10.96

D) The following amounts are recognized in the Statements of Cash Flows:

(₹ in lakhs)

Particulars	2020 -21	2019 -20
Total Cash Outflows for leases	**763.95**	811.09

49. CSR EXPENDITURE

Gross amount required to be spent during the year ₹ 509.35 lakhs (previous year ₹ 442.36 lakhs).

Amount spent during the year ₹ 516.75 lakhs (previous year ₹ 442.47 lakhs) as detailed hereunder:

(₹ in lakhs)

Nature of activity	2020 -21	2019 -20
Disaster Management	**344.23**	–
Promoting Healthcare including preventive healthcare	**149.40**	412.40
Promotion of Education	**23.12**	30.07

50. 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, evaluates and analyses the risks to which company is exposed to and set appropriate mitigation measures and controls to monitor such risk.

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 schemes issued by the mutual funds wherein the fund manager invests asset under management in highly rated instruments 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 mostly non-interest bearing. Trade receivables generally ranges from 30 - days to 180- days credit term. Credit limits are established for customers based on internal criteria and any deviation in credit limit require approval of Head of the department 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.

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. Of the trade receivables balance at the end of the year, ₹ 6,335.07 lakhs (March 31, 2020: ₹ 5,917.23 lakhs) is due from 2 related parties and ₹ 6,284.42 lakhs (March 31, 2020: ₹ 3,134.85 lakhs) is due from a single counter party which is in excess of 10% of total trade receivables.

For trade receivables, as a practical expedient, the Company determines 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, 2021	As at March 31, 2020
Expected credit loss as at the beginning of the year	**314.00**	314.00
Changes during the current year	**–**	–
Expected credit loss as at the end of the year	**314.00**	314.00

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 manageable 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.

Exposure to Liquidity Risk

The following are the remaining contractual maturities of undiscounted financial liabilities at the reporting date.

(₹ in lakhs)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Less than 1 Year	More than 1 Year	Total	Less than 1 Year	More than 1 Year	Total
Non-Derivatives						
Borrowings	**2,643.28**	–	2,643.28	2,949.36	–	2,949.36
Trade Payable	**16,401.96**	–	16,401.96	15,187.99	–	15,187.99
Other Financial Liabilities	**7,318.62**	**544.96**	7,863.58	6,764.89	122.99	6,887.88
Derivatives						
Forward Contract	–	–	–	389.69	–	389.69

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 conditions. 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. The Company has not used any interest rate derivatives.

The Company's interest-bearing financial instruments mainly includes:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Bank Overdraft	–	325.60
Export Packing Credit in Rupees	**2,000.00**	2,000.00
Export Packing Credit in Foreign Currency	**643.28**	623.76
Total	**2,643.28**	2,949.36

The Company has insignificant interest-bearing financial instruments as referred above and hence the exposure to risk of changes in market interest rates is very low.

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, RUBLE and AED. 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, RUBLE and AED, 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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD	**1,747.72**	1,402.68	19,908.84	15,300.82
EURO	**1,088.28**	815.34	4,557.28	3,867.53
RUB	**399.68**	482.53	5,016.20	3,652.16
AED	**422.35**	475.06	1,518.24	1,336.48
AUD	**32.14**	230.26	28.09	1,399.00
GBP	**–**	–	104.49	–
UAH	**–**	–	1.15	3.49

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, 2021		As at March 31, 2020	
	Foreign Currency (in Mn.)	₹ in lakhs*	Foreign Currency (in Mn.)	₹ in lakhs*
Forward contract to sell USD	**23.75**	**17,363.63**	21.72	16,392.84
Forward contract to sell Euro	**4.25**	**3,645.86**	3.92	3260.18
Forward contract to sell Ruble	**278.65**	**2,695.41**	292.00	2,771.37

*Translated at year end exchange rates.

Details of Unhedged exposure in foreign currency denominated monetary items:

Currency	As at March 31, 2021		As at March 31, 2020	
	Foreign Currency (in Mn.)	₹ in lakhs*	Foreign Currency (in Mn.)	₹ in lakhs*
RECEIVABLE:				
USD	**3.48**	**2,545.21**	–	–
EURO	**1.06**	**911.43**	0.73	607.35
RUBLE	**239.92**	**2,320.79**	92.80	880.78
AED	**7.63**	**1,518.24**	6.50	1,336.48
AUD	**0.05**	**28.09**	3.00	1,399.00
GBP	**0.10**	**104.49**	–	–
UAH	**0.04**	**1.15**	0.13	3.49

Currency	As at March 31, 2021		As at March 31, 2020	
PAYABLE:				
USD	**2.39**	**1,747.72**	1.86	1,402.68
EURO	**1.27**	**1,088.28**	0.98	815.34
RUBLE	**41.32**	**399.68**	50.84	482.53
AED	**2.12**	**422.35**	2.31	475.06
AUD	**0.06**	**32.14**	0.50	230.26

The company is mainly exposed to changes in USD, EURO, RUBLE and AED. The below table demonstrates the sensitivity to a 1% increase or decrease in the USD, EURO, RUBLE and AED 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.

A positive number below indicates an increase in profit and other equity and a negative number would indicate a corresponding decrease.

Particulars	Currency	As at March 31, 2021	As at March 31, 2020
1% Depreciation in INR	USD	**7.97**	(24.95)
1% Appreciation in INR	USD	**(7.97)**	24.95
1% Depreciation in INR	EURO	**(1.77)**	0.66
1% Appreciation in INR	EURO	**1.77**	(0.66)
1% Depreciation in INR	RUB	**19.21**	3.98
1% Appreciation in INR	RUB	**(19.21)**	(3.98)
1% Depreciation in INR	AED	**10.90**	8.61
1% Appreciation in INR	AED	**(10.90)**	(8.61)

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.

51. 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 of 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, 2021 and March 31, 2020.

52. 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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial Assets at amortized cost (non-current)				
Loans	**518.75**	252.92	**518.75**	252.92
Other financial assets	**18.53**	13.23	**18.53**	13.23
Financial Assets at amortized cost (current)				
Trade receivables	**37,410.81**	34,423.91	**37,410.81**	34,423.91
Cash and bank balance	**2,642.91**	1,156.29	**2,642.91**	1,156.29
Loans	**164.77**	482.30	**164.77**	482.30
Other financial assets	**385.36**	641.27	**385.36**	641.27
Financial liabilities at amortized cost (non-current)				
Lease Liability	**514.14**	109.37	**514.14**	109.37
Financial liabilities at amortized cost (current)				
Borrowings	**2,643.28**	2,949.36	**2,643.28**	2,949.36
Trade payables	**16,401.96**	15,187.99	**16,401.96**	15,187.99
Others	**7,267.81**	6,742.94	**7,267.81**	6,742.94
Financial Assets at Fair value through profit & loss (non-current)				
Investments in units of mutual funds and in equity instruments of entities other than subsidiaries	**1,290.87**	6,945.45	**1,290.87**	6,945.45
Financial Assets at Fair value through profit & loss (current)				
Investments in units of mutual funds	**66,497.48**	33,381.26	**66,497.48**	33,381.26
Forward contract	**466.62**	–	**466.62**	–
Financial Liabilities at Fair value through profit & loss (current)				
Forward contract	**–**	389.69	**–**	389.69

B. Level-wise disclosures of financial assets and liabilities by categories are as follows

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	Level	Valuation techniques and key inputs
Financial Assets at amortized cost (non-current)				
Security Deposits	**463.85**	236.55	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	–	5,656.98	1	Quoted NAV in active markets.
Investment in Equity shares	**1,290.87**	1,288.47	3	Value based on the NAV as per latest audited financial statement available which in view of the Management fairly represents fair value.
Financial Assets at amortized cost (current)				
Deposit for premises	–	347.13	3	Discounted cash flow method using interest rate for similar financial instrument.
Financial Assets at Fair value through profit & loss (current)				
Investment in Mutual Fund	66,497.48	33,381.26	1	Quoted NAV in active markets.
Forward contract	466.62	–	2	Forward contracts are valued using available information from the banks.
Financial Liabilities at Fair value through profit & loss (current)				
Forward contract	–	389.69	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, 2020.

During the reporting period ended March 31, 2021 and March 31, 2020, 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	2020 -21	2019 -20
Investment in Equity shares		
Opening Balance	**1,288.47**	1,203.47
Fair value changes recognised in profit or loss	**2.40**	85.00
Closing Balance	**1,290.87**	1,288.47

One percentage point change in the unobservable inputs used in fair valuation of level 3 assets or liabilities does not have significant impact in its value.

53. Based on the pronouncements by the professional bodies and general accounting practice followed by the industry, the Company has during the year reclassified the following items of financial statements.

Items of financial statements reclassified	Amount as at and for the year ended March 31, 2020	Earlier classified as	Now reclassified as
Other Security Deposits	224.82	Non-current Assets - Others	Non-current Financial Assets – Loans
Other Security Deposits- Credit Impaired	75.65	Non-current Assets - Others	Non-current Financial Assets – Loans
Less: Loss allowance	(75.65)	Non-current Assets - Others	Non-current Financial Assets – Loans
Other Security Deposit	80.42	Other current Assets	Current Financial Assets - Loans
Other Receivables	122.05	Current Financial Assets - Others	Other Current Assets
Outstanding Liability for Expenses	4,270.35	Current Financial Liabilities-Others	Current Financial Liabilities - Trade payables
Statutory Remittances	259.63	Current Financial Liabilities - Trade payables	Other Current Liabilities
Statutory Remittances	3.87	Current Financial Liabilities-Others	Other Current Liabilities
Deposit from Distributors	254.25	Current Financial Liabilities - Borrowings	Current Financial Liabilities-Others

54. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors have recommended a final dividend of ₹ 8 per fully paid up equity shares of ₹ 2/- each amounting to ₹ 6,182.57 lakhs for the financial year 2020-21, which is based on relevant share capital as on March 31, 2021. The actual dividend amount will be dependent on the relevant share capital outstanding as on record date / book closure. The recommended dividend is subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.

55. Based on the internal and external information available up to the date of approval of these financial statements by the Board of Directors, the Company continues to believe that the impact of Covid-19 on its business, assets, internal financial controls, profitability and liquidity, both present and future, would be limited and there is no indication of any material impact on the carrying amounts of inventories, tangible and intangible assets, investments, trade receivables and other financial assets. However, concerns of Covid-19 pandemic still continue as availability of vaccine on mass scale may take time and hence, the Company continues to follow necessary safety guidelines. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements and the management will continue to closely monitor the changes to economic conditions in future and its impact on the Company.

For and on behalf of the Board of Directors

Nikhil Chopra
Chief Executive Officer &
Whole-Time Director
DIN: 07220097

Prashant Kumar
Director
DIN: 08342577

Vijay D. Bhatt
Chief Financial Officer

M. C. Mehta
Company Secretary
ACS: 8854

Place : Mumbai
Date : June 14, 2021

Passion WITH A PURPOSE

128-183

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of J. B. Chemicals & Pharmaceuticals Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 ethical 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 obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 this matter.

We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Auditor's Response
Revenue recognition – Sale of products [Note 31 to the consolidated financial statements] Parent being a listed entity, revenue is one of the critical component of the financial statements considered by the stakeholders. There may be pressures to meet the expectations that may result in recording revenues for sales for which the revenue recognition criteria may not have been met by the year end. We have therefore specifically focused on the said risk and have considered this to be a key audit matter in so far as it relates to the Parent.	Assessed the appropriateness of the Parent's revenue recognition policy by mapping them with the applicable accounting standards. Performed a walkthrough of the revenue business cycle to obtain an understanding of the relevant risks and controls around the timing of revenue recognition. Tested the design, implementation and operating effectiveness of the relevant controls. From the revenue recorded towards the year end, we tested transactions on a sample basis by, agreeing the recorded balances with the invoices, purchase orders, delivery documents/other documents evidencing transfer of control. On a test check, we reviewed the contracts / purchase orders, as applicable, to assess the terms of sale and ensured that they were recorded in the accounting period in which the control in the goods was transferred to the customer and other revenue recognition criteria as specified unde Ind AS 115 'Revenue from contracts with customers' were met. We sought confirmations from customers on a test check basis and performed other alternate procedures, where applicable, to support the assertion that revenue has been recognised in the correct period. We made enquiries of the management and obtained written representations as to whether there exist any side agreements or unusual arrangements which may impact revenue recognition. We also test checked subsequent sales returns to determine whether the initial recognition of revenue was appropriate.

Information Other Than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, Corporate Governance report and the Business Responsibility report, but does not include the consolidated financial statements, the standalone 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, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.

- If, based on the work we have performed, 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.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity 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 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities 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 are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent 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 the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 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.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.For the other entities included in the consolidated financial statements, which have been audited by the 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions 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 Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matter

We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of 26,741.24 Lakhs as at March 31, 2021, total revenues of 29,944.29 Lakhs and net cash outflows amounting to 1,496.26 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements 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 subsection (3) 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.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matter section above we report, to the extent applicable that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity 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.

   (e) On the basis of the written representations received from the directors of the Parent as on March 31, 2021 taken on record by the Board of Directors of the Parent, none of the directors of the Parent is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in the Annexure, which is based on the auditor's report of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's internal financial controls over financial reporting.

   (g) 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 Parent to its directors during the year is in accordance with the provisions of Section 197 of the Act.

   (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, 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.

      ii. The Group did not have any material foreseeable losses on long- term contracts including derivative contracts.

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

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh K. Hiranandani
Partner
(Membership No.36920)
(UDIN: 21036920AAAABY6646)

Place : Mumbai
Date : June 14, 2021

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of J.B. Chemicals & Pharmaceuticals Limited on the consolidated financial statements for the year ended March 31, 2021]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of J.B. Chemicals & Pharmaceuticals Limited (hereinafter referred to as "the Parent"), as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Parent'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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 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 Parent'sinternal 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 accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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, to the best of our information and according to the explanations given to us, the Parent, 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, 2021, based on the internal control over financial reporting criteria established by the Parent 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 DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh K. Hiranandani
Partner
(Membership No.36920)
(UDIN: 21036920AAAABY6646)

Place : Mumbai
Date : June 14, 2021

CONSOLIDATED BALANCE SHEET

As at March 31, 2021

(₹ in lakhs)

	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
	ASSETS			
(I)	**Non-current assets**			
	(a) Property, Plant and Equipment	5	**54,408.82**	56,802.98
	(b) Capital work-in-progress		**2,556.68**	1,616.69
	(c) Goodwill	39	**5,745.92**	5,314.00
	(d) Other Intangible assets	6	**3,210.52**	3,009.24
	(e) Financial Assets			
	(i) Investments	7	**1,290.87**	6,945.45
	(ii) Loans	8	**518.75**	252.92
	(iii) Other financial assets	9	**18.53**	13.23
	(f) Deferred tax assets	23A	**694.3**	657.79
	(g) Other non-current assets	10	**106.89**	128.76
	Total non-current assets		**68,551.28**	74,741.06
(II)	**Current assets**			
	(a) Inventories	11	**34,744.68**	27,466.97
	(b) Financial Assets			
	(i) Investments	12	**66,497.48**	33,381.26
	(ii) Trade receivables	13	**38,901.91**	34,542.62
	(iii) Cash and cash equivalents	14	**2,868.55**	2,900.79
	(iv) Bank balances other than (iii) above	14	**216.62**	194.02
	(v) Loans	15	**192.96**	501.85
	(vi) Other financial assets	16	**851.98**	641.27
	(c) Current Tax Assets (Net)	17	**1,703.78**	1,564.00
	(d) Other current assets	18	**9,282.28**	6,122.31
	Total current assets		**155,260.24**	107,315.09
	TOTAL ASSETS		**223,811.52**	182,056.15
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share capital	19	**1,545.64**	1,545.64
	(b) Other Equity	20	**179,426.84**	142,003.29
	Equity attributable to equity holders of the Parent		**180,972.48**	143,548.93
	(c) Non-controlling interest		**370.51**	250.1
	Total Equity		**181,342.99**	143,799.03
	Liabilities			
(I)	**Non-current liabilities**			
	(a) Financial Liabilities			
	Other financial liabilities	21	**514.14**	122.92
	(b) Provisions	22	**1,257.14**	738.68
	(c) Deferred tax liabilities (Net)	23B	**5,676.66**	5,471.83
	(d) Other non-current liabilities	24	**493.22**	596.84
	Total non-current Liabilities		**7,941.16**	6,930.27
(II)	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	25	**3,264.46**	2,949.36
	(ii) Trade payables	26		
	A) Dues to Micro and Small Enterprises		**1,309.55**	1,004.02
	B) Dues to Other than Micro and Small Enterprises		**17,382.79**	15,792.54
	(iii) Other financial liabilities	27	**7,561.50**	7,302.91
	(b) Other current liabilities	28	**1,420.92**	2,964.59
	(c) Provisions	29	**2,797.96**	711.38
	(d) Current Tax Liabilities (Net)	30	**790.19**	602.05
	Total Current Liabilities		**34,527.37**	31,326.85
	TOTAL EQUITY AND LIABILITIES		**223,811.52**	182,056.15

See accompanying notes to the Consolidated financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rajesh K. Hiranandani
Partner

Place : Mumbai
Date : June 14, 2021

For and on behalf of the Board of Directors

Nikhil Chopra
Chief Executive Officer & Whole-Time Director
DIN - 07220097

Prashant Kumar
Director
DIN - 08342577

Vijay D. Bhatt
Chief Financial Officer

M. C. Mehta
Company Secretary
ACS No. 8854

Place : Mumbai
Date : June 14, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2021

(₹ in lakhs)

	Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2021
	INCOME			
I	**Revenue From Operations**	31	**204,252.15**	177,472.91
II	Other Income	32	**11,238.32**	5,066.99
III	**Total Income (I+II)**		**215,490.47**	182,539.90
IV	**EXPENSES**			
	Cost of materials consumed	33A	**54,238.96**	45,248.04
	Purchases of stock-in-trade		**20,036.65**	18,230.77
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	33B	**(4,125.71)**	(399.27)
	Employee benefits expense	34	**34,060.09**	32,291.67
	Finance costs	35	**724.12**	302.96
	Depreciation and amortization expense	5 & 6	**6,866.55**	6,632.23
	Other expenses	36	**44,001.27**	44,344.27
	Total expenses		**155,801.93**	146,650.67
V	Profit before exceptional item and tax (III-IV)		**59,688.54**	35,889.23
VI	Exceptional Item	42	**–**	1,000.00
VII	**Profit before Tax (V-VI)**		**59,688.54**	34,889.23
VIII	**Tax expense:**	30		
	Current tax		**14,220.33**	8,469.36
	Deferred tax		**615.92**	(789.36)
	Reversal of excess current tax relating to earlier years		**(0.01)**	(29.98)
	Total Tax expense		**14,836.24**	7,650.02
IX	**Profit for the year (VII-VIII)**		**44,852.30**	27,239.21
X	**Other Comprehensive Income**			
	A] Items that will not be reclassified to profit or loss			
	Re-measurement of defined benefit plan		**(1,669.97)**	(676.74)
	Income tax on above		**420.30**	170.32
	B] Items that will be reclassified to profit or loss			
	Foreign currency translation reserve		**1,283.13**	(991.19)
	Total other comprehensive income		**33.46**	(1,497.61)
XI	**Total Comprehensive Income for the year (IX+X)**		**44,885.76**	25,741.60
	Profit for the year attributable to			
	- owners of the company		**44,796.36**	27,204.71
	- non-controlling interest		**55.94**	34.50
	Other comprehensive income for the year attributable to			
	- owners of the company		**(31.01)**	(1,432.88)
	- non-controlling interest		**64.47**	(64.73)
	Total comprehensive income for the year attributable to			
	- owners of the company		**44,765.35**	25,771.83
	- non-controlling interest		**120.41**	(30.23)
XII	**Earnings per equity share**	45		
	Basic		**57.96**	34.20
	Diluted		**57.96**	34.20

See accompanying notes to the Consolidated financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rajesh K. Hiranandani
Partner

Place : Mumbai
Date : June 14, 2021

For and on behalf of the Board of Directors

Nikhil Chopra
Chief Executive Officer & Whole-Time Director
DIN - 07220097

Prashant Kumar
Director
DIN - 08342577

Vijay D. Bhatt
Chief Financial Officer

M. C. Mehta
Company Secretary
ACS No. 8854

Place : Mumbai
Date : June 14, 2021

CONSOLIDATED CASH FLOW STATEMENT

For the year ended March 31, 2021

(₹ in lakhs)

Particulars	Year Ended March 31, 2021		Year Ended March 31, 2020	
A. Cash Flow from Operating Activities				
Net Profit before Tax		**59,688.54**		34,889.23
Adjustments For:				
Depreciation and amortisation expense	**6,866.55**		6,632.23	
Unrealised Foreign Exchange Fluctuation (Net)	**284.84**		(633.04)	
Interest expense	**694.29**		268.91	
Profit/loss on disposal/discard of Property, Plant and Equipment (Net)	**(1,875.01)**		(178.75)	
Profit on sale of Investments measured at FVTPL	**(1,000.81)**		(2,501.30)	
Profit on sale of product registration along with its marketing authorization and trademark	**(3,368.66)**		–	
Net Gain on investments measured at FVTPL	**(4,054.22)**		(1,298.40)	
Interest income	**(177.40)**		(262.10)	
Dividend income	**(0.50)**		(148.04)	
Government Grant	**(165.66)**		(91.14)	
Re-measurements of defined benefit plan	**(1,669.97)**		(676.74)	
Excess provision written back	**(223.09)**		(416.48)	
Discontinuance of Lease Assets	**(7.19)**		–	
Expected credit loss allowance and bad debts written off	**79.64**		100.34	
		(4,617.19)		795.49
Operating Profit Before Working Capital Changes		**55,071.35**		35,684.72
Adjustments For:				
Trade and other receivables	**(7,059.87)**		(1,149.54)	
Inventories	**(7,008.57)**		(3,091.20)	
Trade, other payables and provisions	**4,647.54**		5,210.64	
		(9,420.90)		969.90
Cash Generated From Operations		**45,650.45**		36,654.62
Direct Taxes Paid (net)		**(14,171.96)**		(9,079.94)
Net Cash from Operating Activities		**31,478.49**		27,574.68
B. Cash Flow from Investing Activities				
Payments for purchase of Property, plant and equipment	**(4,777.30)**		(7,296.77)	
Proceeds from disposal of Property, plant and equipment	**2,682.18**		246.73	
Balance proceeds from sale of product registration along with its marketing authorization and trademark	**2,156.75**		–	
Payment for acquisition of a business undertaking on slump sale basis	**(850.00)**		–	
Payments for purchases of Investments	**(54,097.97)**		(38,267.56)	
Proceeds from Sale of Investments	**31,691.35**		47,393.12	
Increase in other bank balances (Net)	**(22.60)**		(53.99)	
Interest Received	**149.51**		223.20	

(₹ in lakhs)

Particulars	Year Ended March 31, 2021		Year Ended March 31, 2020	
Dividend Received	**0.50**		148.04	
Net Cash (used in) / from Investing Activities		**(23,067.58)**		2,392.77
C. Cash Flow from Financing Activities				
Payments for buy-back of equity shares	**–**		(16,081.90)	
Proceeds from short-term borrowings (Net)	**32.23**		631.40	
Interest Paid	**(634.88)**		(186.50)	
Dividend Paid (Including Dividend Distribution Tax, in previous year)	**(7,324.03)**		(14,100.31)	
Lease Rent payments	**(815.60)**		(867.82)	
Net Cash Used in Financing Activities		**(8,742.28)**		(30,605.13)
Net Increase / (decrease) in Cash and Cash Equivalents		**(331.37)**		(637.68)
Cash and Cash Equivalents as at the beginning of the year*	**2,575.19**		3,214.16	
Exchange differences on restatement of foreign currency cash and cash equivalents	**3.55**		(1.29)	
Cash and Cash Equivalents as at the end of the year*	**2,247.37**	**(331.37)**	2,575.19	(637.68)

***Cash and Cash Equivalents comprises the following**

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31,2020
Balances with banks	2,273.99	2,862.31
Cheques on hand	243.16	9.95
Cash on hand	12.84	22.82
Fixed Deposits with maturity of less than 3 months	338.56	5.71
	2,868.55	2,900.79
Less : Bank Overdraft	621.18	325.60
Cash and Cash Equivalents	**2,247.37**	**2,575.19**

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 Deloitte Haskins & Sells LLP
Chartered Accountants

Rajesh K. Hiranandani
Partner

Place : Mumbai
Date : June 14, 2021

For and on behalf of the Board of Directors

Nikhil Chopra
Chief Executive Officer & Whole-Time Director
DIN - 07220097

Prashant Kumar
Director
DIN - 08342577

Vijay D. Bhatt
Chief Financial Officer

M. C. Mehta
Company Secretary
ACS No. 8854

Place : Mumbai
Date : June 14, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the reporting period	1,545.64	1,604.73
Changes in equity share capital during the year		
Buy-back of equity shares	–	59.09
Balance at the end of the reporting period	**1,545.64**	**1,545.64**

(₹ in lakhs)

Particulars	Attributable to equity holders of the Parent									Non-controlling interest	Total Other Equity
	Reserves and Surplus								Item of OCI		
	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, 2019	34.86	63.53	4.21	2,020.00	5,076.82	91.67	29,124.47	109,729.41	262.54	280.33	146,687.84
Profit for the year	–	–	–	–	–	–	–	27,204.71	–	34.50	27,239.21
Other comprehensive income for the year: Re-measurement of the defined benefit plan (net of deferred tax)	–	–	–	–	–	–	–	(506.42)	–	–	(506.42)
Foreign currency translation reserve	–	–	–	–	–	–	–	–	(926.46)	(64.73)	(991.19)
Total comprehensive income for the year	–	–	–	–	–	–	–	26,698.29	(926.46)	(30.23)	25,741.60
Dividend including Dividend Distribution Tax	–	–	–	–	–	–	–	(14,153.24)	–	–	(14,153.24)
Transfer to Capital Redemption Reserve on buy-back of equity shares	–	–	–	–	–	–	(59.09)	–	–	–	(59.09)
Transfer from General Reserve on buy-back of equity shares	–	–	–	–	–	59.09	–	–	–	–	59.09
Buy-back of equity shares (including expenses)	–	–	–	–	–	–	(16,022.81)	–	–	–	(16,022.81)
Balance as on March 31, 2020	**34.86**	**63.53**	**4.21**	**2,020.00**	**5,076.82**	**150.76**	**13,042.57**	**122,274.46**	**(663.92)**	**250.10**	**142,253.39**

(₹ in lakhs)

Particulars	Attributable to equity holders of the Parent									Non-controlling interest	Total Other Equity
	Reserves and Surplus								Item of OCI		
	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		
Profit for the year	–	–	–	–	–	–	–	44,796.36	–	55.94	44,852.30
Other comprehensive income for the year: Re-measurement of the defined benefit plan (net of deferred tax)	–	–	–	–	–	–	–	(1,249.67)	–	–	(1,249.67)
Foreign currency translation reserve	–	–	–	–	–	–	–	–	1,218.66	64.47	1,283.13
Total comprehensive income for the year	–	–	–	–	–	–	–	43,546.69	1,218.66	120.41	44,885.76
Dividend	–	–	–	–	–	–	–	(7,341.80)	–	–	(7,341.80)
Balance as on March 31, 2021	**34.86**	**63.53**	**4.21**	**2,020.00**	**5,076.82**	**150.76**	**13,042.57**	**158,479.35**	**554.74**	**370.51**	**179,797.35**

See accompanying notes to the Consolidated financial statements

As per our report of even date

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rajesh K. Hiranandani
Partner

Nikhil Chopra
Chief Executive Officer &
Whole-Time Director
DIN - 07220097

Prashant Kumar
Director
DIN - 08342577

Vijay D. Bhatt
Chief Financial Officer

M. C. Mehta
Company Secretary
ACS No. 8854

Place : Mumbai
Date : June 14, 2021

Place : Mumbai
Date : June 14, 2021

1. GENERAL INFORMATION

J. B. Chemicals & Pharmaceuticals Limited (the Holding Company) is a public limited company incorporated in India (CIN no. 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, 2021 were approved for the issue by the Board of Directors vide their resolution dated June 14, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation:

These financial statements 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 as amended 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 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 there from 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.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign currency translation reserve (attributed to non-controlling interests as appropriate).

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, 2021.

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.

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 the consolidated Financial Statements. The asset is classified 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.

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 control of the goods is transferred to a customer and 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 (including provision thereof made during the year on the basis of historical experience, future expectation of sales return/claims) 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

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

Revenue from export incentives is recognized In terms of accounting policy referred as below

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

d) Other Income

Other income mainly comprises of interest income, dividend from investments, profits from redemption of investments and fair value changes on the investments which are held at 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 interest rate applicable, which is the rate that discounts the estimated future cash receipts through the expected life of the financial asset to that asset's carrying amount on initial recognition.

Dividend income from investment is recognized when the 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 into functional currency 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). Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

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 Laboratories 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.

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.

2.10 Property, Plant and Equipment

Freehold Land is stated at historical cost and is not depreciated.

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.

Estimated useful lives of key items of property, plant and equipment are as follows:

Category	Useful Life
Leasehold Land	Lower of lease term or useful life
Buildings	30 to 60 years
Plant and Machinery	10 to 20 years
Furniture and Fixtures	10 years
Vehicles	8 to 10 years
Office equipment	3 to 6 years
Air conditioners	15 years

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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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 accumulated amortization and accumulated impairment losses, if any. 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 representing acquired software, are amortized on a straight line basis over a period of 3 years. The useful lives of all other intangible assets 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.

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 Business Combinations and Goodwill:

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred at acquisition date fair value.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values.

Goodwill is initially measured at the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. After initial recognition, Goodwill is not amortised. Goodwill is accordingly recognised at original value less any accumulated impairment.

A cash generating unit to which Goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any Goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for Goodwill is recognised in Statement of profit and loss. An impairment loss recognised for Goodwill is not reversed in subsequent periods.

2.13 Borrowing Costs:

Borrowing Costs directly attributed to the acquisition, construction or production of qualifying assets are capitalized as a part of the cost of asset up to the date the asset is substantially ready for its intended use. Other Borrowing Costs are charged to the statement of profit and loss account in the year in which they are incurred.

2.14 Impairment Tangible and Intangible Assets Other Than Goodwill:

The Group assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets (other than Goodwill as stated above) 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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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.

2.15 Inventories:

Inventories are stated at the lower of cost or net realizable value. Cost is determined on the basis of Moving Average method. Cost includes expenditures incurred in acquiring the inventories and other related costs incurred in bringing them to their existing location. In case of manufactured finished goods, cost includes appropriate share of overheads based on normal operating capacity.

2.16 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.

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 and contingent assets are reviewed at each balance sheet date.

2.17 Lease:

The Group's leased assets consist of leases for Buildings. At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and (iii) the Group has the right to direct the use of the asset.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-Term Leases and Leases Of Low-Value Assets:

The Group has elected not to recognize right-to-use assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an operating expense as per the terms of the lease.

2.18 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. Trade receivable that do not contain a significant financing component are measured at transaction price.

Subsequent Measurement:

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

Financial Assets 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.

Debt Instruments 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. The Group does not have any financial asset under this category.

Debt Instruments and Derivatives 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 Profit or Loss.

Other Equity Investments:

All other equity investments are measured at fair value, with fair 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.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that 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.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

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 is recognized in the consolidated Profit or Loss.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows.

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 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.

2.20 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 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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Group from April 1, 2021.

4. KEY ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires the management to make judgments, 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 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 Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life 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. Further, the useful lives of intangible assets that are not being amortised are reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for those assets.

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 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 judgment 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.

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. Judgment 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.

j) Allowances for Inventories:

Management reviews the inventory age listing on a periodic basis. The purpose is to compare the carrying value of the aged inventory items with the respective net realizable value and also to identify obsolete and slow-moving items, so as to make adequate allowances for the same. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the consolidated financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	Gross Block					Accumulated Depreciation					Net Block	
	As at April 01 2020	Additions	Disposals	Foreign currency translation reserve	As at March 31 2021	As at April 01 2020	Depreciation charge for the year	On disposals	Foreign currency translation reserve	As at March 31 2021	As at March 31 2021	As at March 31 2020
Land (Freehold)	57.16	–	–	–	**57.16**	–	–	–	–	–	**57.16**	57.16
Right of use asset-Land (Leasehold) (Note 2)	1,077.88	292.75	11.68	–	**1,358.95**	123.45	12.26	5.78	–	**129.93**	**1,229.02**	954.43
Factory Buildings	21,404.54	54.72	181.79	–	**21,277.47**	6,194.20	652.89	139.01	–	**6,708.08**	**14,569.39**	15,210.34
Other Buildings (Note 1)	5,746.09	–	64.04	–	**5,682.05**	578.00	93.16	27.96	–	**643.20**	**5,038.85**	5,168.09
Plant & Equipment	60,411.58	2,624.44	2,825.13	–	**60,210.89**	34,942.84	3,914.81	2,719.06	–	**36,138.59**	**24,072.30**	25,468.74
Furniture & Fixtures	3,921.36	96.28	60.83	18.33	**3,975.14**	1,858.65	285.18	58.65	14.40	**2,099.58**	**1,875.56**	2,062.71
Vehicles	1,930.51	38.87	1,023.24	7.64	**953.78**	838.61	184.71	452.06	4.89	**576.15**	**377.63**	1,091.90
Office Equipment	4,471.48	618.46	172.08	1.12	**4,918.98**	3,186.24	462.88	164.88	(1.70)	**3,482.54**	**1,436.44**	1,285.24
Air Conditioners	7,921.94	56.63	32.77	–	**7,945.80**	3,025.93	434.73	28.59	–	**3,432.07**	**4,513.73**	4,896.01
Right of Use Asset-Other Buildings (Note 2)	1,427.00	1,670.82	1,274.42	17.53	**1,840.93**	818.65	792.12	1,020.28	11.70	**602.19**	**1,238.74**	608.35
Total	1,08,369.54	5,452.97	5,645.98	44.62	**108,221.15**	51,566.57	6,832.74	4,616.27	29.29	**53,812.33**	**54,408.82**	56,802.97

(₹ in lakhs)

Particulars	Gross Block					Accumulated Depreciation					Net Block	
	As at April 01 2019	Additions	Disposals	Foreign currency translation reserve	As at March 31 2020	As at April 01 2019	Depreciation charge for the year	On disposals	Foreign currency translation reserve	As at March 31 2020	As at March 31 2020	As at March 31 2019
Land (Freehold)	57.16	–	–	–	57.16	–	–	–	–	–	57.16	57.16
Right of use asset-Land (Leasehold) (Note 2)	1,081.64	–	3.76	–	1,077.88	112.80	11.74	1.09	–	123.45	954.43	968.84
Factory Buildings	20,956.32	489.51	41.29	–	21,404.54	5,580.60	645.76	32.16	–	6,194.20	15,210.34	15,375.72
Other Buildings (Note 1)	5,746.08	0.01	–	–	5,746.09	484.79	93.21	–	–	578.00	5,168.09	5,261.29
Plant & Equipments	55,029.17	5,528.16	145.75	–	60,411.58	31,347.85	3,730.00	135.01	–	34,942.84	25,468.74	23,681.32
Furniture & Fixtures	3,648.11	288.07	–	(14.82)	3,921.36	1,595.79	273.54	–	(10.68)	1,858.65	2,062.71	2,052.32
Vehicles	1,853.92	339.29	213.18	(49.52)	1,930.51	857.08	182.39	167.85	(33.01)	838.61	1,091.90	996.83
Office Equipments	3,894.61	584.10	2.17	(5.06)	4,471.48	2,791.53	400.13	2.06	(3.36)	3,186.24	1,285.24	1,103.09
Air Conditioners	7,544.78	377.16	–	–	7,921.94	2,599.68	426.25	–	–	3,025.93	4,896.01	4,945.10
Right of Use Asset-Other Buildings (Note 2)	–	1,439.67	16.85	4.18	1,427.00	–	836.29	10.85	(6.79)	818.65	608.35	–
Total	99,811.79	9,045.97	423.00	(65.22)	108,369.54	45,370.12	6,599.31	349.02	(53.84)	51,566.57	56,802.97	54,441.67

Note 1. Value of buildings includes a sum of ₹3,600/- being the cost of shares in the societies
Note 2. Refer note 46
Note 3. No depreciation has been claimed on the assets to the extent of GST claimed.

6. INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Gross Block					Accumulated Amortization					Net Block	
	As at April 01 2020	Additions	Disposals	Foreign currency translation reserve	As at March 31 2021	As at April 01 2020	Amortization for the year	Deductions	Foreign currency translation reserve	As at March 31 2021	As at March 31 2021	As at March 31 2020
(Acquired)												
Trade Marks (Note 1)	827.67	17.36	–		845.03	3.66	–	–	–	3.66	841.37	824.01
Computer Software	1,112.82	27.94	4.20	(2.12)	1,134.44	1,047.00	33.81	4.20	(2.38)	1,074.23	60.21	65.82
Product Dossier	2,119.41	19.09	31.59	202.03	2,308.94	–	–	–	–	–	2,308.94	2,119.41
Total	4,059.90	64.39	35.79	199.91	**4,288.41**	1,050.66	33.81	4.20	(2.38)	**1,077.89**	3,210.52	3,009.24

(₹ in lakhs)

Particulars	Gross Block					Accumulated Amortization					Net Block	
	As at April 01 2019	Additions	Disposals	Foreign currency translation reserve	As at March 31 2020	As at April 01 2019	Amortization for the year	Deductions	Foreign currency translation reserve	As at March 31 2020	As at March 31 2020	As at March 31 2019
(Acquired)												
Trade Marks (Note 1)	3.67	824.00			827.67	3.66	–	–		3.66	824.01	0.01
Computer Software	1,074.51	47.04	–	(8.73)	1,112.82	1,015.57	32.92	–	(1.49)	1,047.00	65.82	58.94
Product Dossier	2,278.80	–		(159.39)	2,119.41	–	–	–		–	2,119.41	2,278.80
Total	3,356.98	871.04	–	(168.12)	4,059.90	1,019.23	32.92	–	(1.49)	1,050.66	3,009.24	2,337.75

Note 1: Some of the Trade Marks are yet to be transferred in Holding Company's name.

7. NON CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
A. Investment in Equity Instruments (unquoted) (Fully paid) (At Fair Value through Profit & Loss)		
3,866 (Previous year 3,866) Equity Shares of ₹10 each of BEIL Infrastructure Ltd.	**20.85**	15.66
612,032 (Previous year 612,032) Equity Shares of ₹10 each of Narmada Clean Tech.	**113.64**	117.32
20,000 (Previous year 20,000) Equity Shares of ₹10 each of Enviro Technology Ltd.	**34.43**	31.50
60,000 (Previous year 60,000) Equity Shares of ₹10 each of Panoli Enviro Technology Ltd.	**23.75**	15.43
50,000 (Previous year 50,000) Equity Shares of ₹10 each of Ankleshwar Research & Analytical Infrastructure Limited.	**4.08**	4.24
2,000,000 (Previous year 2,000,000) Equity Shares of ₹10 each of Asian Heart Institute & Research Centre Pvt. Ltd.	**1,094.12**	1,104.32
	1,290.87	1,288.47
Total Investment in Equity Instruments	**1,290.87**	1,288.47

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
B. In Mutual Funds : Quoted (At fair value through Profit & Loss) (Fully paid)		
Nil (Previous year 2,000,000) units of ₹10 each of DSP Black Rock FMP Series 221-40M-Regular-Growth	–	236.61
Nil (Previous year 2,000,000) units of ₹10 each of DSP Black Rock FMP Series 223-39M-Regular-Growth	–	236.77
Nil (Previous year 2,000,000) units of ₹10 each of DSP Black Rock FMP Series 226-39M-Regular-Growth	–	235.52
Nil (Previous year 2,000,000) units of ₹10 each of IDFC Fixed Term Plan Series 144-1141 Day -Growth	–	235.09
Nil (Previous year 2,000,000) units of ₹10 each of HDFC FMP 1147 Days March 2018 (1) series 39 Direct -Growth	–	235.55
Nil (Previous year 10,000,000) units of ₹10 each of HDFC FMP 1134 Days May 2018(1) Series 40 Direct Growth	–	1,188.41
Nil (Previous year 2,000,000) units of ₹10 each of ICICI Prudential FMP Series 83 1105 Days Plan A	–	237.06
Nil (Previous year 6,000,000) units of ₹10 each of HDFC FMP 1113 Days June 2018(1) Series 41 Direct Growth	–	707.88
Nil (Previous year 5,000,000) units of ₹10 each of DSP Black Rock FMP Series 235 36 M Direct Growth	–	585.60
Nil (Previous year 5,000,000) units of ₹10 each of ICICI Prudential FMP Series 83 1100 Days Plan O Direct Growth	–	587.55
Nil (Previous year 5,000,000) units of ₹10 each of ICICI Prudential FMP Series 83 1107 Days Plan Q Direct Growth	–	585.59
Nil (Previous year 5,000,000) units of ₹10 each of IDFC FMP Series 156 1103 Days Direct Growth	–	585.35
Total	–	5,656.98
Total Non Current Investment	**1,290.87**	6,945.45
Aggregate amount of quoted investments - At Cost	–	4,800.00
Aggregate amount of quoted investments - At Market Value	–	5,656.98
Aggregate amount of unquoted investments	**1,290.87**	1,288.47
Category-wise Non current investment		
Financial assets measured at fair value through Profit & Loss	**1,290.87**	6,945.45
Financial assets carried at amortised cost	–	–

8. NON CURRENT FINANCIAL ASSETS - LOANS

Unsecured Considered Good, unless otherwise stated (₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans to Employees	**54.90**	16.37
Security Deposits for leased premises	**338.85**	11.73
Other Security Deposits	**125.00**	224.82
	518.75	252.92
Other Security Deposits- Credit Impaired	**75.65**	75.65
Less: Loss allowance	**(75.65)**	(75.65)
	–	–
Total	**518.75**	252.92

9. NON CURRENT FINANCIAL ASSETS - OTHERS

Unsecured Considered Good (₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed Deposit having maturity more than 12 months #	**18.53**	13.23
Total	**18.53**	13.23

#These Fixed Deposits are placed with various Government Authorities/ Institutions

10.OTHER NON CURRENT ASSETS

Unsecured Considered Good (₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Advances	**43.43**	105.97
Prepaid Expenses	**63.46**	22.79
Total	**106.89**	128.76

11.CURRENT ASSETS - INVENTORIES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials (Stock-in-transit ₹158.94 lakhs, Previous year ₹Nil)	**12,893.54**	9,484.17
Packing Materials	**2,871.52**	3,126.83
Work-in-progress	**2,413.77**	2,247.90
Finished goods (Stock-in-transit ₹952.68, Previous year ₹1,658.37)	**14,786.81**	10,649.35
Stock-in-trade	**1,737.70**	1,915.32
Fuel	**41.34**	43.40
Total	**34,744.68**	27,466.97
The write-down of inventories to net realisable value during the year amounted to ₹166.07 lakhs (Previous year ₹43.48 lakhs). The write downs are included in changes in inventories of finished goods		
The cost of inventories recognised as an expense during the year is disclosed in Notes 33 and 37 and as purchases of stock-in-trade in the statement of profit and loss.		

12.CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
In Mutual Funds : Quoted (At fair value through Profit & Loss) (Fully paid)		
6,316,027.61 (Previous year 6,316,027.61) units of ₹10 each of Aditya Birla Sun Life Corporate Bond Fund Growth	**5,425.74**	4,942.56
9,600,000 (Previous year 9,600,000) units of ₹10 each of HDFC Short Debt Fund Regular Plan Growth	**2,358.45**	2,173.41
14,960,414.311 (Previous year 14,960,414.311) units of ₹10 each of HDFC Corporate Bond Fund Regular Plan Growth	**3,729.32**	3,428.01
1,258,152.830 (Previous year 1,258,152.830) units of ₹100 each of Birla Sun Life Treasury Optimiser Plan Growth	**3,563.62**	3,294.76
1,926,292.692 (Previous year 1,926,292.692) units of ₹10 each of HDFC Hybrid Equity Fund Growth	**1,297.44**	817.75
614,895.941 (Previous year 614,895.941) units of ₹10 each of ICICI Prudential Balanced Fund Growth	**1,043.48**	651.54
10,150,115.42 (Previous year 10,150,115.42) units of ₹10 each of HDFC Corporate Bond Fund Direct Growth	**2,556.15**	2,343.01
9,462,062.439 (Previous year 8,837,181.561) units of ₹10 each of ICICI Prudential Bond Fund Direct Growth	**3,027.95**	2,607.00
859,598.903 (Previous year 790,446.713) units of ₹100 each of Aditya Birla Sun Life Banking & PSU Debt Direct Growth	**2,490.43**	2,110.19
13,022,757.615 (Previous year 9,061,435.25) units of ₹10 each of IDFC Corporate Bond Fund Direct Growth	**1,988.28**	1,265.21
9,144,615.360 (Previous year 7,434,577.867) units of ₹10 each of ICICI Prudential Banking and PSU Debt Fund-Growth	**2,284.45**	1,722.02
202,632.181 (Previous year 447,748.982) units of ₹10 each of HDFC Balanced Advantage Fund-Direct Growth	**502.79**	703.75
40,503.066 (Previous year Nil) units of ₹1,000 each of HDFC Overnight Fund Direct Growth	**1,238.61**	–
65,592.897 (Previous year Nil) units of ₹1,000 each of DSP Liquidity Fund Direct Plan Growth	**1,929.19**	–
2,936,159.078 (Previous year 2,936,159.078) units of ₹10 each of HDFC Corporate Bond Fund Direct Growth	**739.43**	677.77
5,531,522.430 (Previous year 3,851,387.783) units of ₹10 each of IDFC Banking and PSU Debt Fund Regular Growth	**1,063.97**	683.36
5,699,139.28 (Previous year 1,903,589.535) units of ₹10 each of IDFC Banking and PSU Debt Fund Direct Growth	**1,113.64**	341.96
54,346.643 (Previous year 33,999.978) units of ₹1,000 each of AXIS Banking & PSU Debt Fund Direct Growth	**1,140.08**	659.94
58,054.754 (Previous year 22,953.562) units of ₹1,000 each of AXIS Banking & PSU Debt Fund Regular Growth	**1,195.58**	438.73
3,465.449 (Previous year Nil) units of ₹1,000 each of Kotak Corporate Bond Fund Regular Growth	**100.52**	–

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
14,855,822.504 (Previous year Nil) units of ₹10 each of DSP Corporate Bond Fund Direct Growth	**1,901.65**	–
7,315,770.457 (Previous year Nil) units of ₹10 each of DSP Corporate Bond Fund Regular Growth	**930.43**	–
6,743.605 (Previous year Nil) units of ₹1,000 each of Kotak Corporate Bond Fund Direct Growth	**201.27**	–
367,033.088 (Previous year 367,033.088) units of ₹10 each of HDFC Hybrid Equity Fund Direct Growth	**260.68**	163.29
1,125,511.777 (Previous year 696,469.014) units of ₹10 each of Kotak Banking & PSU Debt Fund Direct Growth	**566.30**	325.37
286,956.777 (Previous year 286,956.777) units of ₹10 each of ICICI Prudential Equity & Debt Fund Direct Growth	**527.34**	327.62
387,674.728 (Previous year 119,110.205) units of ₹10 each of DSP Equity & Bond Fund Direct Growth	**844.22**	165.73
72,307.312 (Previous year 72,307.312) units of ₹10 each of SBI Equity Hybrid Fund Direct Growth	**133.89**	91.43
Nil (Previous year 10,000,000) units of ₹10 each of HDFC FMP 370D March 2014 (1)-Growth	**–**	1,598.28
Nil (Previous year 10,000,000) units of ₹10 each of DSP Black Rock FMP Series 210-36 M-Direct-Growth	**–**	1,230.95
Nil (Previous year 5,000,000) units of ₹10 each of HDFC FMP 1165D April 2017 (1)-Direct Growth-Series 38	**–**	617.62
3,623,865.676 (Previous year Nil) units of ₹10 each of ICICI Prudential Banking and PSU Debt Fund Direct Growth	**928.30**	–
7,628,768.551 (Previous year Nil) units of ₹10 each of DSP Banking and PSU Debt Fund Direct Growth	**1,463.50**	–
7,039,700.502 (Previous year Nil) units of ₹10 each of IDFC Corporate Bond Fund Regular Growth	**1,057.57**	–
2,000,000 (Previous year Nil) units of ₹10 each of DSP Black Rock FMP Series 221-40M-Regular-Growth	**251.62**	–
2,000,000 (Previous year Nil) units of ₹10 each of DSP Black Rock FMP Series 223-39M-Regular-Growth	**252.63**	–
2,000,000 (Previous year Nil) units of ₹10 each of DSP Black Rock FMP Series 226-39M-Regular-Growth	**251.30**	–
2,000,000 (Previous year Nil) units of ₹10 each of IDFC Fixed Term Plan Series 144-1141Day -Growth	**250.57**	–
2,000,000 (Previous year Nil) units of ₹10 each of HDFC FMP 1147 Days March 2018 (1) Series 39 Direct -Growth	**250.67**	–
10,000,000 (Previous year Nil) units of ₹10 each of HDFC FMP 1134 Days May 2018(1) Series 40 Direct Growth	**1,264.01**	–
2,000,000 (Previous year Nil) units of ₹10 each of ICICI Prudential FMP Series 83 1105 Days Plan A	**251.56**	–

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
6,000,000 (Previous year Nil) units of ₹10 each of HDFC FMP 1113 Days June 2018(1) Series 41 Direct Growth	**755.51**	–
5,000,000 (Previous year Nil) units of ₹10 each of DSP Black Rock FMP Series 235 36 M Direct Growth	**624.51**	–
5,000,000 (Previous year Nil) units of ₹10 each of ICICI Prudential FMP Series 83 1100 Days Plan O Direct Growth	**627.26**	–
5,000,000 (Previous year Nil) units of ₹10 each of ICICI Prudential FMP Series 83 1107 Days Plan Q Direct Growth	**626.80**	–
5,000,000 (Previous year Nil) units of ₹10 each of IDFC FMP Series 156 1103 Days Direct Growth	**627.23**	–
3,265.4340 (Previous year Nil) units of ₹1,000 each of TATA Treasury Advantage Fund-Regular Growth	**100.39**	–
1,903,832.611 (Previous year Nil) units of ₹10 each of DSP Low Duration Fund-Direct Growth	**301.26**	–
522,232.797 (Previous year Nil) units of ₹100 each of Aditya Birla Floating rate Fund-Direct-Growth	**1,413.60**	–
189,547.622 (Previous year Nil) units of ₹100 each of Aditya Birla Floating rate Fund-Regular-Growth	**503.85**	–
77,669.18 (Previous year Nil) units of ₹1,000 each of Kotak Floating rate Fund-Direct-Growth	**898.67**	–
52,041.208 (Previous year Nil) units of ₹1,000 each of Kotak Floating rate Fund-Regular-Growth	**598.39**	–
358,788.507 (Previous year Nil) units of ₹100 each of ICICI Prudential Savings Fund-Direct-Growth	**1,505.79**	–
168,892.949 (Previous year Nil)units of ₹100 each of ICICI Prudential Savings Fund-Regular-Growth	**702.60**	–
9,632,027.462 (Previous year Nil) units of ₹10 each of Axis Corporate Debt Fund-Direct Growth	**1,306.72**	–
4,571,463.547 (Previous year Nil) units of ₹10 each of Axis Corporate Debt Fund-Regular Growth	**602.31**	–
64,634.865 (Previous year Nil) units of ₹₹1,000 each of UTI Treasury Advantage Fund-Direct Growth	**1,709.64**	–
23,069.634 (Previous year Nil) units of ₹1,000 each of UTI Treasury Advantage Fund-Regular Growth	**603.42**	–
12,878.237 (Previous year Nil) units of ₹1,000 each of TATA Treasury Advantage Fund-Direct Growth	**401.65**	–
1,293,537.812 (Previous year Nil) units of ₹10 each of DSP Low Duration Fund-Regular Growth	**200.82**	–
14,999,250.037 (Previous year Nil) units of ₹10 each of DSP Floter Fund-Direct Growth	**1,507.86**	–
4,999,750.012 (Previous year Nil) units of ₹10 each of DSP Floter Fund-Regular Growth	**502.57**	–
Total	**66,497.48**	33,381.26
Aggregate amount of quoted investments - At Cost	**52,585.52**	24,378.10
Aggregate amount of quoted investments - At Market Value	**66,497.48**	33,381.26

13. CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(Unsecured considered good, unless otherwise stated) (₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Considered Good	**39,382.25**	34,967.39
Less: Loss Allowance	**480.34**	424.77
	38,901.91	34,542.62
Credit Impaired	**26.73**	26.49
Less : Loss allowance	**26.73**	26.49
	–	–
Total	**38,901.91**	34,542.62

14. CURRENT FINANCIAL ASSETS - CASH AND BANK BALANCE

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents		
Balances with banks	**2,273.99**	2,862.31
Cheques on Hand	**243.16**	9.95
Cash on hand	**12.84**	22.82
Fixed Deposits with maturity of less than 3 months	**338.56**	5.71
	2,868.55	2,900.79
Other Bank balances		
Unclaimed Dividend A/cs *	**203.11**	185.34
Fixed Deposits with maturity of more than 3 months but less than 12 months@	**13.51**	8.68
	216.62	194.02
Total	**3,085.17**	3,094.81

*The amount is to be utilised towards settlement of respective unpaid dividends.
@ These Fixed Deposits are placed with various Government Authorities/ Institutions

15. CURRENT FINANCIAL ASSETS - LOANS

(Unsecured considered good, unless otherwise stated) (₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans to Employees	**48.18**	45.47
Security Deposits for leased premises	**12.25**	347.80
Tender Deposits	**31.75**	24.56
Other Security Deposits	**100.78**	84.02
	192.96	501.85
Tender Deposits- Credit Impaired	**6.70**	7.20
Less: Loss Allowance	**6.70**	7.20
	–	–
Total	**192.96**	501.85

16. CURRENT FINANCIAL ASSETS - OTHERS

Unsecured Considered Good

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Accrued interest on Deposits	**4.34**	6.45
Claim Receivable	**–**	353.10
Forward Contract Receivables	**466.62**	–
Receivable for sale of land	**200.00**	239.47
Other receivables	**181.02**	42.25
	851.98	641.27
Receivable for sale of land-Credit Impaired	**39.47**	–
Less: Loss Allowance	**39.47**	–
	–	–
Total	**851.98**	641.27

17. CURRENT TAX ASSETS (NET)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Taxes paid	**28,413.48**	14,838.03
Less: Provision for taxes	**26,709.70**	13,274.03
Total	**1,703.78**	1,564.00

18. OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances to Suppliers	**370.73**	**1,404.65**
Prepaid Expenses	**1,225.64**	**798.19**
Balances/Recoverable with/from Government Authorities	**7,241.98**	**3,469.96**
Other Receivables	**443.93**	**449.51**
	–	–
Total	**9,282.28**	**6,122.31**

19. EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
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		
77,282,097 (Previous year 77,282,097) Equity Shares of ₹2/- each	**1,545.64**	1,545.64
	1,545.64	1,545.64

Reconciliation of the shares outstanding and amount of Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	₹ in lakhs	Number	₹ in lakhs
Shares outstanding at the beginning of the year	**77,282,097**	**1,545.64**	80,236,642	1,604.73
Less : Buy-back of Shares	–	–	2,954,545	59.09
Shares outstanding at the year end	**77,282,097**	**1,545.64**	77,282,097	1,545.64

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

For the period of five years immediately preceding the date as at which the Balance Sheet is prepared, the Holding Company has bought back, in aggregate, 7,537,878 (as at previous year: 7,537,878) equity shares of ₹2 each.

Details of shareholders holding more than 5% shares.

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Tau Investment Holdings Pte. Ltd (Holding Company)	**41,732,332**	**54.00**		
Jyotindra B. Mody	–	–	4,943,445	6.40
Shirish Bhagwanlal Mody	–	–	4,653,025	6.02
Kumud Dinesh Mody	–	–	4,453,914	5.76
Bharati S. Mody	–	–	4,567,157	5.91
Pallavi Bharat Mehta	**606,261**	**0.78**	4,786,363	6.19
Pranabh Dinesh Mody	**525,339**	**0.68**	7,346,459	9.51
Nirav Shirish Mody	**342,759**	**0.44**	4,587,381	5.94

20. OTHER EQUITY

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Reserves (transferred from amalgamating company)		
• Investment allowance Reserve (utilised)	**34.86**	34.86
• Capital Reserve	**63.53**	63.53
Capital Reserve	**4.21**	4.21
Contingency Reserve	**2,020.00**	2,020.00
Securities Premium	**5,076.82**	5,076.82
Capital Redemption Reserve	**150.76**	150.76
General Reserve	**13,042.57**	13,042.57
Retained Earnings *	**158,479.35**	122,274.46
Foreign Currency translation reserve	**554.74**	(663.92)
	179,426.84	142,003.29

* including re-measurement of defined benefit plan.
For movement from the beginning of the reporting period to the end of the reporting period, please refer "Consolidated Statement of Changes in Equity".

Nature and Purpose of Reserves

A.Investment Allowance Reserve (Utilised) and Capital Reserve (Transferred from Amalgamating Company)

This Reserve was created on amalgamation of J. B. Chemicals and Pharmaceuticals Pvt. Ltd. with this company wef April 1, 1984 (appointed date).

B. Capital Reserve

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

Transfered 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.

21. NON CURRENT FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liabilities (Refer note 46)	**514.14**	122.92
Total	**514.14**	122.92

22. NON CURRENT LIABILITIES - PROVISION

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits:		
Gratuity (Refer note 40)	**136.22**	–
Compensated absences (Refer note 40)	**1,120.92**	738.68
Total	**1,257.14**	738.68

23 A. DEFERRED TAX ASSET

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Brought forward Losses	**510.16**	498.77
Others	**184.14**	159.02
Total	**694.30**	657.79

23 B. DEFERRED TAX LAIBILITIES (NET)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Liabilities		
Depreciation	**3,796.80**	3,875.56
Fair valuation of Investments measured at FVTPL	**3,415.79**	2,533.39
	7,212.59	6,408.95
Deferred Tax Assets		
Retirement Benefits	**629.80**	304.92
Others	**906.13**	632.20
	1,535.93	937.12
Net	**5,676.66**	5,471.83

24. NON CURRENT LIABILITIES - OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Government Grant	**493.22**	596.84
Total	**493.22**	596.84

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, 2021	As at March 31, 2020
Loans repayable on Demand - from Banks		
Secured (At amortised cost)#		
Bank Overdraft	**621.18**	325.60
Export Packing Credit in Rupees	**2,000.00**	2,000.00
Export Packing Credit in Foreign currency	**643.28**	623.76
Total	**3,264.46**	2,949.36

1) ₹2,643.28 lakhs (Previous year ₹2,949.36 lakhs) borrowed by Holding company is secured by first pari passu charge on the stocks and book debts of the Holding company.

2) ₹621.18 lakhs (Previous year Nil) borrowed by Biotech Laboratories (Pty.) Ltd. (a subsidiary company) is secured by general andspecial notorial covering bonds, cessions of trade receivables and cessions of credit balance held with bank.

26. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Dues to Micro and Small Enterprises	**1,309.55**	1,004.02
Dues to Other than Micro and Small Enterprises	**17,382.79**	15,792.54
Total	**18,692.34**	16,796.56

27. CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest accrued and due on borrowings	**0.17**	2.23
Unclaimed Dividends	**203.11**	185.34
Creditors for capital expenditure	**726.89**	787.41
Forward contracts payable	**45.74**	389.69
Other payables (mainly, payable to employees)	**5,600.15**	5,178.69
Lease Liabilities (Refer note 46)	**720.19**	495.30
Deposits from Distributors	**254.25**	254.25
Security Deposits from Customers	**11.00**	10.00
Total	**7,561.50**	7,302.91

28. OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances from Customers	**260.84**	1,370.22
Deferred Government Grant	**166.04**	164.86
Statutory Remittances	**832.04**	679.51
Advances against disposal of Property, plant and equipment	**162.00**	750.00
Total	**1,420.92**	2,964.59

29. CURRENT LIABILITIES - PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
Gratuity (Refer note 40)	**971.03**	293.35
Compensated absences (Refer note 40)	**610.43**	418.03
Expected sales returns	**1,216.50**	–
Total	**2,797.96**	711.38

30. CURRENT TAX LIABILITIES (Net)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Taxes	**8,209.64**	7,620.59
Less: Taxes Paid	**7,419.45**	7,018.54
Total	**790.19**	602.05

A. The Components of Income Tax Expense are as Under

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
i. Income tax recognized in profit or loss		
Current Tax:		
on profits for the year	**14,220.33**	8,469.36
adjustment in respect of prior years	**(0.01)**	(29.98)
Deferred tax:		
charge/(credit)	**615.92**	(789.36)
Total Income tax recognized in profit or loss	**14,836.24**	7,650.02
ii. Income tax recognized in other comprehensive income		
Deferred tax:		
On re-measurement of the defined benefit plan	**420.30**	170.32
Total Income tax recognized in other comprehensive income	**420.30**	170.32

B. Reconciliation of Tax Expense and the Accounting Profit is Under

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting Profit before tax	**59,688.54**	34,889.23
Enacted tax rate in India (%)	**25.17**	25.17
Expected income tax expense	**15,022.41**	8,780.92
Tax effect of:		
Expenses not deductible	**189.58**	512.95
Income chargeable at different tax rate and on which indexation benefit is availed	**(359.70)**	(159.78)
Utilisation of brought forward losses on which no deferred tax asset was recognised	**(22.20)**	(248.02)
Income exempt from tax	**–**	(37.26)
Others	**(37.48)**	11.86
Difference between Indian and Foreign tax rates	**43.64**	22.89
Changes in Tax rate	**–**	(1,203.56)
Tax expenses	**14,836.25**	7,680.00
Adjustment recognised in current year in relation to the current tax of earlier years"	**(0.01)**	(29.98)
Tax expenses recognized in profit or loss	**14,836.24**	7,650.02

31. REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sales of Products and Service		
Sale of Pharmaceuticals Products	**198,767.06**	172,271.54
Product Development Services	**980.55**	1,195.36
Realised exchange differences on sale of product and services	**463.78**	593.18
	200,211.39	174,060.08
Other Operating Revenues:		
Processing Charges	**19.95**	79.80
Export Incentives	**3,283.14**	2,883.93
Sale of Scrap	**203.67**	214.04
Government Grant	**165.66**	91.14
Insurance Claims	**14.95**	13.34
Others	**353.39**	130.58
	4,040.76	3,412.83
Total	**204,252.15**	177,472.91

32. OTHER INCOME

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income on financial instruments measured at amortised cost		
Fixed Deposits	**43.46**	18.13
Others	**133.94**	243.97
Dividend from Investments	**0.50**	148.04
Net gain on financial assets mandatorily measured at FVTPL		
Profit on sale of Investment	**1,000.81**	2,501.30
Fair value changes of Investments measured at FVTPL	**4,054.22**	1,298.40
Profit on sale of Property, plant & equipment (Net)	**1,875.01**	178.75
Profit on sale of product registration along with its marketing authorization and trademark	**3,368.66**	–
Credit balances written back	**223.09**	416.48
Others	**538.63**	261.92
Total	**11,238.32**	5,066.99

33 A. COST OF MATERIAL CONSUMED

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Raw materials and Packing materials		
Opening Inventories	**12,611.00**	9,929.47
Purchases	**57,393.02**	47,929.57
	70,004.02	57,859.04
Less: Closing Inventories	**15,765.06**	12,611.00
Total	**54,238.96**	45,248.04

33 B. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the beginning		
Finished Goods	**10,649.35**	10,537.11
Work-in-progress	**2,247.90**	1,928.71
Stock-in-trade	**1,915.32**	1,947.48
	14,812.57	14,413.30
Less: Inventories at the end		
Finished Goods	**14,786.81**	10,649.35
Work-in-progress	**2,413.77**	2,247.90
Stock-in-trade	**1,737.70**	1,915.32
	18,938.28	14,812.57
Total	**(4,125.71)**	(399.27)

34. EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and Other Benefits	**31,473.86**	29,774.52
Contribution to Provident Fund and Other Funds	**1,789.59**	1,801.97
Gratuity (Refer note 40)	**326.14**	267.13
Staff Welfare	**470.50**	448.05
Total	**34,060.09**	32,291.67

35. FINANCE COST

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense for financial liabilities not classified at FVTPL		
working capital borrowings	**97.73**	181.15
Lease Liabilities	**61.45**	80.37
on Security Deposits	**22.63**	22.66
Others	**492.51**	7.56
Other Borrowing Cost:		
Net interest on defined benefit obligation	**19.97**	(22.83)
Loan Processing Charges	**18.81**	21.42
Guarantee Charges	**11.02**	12.63
Other Interest	**–**	–
Total	**724.12**	302.96

36. OTHER EXPENSES

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Processing charges	**1,030.30**	839.80
Consumption of stores and spares	**551.46**	505.58
Power and fuel	**6,260.49**	6,153.96
Lease rent (Refer note no. 46)	**114.86**	148.98
Rates and taxes	**101.80**	126.60
Insurance	**700.71**	381.23
Freight and transport charges	**6,386.22**	5,360.39
Repairs to:		
Building	**284.97**	315.91
Machinery	**1,481.12**	1,552.42
Others	**355.96**	302.74
Sales promotion and publicity	**8,382.12**	8,265.61
Sales commission	**2,940.36**	3,429.81
Travelling and conveyance	**3,189.47**	4,056.35
Labour Hire Charges	**2,412.98**	2,252.70
Laboratory Expenses	**2,353.41**	1,938.61
Directors' fees and commission	**133.30**	48.80
Royalty	**11.93**	1,001.98
Payment to Statutory Auditors		
Audit fees	**85.48**	51.80
Reimbursement of expenses	**1.34**	–
CSR Activity Expenses	**516.75**	442.47
Donations	**3.29**	14.97
Net loss on foreign currency transactions and translation	**(423.35)**	673.67
Bad Debts	**7.68**	10.48
Provision for doubtful debts/expected credit loss	**79.64**	89.86
Miscellaneous expenses	**7,038.98**	6,379.55
Total	**44,001.27**	44,344.27

37 A. COMMITMENTS & CONTINGENCIES

Commitments

• Capital Commitments:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided (Net of Advance)	**414.74**	1,046.69

• 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, 2021	As at March 31, 2020
Export obligations under EPCG Scheme	**4,870.73**	2,631.80

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, had received demand notices from Department 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. The Holding 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 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)

Particulars	As at March 31, 2021	As at March 31, 2020
• Central Excise, Service tax & GST demands / show causes (against which the company has made pre deposit of ₹6.82 lakhs, Previous year ₹11.92 lakhs)	**415.39**	550.22
• Income Tax (against which the company has made pre deposit of ₹7.63 lakhs, Previous year ₹7.63 lakhs)	**2,477.97**	2,089.13
• Sales Tax (against which the company has made pre deposit of ₹0.43 lakhs, Previous year ₹0.43 lakhs)	**4.22**	4.22

The Company does not expect the outcome of the matters stated above to have a material adverse impact on the Company's financial condition, results of operations or cash flows.

Future cash outflows in respect of above matters is dependent on outcome of certain event and/ or decisions of the relevant authorities for the matter under dispute.

37. B. OUTSTANDING LETTER OF CREDIT AND GUARANTEES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Letters of Credit by the banks	**811.41**	3,037.34
Guarantees issued by bank on behalf of the Company	**1,653.36**	1,753.64

38. Travelling expenses of field personnel include incidental expenses on conveyance, postage, stationery and miscellaneous expenses etc.

39. Pursuant to the Business Transfer Agreement, entered during the year, between the Holding Company and Lekar Pharma Limited ("the Seller"), a related party up to August 31, 2020, the Holding Company has acquired the Pharmaceutical Business Undertaking of the Seller as a going concern by way of a slump sale for a consideration of ₹850.00 lakhs. An amount of ₹431.92 lakhs, being the excess of consideration paid, as above, over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed of ₹418.08 lakhs has been recognised as Goodwill.

40. EMPLOYEE BENEFITS

a. Defined Contribution Plan

Contribution to defined contribution plan, recognized as expense for the year are as under:

(₹ in lakhs)

Particulars	2020-21	2019-20
Employer's Contribution to Provident Fund & Family Pension Fund	**1,424.14**	1,327.33
Employer's Contribution to Superannuation Fund	**114.93**	227.95
Employer's Contribution to various Insurance Schemes	**111.65**	130.34
Employer's Contribution under various Government Scheme	**106.66**	74.70

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	2020-21	2019-20
Present value of Defined Benefit Obligation at the beginning of the year	**5,222.33**	4,661.91
Interest Cost	**356.16**	362.70
Current Service Cost	**325.33**	266.34
Benefits paid from the Fund	**(2,275.04)**	(687.70)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	**48.40**	–
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	**1,193.86**	286.01
Actuarial (Gains)/Losses on Obligations - Due to Experience	**327.94**	333.07
Present value of Defined Benefit Obligation at the end of the year	**5,198.98**	5,222.33

ii. Changes in fair value of plan assets during the year

(₹ in lakhs)

Particulars	2020-21	2019-20
Fair Value of Plan Assets at the Beginning of the year	**4,929.54**	4,955.33
Interest Income	**336.19**	385.52
Contributions by the Employer	**1,201.61**	334.05
Benefit paid from the Fund	**(2,275.04)**	(687.70)
Return on Plan Assets, excluding Interest Income	**(99.77)**	(57.66)
Fair Value of Plan Assets at the end of the year	**4,092.53**	4,929.54

iii. Net (asset)/liability recognized in the balance sheet

(₹ in lakhs)

Particulars	31-03-2021	31-03-2020
Present Value of Benefit Obligation at the end of the year	**5,198.98**	5,222.33
Fair Value of Plan Assets at the end of the year	**(4,092.53)**	(4,929.54)
Net (asset)/liability recognized in the Balance Sheet	**1,106.45**	292.79
Net liability Non-current (refer Note No. 22)	**136.22**	–
Net liability Current (refer Note No. 29)	**970.23**	292.79

iv. Expenses recognized in the statement of profit and loss for the year

(₹ in lakhs)

Particulars	2020–21	2019–20
Current Service Cost	**325.33**	266.34
Net Interest	**19.97**	(22.83)
Expenses recognized	**345.30**	243.51

v. Expense Recognized in other comprehensive income for the year

(₹ in lakhs)

Particulars	2020–21	2019–20
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	**48.40**	–
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	**1,193.86**	286.01
Actuarial (Gains)/Losses on Obligations - Due to Experience	**327.94**	333.07
Return on Plan Assets, Excluding Interest Income	**99.77**	57.66
Net (Income)/Expense For the Period Recognized in OCI	**1,669.97**	676.74

vi. Actuarial assumptions

Particulars	2020-21	2019-20
Expected Return on Plan Assets	**6.33%**	6.82%
Rate of Discounting	**6.33%**	6.82%
Rate of Salary Increase	**8.00%**	4.00%
Rate of Employee Turnover		2.00% for all service groups
- For service 2 years and below	**35.00%**	
- For service 3 years to 4 years	**20.00%**	
- For service 5 years and above	**5.00%**	
Mortality rate during employment	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)

vii. Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	2020–21	2019–20
Within 1 year	**972.02**	970.11
1-2 Years	**541.37**	406.59
2-3 Years	**350.81**	830.89
3-4 Years	**431.31**	365.80
4-5 Years	**334.35**	426.91
5-10 Years	**1,855.70**	1,804.40
11 years and above	**4,569.04**	4,264.45

viii. Sensitivity analysis for significant assumptions is as below

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Projected Benefit Obligation on Current Assumptions	**5,198.98**	5,222.33
Delta Effect of +1% Change in Rate of Discounting	**(325.42)**	(297.16)
Delta Effect of -1% Change in Rate of Discounting	**376.38**	340.84
Delta Effect of +1% Change in Rate of Salary Increase	**366.47**	347.19
Delta Effect of -1% Change in Rate of Salary Increase	**(323.53)**	(307.44)
Delta Effect of +1% Change in Rate of Employee Turnover	**(47.87)**	68.74
Delta Effect of -1% Change in Rate of Employee Turnover	**53.41**	(77.91)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

ix. Investment details

The Holding Company made annual contribution to the LIC of an amount advised by the LIC. The Holding Company was not informed by LIC of the investments made or the break-down of the plan assets by investment type.

The Holding Company expects to make a contribution of ₹970.23 lakhs (March 31, 2020: ₹618.11 lakhs) to the defined benefit plans during the next financial year.

x. Risk exposure

Through its defined benefit obligation, the Holding Company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk — The defined benefit obligation calculated uses a discount rate based on Government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk — Higher than expected increase in salary will increase the defined benefit obligation.

Longevity risk — The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Investment return risk — Lower the expected investment return, higher will be the defined benefit obligation.

c. Defined Benefit Plan - Staff End-Of-Service Benefits – Unique Pharmaceutical Laboratories FZE

The Company made provision for the year of ₹00.81 lakhs (Previous year ₹00.79 lakhs) in respect of staff end-of-service benefits and accumulated liability in respect of staff end-of-service benefits is ₹00.80 lakhs (Previous year ₹00.56 lakhs) as of March 31, 2021 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 effect.

d. Compensated Absences

The Holding Company's employees are entitled for compensated absences which are allowed to be accumulated and encashed as per the Company's rule. The liability of compensated absences, which is non-funded, has been provided based on report of independent actuary using "Projected Unit Credit Method". Accordingly, the Holding company has made provision for compensated absences for the year of ₹477.17 lakhs (Previous year ₹211.78 lakhs) and accumulated liability is ₹1,395.94 lakhs as of March 31, 2021 (Previous year ₹918.77 lakhs).

In respect of subsidiary companies, employees are entitled for compensated absences which are allowed to be accumulated and encashed as per the respective Company's rule. The liability of compensated absences has been provided on undiscounted basis. Accordingly, these subsidiary companies have made provision for compensated absences for the year ₹187.89 lakhs (Previous year ₹153.72 lakhs) and accumulated liability is ₹335.41 lakhs (Previous year ₹237.94 lakhs) as of March 31, 2021.

41. SEGMENT REPORTING

a) Operating Segment:

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'.

b) Geographical Segment:

The geographic information analyses the Group's revenues and non-current assets by the Holding Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the location of the customers and segment assets are based on geographical location of assets.

(₹ in lakhs)

Particular	2020-21	2019-20
a) Revenue from External Customers		
In India	**95,447.27**	86,706.43
Outside India	**109,147.84**	90,766.48
b) Non-current Assets		
In India	**66,211.41**	60,223.30
Outside India	**1,645.55**	1,559.18
c) Information about major customers	**109,147.84**	90,766,48
Consolidated Revenue – exceeding 10% from each single external customer. Name : THINQ PHARMA-CRO PVT. LTD.	**23,295.33**	14,234.33

42. Exceptional item of ₹1,000.00 lakhs for the previous year ended March 31, 2020 represents charge of onetime compensation ordered by the Supreme Court vide its judgement dated April 1, 2020 in respect of the appeal filed by the Holding Company against the order dated January 8, 2016 passed by the National Green Tribunal (NGT). The Supreme Court has inter-alia, set aside the closure of the Holding Company's Active Pharmaceutical Ingredients -Unit at Panoli, Gujarat and ordered deposit of this compensation on the basis of precautionary principle, which has been paid by the Holding Company.

43. DEFERRED TAX

The major components of deferred tax liabilities and assets arising on account of timing differences are as follows:

As at March 31, 2021

(₹ in lakhs)

Particulars	As at April 1, 2020	Recognized in profit or loss	Recognized in other comprehensive income	FCTR	As at March 31, 2021
Tax effect of item constituting deferred tax liabilities					
i. Property, plant and equipment	3,875.56	(78.76)	–		3,796.80
ii. Investments measured at FVTPL	2,533.39	882.40	–		3,415.79
	6,408.95	803.64	–		7,212.59
Tax effect of item constituting deferred tax assets					
i. Employee benefits	304.92	(95.42)	420.30		629.80
ii. Brought Forward Loss	498.77	11.39	–		510.16
iii. Others	791.22	293.31		5.75	1,090.28
	1,594.91	209.28	420.30	5.75	2,230.24
Net deferred tax liability/ (asset)	4,814.04	594.36	(420.30)	(5.75)	4,982.36

As at March 31, 2020

(₹ in lakhs)

Particulars	As at April 1, 2019	Recognized in profit or loss	Recognized in other comprehensive income	FCTR	As at March 31, 2020
Tax effect of item constituting deferred tax liabilities					
i. Property, plant and equipment	5,490.48	(1,614.92)	–		3,875.56
ii Investments measured at FVTPL	2,231.31	302.08	–		2,533.39
	7,721.79	(1,312.84)	–		6,408.95
Tax effect of item constituting deferred tax assets					
i. Employee benefits	247.05	(112.45)	170.32		304.92
ii. Brought Forward Loss	597.90	(99.13)	–		498.77
iii. Others	1,186.11	(311.90)	–	(82.99)	791.22
	2,031.06	(523.48)	(170.32)	(82.99)	1,594.91
Net deferred tax liability/ (asset)	5,690.73	(789.36)	(170.32)	82.99	4,814.04

No deferred tax liability is recognised on temporary differences relating to the unremitted earnings of overseas subsidiaries as the Group is able to control the timings of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future.

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 had not recognized deferred tax asset in the Balance Sheet:

(₹ in lakhs)

Financial Year	As at March 31, 2021	Expiry Date	As at March 31, 2020	Expiry Date
2015 – 2016	–	N.A.	84.19	March 31, 2024

44. 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 Holding Company

Tau Investment Holdings Pte. Ltd. (from November 09, 2020)

II Entities controlled by Key management personnel (upto August 31, 2020)

a. Jyotindra Family Trust	g. Shirish Mody Enterprises LLP
b. Dinesh Family Trust	h. Unique Pharmaceutical Laboratories Ltd.
c. Shirish Family Trust	i. Namplas Chemicals Pvt. Ltd.
d. Lekar Pharma Ltd.	j. Jyotindra Mody Ventures LLP
e. J.B.Mody Enterprises LLP	k. D. B. Mody Entreprises LLP
f. Dinesh Mody Ventures LLP	l. Shirish Mody Property LLP

III Key Management Personnel (KMP)

a. Shri Jyotindra B. Mody (upto July 21, 2020)	e. Shri Kamlesh L. Udani (upto August 31, 2020)
b. Shri Shirish B. Mody (upto August 31, 2020)	f. Shri Nikhil Chopra (from October 05, 2020
c. Shri Bharat P. Mehta (upto August 31, 2020)	g. Shri Sandeep Nasa
d. Shri Pranabh D. Mody (upto August 31, 2020)	

IV Relative of KMP

a. Shri Nirav S. Mody (upto August 31, 2020)

b. Shri Jay B. Mehta (upto August 31, 2020)

c. D. B. Mody HUF (upto August 31, 2020)

d. S. B. Mody HUF (upto August 31, 2020)

Following transactions were carried out with related parties:

(₹ in lakhs)

	Name of Related Party	Nature of Transaction	2020-21	2019-20
(I)	**Entities controlled by Key Management Personnel**			
a.	Jyotindra Family Trust	Payment of Rent	**19.62**	37.51
		Security Deposit Receivable	**N.A.**	9.68
b.	Dinesh Family Trust	Payment of Rent	**4.87**	8.35
		Security Deposit Receivable	**N.A.**	3.50
c.	Shirish Family Trust	Payment of Rent	**4.87**	8.35
		Security Deposit Receivable	**N.A.**	3.50
d.	J. B. Mody Enterprises LLP	Payment of Rent	**N.A.**	3.96
		Rent deposit refund	**N.A.**	1.26
e.	Dinesh Mody Ventures LLP	Payment of Rent	**N.A.**	3.96
		Rent deposit refund	**N.A.**	1.26
f.	Shirish B Mody Enterprises LLP	Payment of Rent	**N.A.**	3.96
		Rent deposit paid	**N.A.**	1.26
g.	Jyotindra Mody Ventures LLP	Payment of Rent	**174.07**	261.10
		Reimbursement of Expenses	**4.07**	8.81
		Security Deposit Receivable	**N.A.**	110.64
h.	D. B. Mody Enterprises LLP	Payment of Rent	**174.07**	261.10
		Security Deposit Receivable	**N.A.**	110.64
i.	Shirish Mody Property LLP	Payment of Rent	**174.07**	261.10
		Security Deposit Receivable	**N.A.**	110.64

(₹ in lakhs)

	Name of Related Party	Nature of Transaction	2020-21	2019-20
j.	Unique Pharmaceutical Laboratories Ltd.	Royalty paid	**N.A.**	1120.13
		Purchase of Trade mark	**N.A.**	896.00
k.	Namplas Chemicals Pvt. Ltd.	Processing Charges	**N.A.**	22.79
m.	Lekar Pharma Ltd.	Sale of goods	**46.35**	155.88
		Purchases of goods	**2,819.19**	6,315.52
		Receipt of Manufacturing Charges	**22.35**	93.37
		Acquisition of business undertaking	**850.00**	N.A.
		Outstanding Payable	**N.A.**	1,252.13
(II)	**Key Management Personnel**			
a.	Shri Jyotindra B. Mody	Remuneration	**223.93**	600.72
		Contribution to Provident Fund and Superannuation Fund	**23.14**	72.09
		Gratuity*	**578.23**	N.A.
b.	Shri Dinesh B. Mody (upto August 28, 2019)	Remuneration	**N.A.**	262.18
		Contribution to Provident Fund and Superannuation Fund	**N.A.**	28.05
		Gratuity*	**N.A.**	525.66
c.	Shri Shirish B. Mody	Remuneration	**293.30**	600.72
		Contribution to Provident Fund and Superannuation Fund	**31.47**	72.09
		Gratuity*	**578.23**	N.A.
d.	Shri Bharat P. Mehta	Remuneration	**128.64**	272.42
		Contribution to Provident Fund and Superannuation Fund	**15.32**	36.78
		Gratuity*	**320.88**	N.A.
e.	Shri Pranabh D. Mody	Remuneration	**128.64**	272.42
		Contribution to Provident Fund and Superannuation Fund	**15.32**	36.78
		Gratuity*	**216.10**	N.A.
f.	Shri Kamlesh L. Udani	Remuneration	**92.17**	180.20
		Contribution to Provident Fund and Superannuation Fund	**10.43**	24.33
		Gratuity**	**182.68**	N.A.
		Outstanding Payable	**198.13**	N.A.
g.	Shri Nikhil Chopra	Remuneration	**145.08**	N.A.
		Retirement benefit Expenses#	**12.64**	N.A.
h.	Shri Sandeep Nasa	Remuneration	**367.66**	320.99
		Retirement benefit Expenses	**1.62**	1.58
(III)	**Relative of Key Management Personnel**			
a.	Shri Nirav S. Mody	Remuneration	**83.88**	172.24
		Retirement benefit Expenses	**9.99**	23.25
		Gratuity*	**68.32**	N.A.

(₹ in lakhs)

	Name of Related Party	Nature of Transaction	2020-21	2019-20
b.	Shri Jay B. Mehta	Remuneration	**83.88**	172.24
		Retirement benefit Expenses	**9.99**	23.25
		Gratuity*	**68.32**	N.A
c.	D. B. Mody – HUF	Payment of Rent	**14.75**	29.16
		Outstanding Payable	**N.A.**	2.22
		Security Deposit Receivable	**N.A.**	6.18
d.	S. B. Mody – HUF	Payment of Rent	**14.75**	29.16
		Security Deposit Receivable	**N.A**	6.18

*Paid through Gratuity Trust
** Paid through Gratuity Trust in April 2021.
# Excludes provision for compensated leave and gratuity for KMP and Relative of KMP as both liabilities are provided on overall Group basis and not identified separately in actuarial valuation.

Note: Figures are inclusive of GST where ever applicable.

45. EARNINGS PER SHARE

Particulars	2020-21	2019-20
Net Profit attributable to Equity Shareholders (₹ in lakhs)	**44,796.36**	27,204.71
Weighted Average No. of Equity shares (Nos)		
Basic	**77,282,097**	79,556,692
Diluted	**77,282,097**	79,556,692
Nominal value of equity shares (₹)	**2.00**	2.00
Earnings per share (₹)		
Basic	**57.96**	34.20
Diluted	**57.96**	34.20

46. The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the Standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognized on the date of initial application, that is, April 1, 2019.

On initial application, the Group measure lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application, and measure that right-of-use asset an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application. This has resulted in recognizing a right-of-use (ROU) assets of ₹1,439.67 lakhs and lease liability of ₹1,401.65 lakhs as at April 1, 2019.

The effect of this adoption was not significant on the consolidated profit and loss and on earning per share for the year ended March 31, 2020.

A) Following are the changes in the carrying amount of Right-of-Use Assets:

(₹ in lakhs)

Particulars	2020 -21	2019 -20	2020 -21	2019 -20
	Leasehold Land		**Other Buildings**	
Gross Block as at beginning of the year	**1,077.88**	–	**1,427.00**	–
On Transition to Ind AS 116	**–**	1,081.64	**–**	1,439.67
Additions	**292.75**	–	**1,670.82**	–
Deletion	**(11.68)**	(3.76)	**(1,274.42)**	(16.85)
Foreign Currency Translation Reserve	**–**	–	**17.53**	4.18
Balance as at the end of the year (A)	**1,358.95**	1,077.88	**1,840.93**	1,427.00
Cumulative Depreciation as at the beginning of the year	**123.45**	112.80	**818.65**	–
Depreciation for the year	**12.26**	11.74	**792.12**	836.29
Depreciation on deletion	**5.78**	1.09	**1,020.28**	10.85
Foreign Currency Translation Reserve	**–**	–	**11.70**	(6.79)
Cumulative Depreciation as at the end of the year (B)	**129.93**	123.45	**602.19**	818.65
Balance as at the end of the year (A-B)	**1,229.02**	954.43	**1,238.74**	608.35

B) The following is the movement in Lease Liabilities:

(₹ in lakhs)

Particulars	2020 -21	2019 -20
Other Buildings		
Balance as at beginning of the year	**618.22**	–
On Transition to Ind AS 116	**–**	1,401.65
Additions during the year	**1,631.59**	–
Finance Cost incurred during the year	**61.46**	80.36
Deletion on Cancellation of lease	**(261.33)**	(6.18)
Payment of lease liabilities	**(815.60)**	(867.82)
Foreign Currency Translation Reserve	**–**	10.21
Balance as at end of the year	**1,234.34**	618.22

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in lakhs)

Particulars	2020 -21	2019 -20
Due within one year	**771.13**	514.73
Due within one year to five years	**544.96**	136.54
Total undiscounted Lease Liabilities	**1,316.09**	651.27
Lease Liabilities included in the Statement of Consolidated Financial Position		
Non-current Liabilities	**514.14**	122.92
Current Liabilities	**720.19**	495.30
Total	**1,234.33**	618.22

The Group does not face a liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

C) The following amounts are recognized in the Consolidated Statement of Profit and Loss:

(₹ in lakhs)

Particulars	2020 -21	2019 -20
Interest Expenses on Financial Liabilities	**61.46**	80.36
Depreciation	**792.12**	836.29
Expenses relating to Short Term Lease	**98.17**	133.96
Expenses relating to Leases of Low Value Assets	**16.69**	15.02

D) The following amounts are recognized in the Consolidated Statements of Cash Flows:

(₹ in lakhs)

Particulars	2020 -21	2019 -20
Total Cash Outflows for leases	**815.60**	867.82

47. CSR EXPENDITURE

Gross amount required to be spent during the year ₹509.35 lakhs (previous year ₹442.36 lakhs). Amount spent during the year ₹516.75 lakhs (previous year ₹442.47 lakhs) as detailed hereunder:

(₹ in lakhs)

Nature of activity	2020 -21	2019 -20
Disaster Management	**344.23**	–
Promoting Healthcare including preventive healthcare	**149.40**	412.40
Promotion of Education	**23.12**	30.07

48. 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

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, evaluates 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 mostly non-interest bearing. Trade receivables generally ranges from 30 - days to 180- days credit term. Credit limits are established for 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. Of the trade receivables balance at the end of the year, ₹6,284.42 lakhs (March 31, 2020: ₹3,134.85 lakhs) is due from a single counter party which is in excess of 10% of total trade receivables.

For trade receivables, as a practical expedient, the Group determines 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, 2021	As at March 31, 2020
Expected credit loss as at the beginning of the year	**424.77**	429.97
Changes during the current year	**55.57**	(5.20)
Expected credit loss as at the end of the year	**480.34**	424.77

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.

Exposure to Liquidity Risk

The following are the remaining contractual maturities of undiscounted financial liabilities at the reporting date.

(₹ in lakhs)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Less than 1 Year	More than 1 Year	Total	Less than 1 Year	More than 1 Year	Total
Non-Derivatives						
Borrowings	**3,264.46**	**–**	**3,264.46**	2,949.36	–	2,949.36
Trade Payable	**18,692.34**	**–**	**18,692.34**	16,796.56	–	16,796.56
Other Financial Liabilities	**7,566.70**	**544.96**	**8,111.66**	6,938.86	136.65	7,075.51
Derivatives						
Forward Contract	**45.74**	**–**	**–**	389.69	–	389.69

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 conditions. 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. The Group has not used any interest rate derivatives.

The Group's interest-bearing financial instruments mainly includes:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Bank Overdraft	**621.18**	325.60
Export Packing Credit in Rupees	**2,000.00**	2,000.00
Export Packing Credit in Foreign Currency	**643.28**	623.76
Total	**3,264.46**	2,949.36

The Group has insignificant interest-bearing financial instruments as referred above and hence the exposure to risk of changes in market interest rates is very low.

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 AED. 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, EURO and AED, 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.

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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD	**1,853.29**	1,573.39	**18,588.65**	13,042.26
EURO	**1,105.26**	815.34	**4,557.28**	3,867.53
AED	**422.35**	475.06	**1,518.24**	1,336.48
AUD	**32.14**	230.27	**28.09**	1,399.00
GBP	**175.35**	38.41	**104.49**	–
RUB	**–**	–	**1.31**	–
AUH			**1.15**	3.49

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, 2021		As at March 31, 2020	
	Foreign Currency (in Mn.)	₹in lakhs	Foreign Currency (in Mn.)	₹in lakhs
Forward contract to sell USD	**23.75**	**17,363.63**	21.72	16,392.84
Forward contract to sell Euro	**4.25**	**3,645.86**	3.92	3,260.18
Forward contract to sell Rubble	**278.65**	**2,695.41**	292.00	2,771.37
Forward contract to buy USD	**3.88**	**2,837.13**	292.00	2,771.37

Details of Unhedged exposure in foreign currency denominated monetary items:

Currency	As at March 31, 2021		As at March 31, 2020	
	Foreign Currency (in Mn.)	₹in lakhs	Foreign Currency (in Mn.)	₹in lakhs
RECEIVABLE:				
USD	**1.68**	**1,225.02**	–	–
EURO	**1.06**	**911.43**	0.73	607.35
AED	**7.63**	**1,518.24**	6.50	1,336.48
AUD	**0.05**	**28.09**	3.00	1,399.00
GBP	**0.10**	**104.49**	–	–
UAH	**0.04**	**1.15**	0.13	3.49
PAYABLE:				
USD	**2.39**	**1,747.72**	2.08	1,573.39
EURO	**1.29**	**1,105.26**	0.23	191.58
AED	**2.12**	**422.35**	2.31	475.06
AUD	**0.06**	**32.14**	0.49	230.26
GBP	**0.17**	**175.35**	–	38.41

The Group is mainly exposed to changes in USD, EURO and AED. The below table demonstrates the sensitivity to a 1% increase or decrease in the USD, EURO and AED 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.

A positive number below indicates an increase in profit and other equity and a negative number would indicate a corresponding decrease.

(₹ in lakhs)

Particulars	Currency	As at March 31, 2021	As at March 31, 2020
1% Depreciation in INR	USD	**(5.23)**	(49.24)
1% Appreciation in INR	USD	**5.23**	49.24
1% Depreciation in INR	EURO	**(1.94)**	4.16
1% Appreciation in INR	EURO	**1.94**	(4.16)
1% Depreciation in INR	AED	**10.90**	8.61
1% Appreciation in INR	AED	**(10.90)**	(8.61)

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.

49. 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 of 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, 2021 and March 31, 2020.

50. 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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial Assets at amortized cost (non-current)				
Loans	**518.75**	252.92	**518.75**	252.92
Other financial assets	**18.53**	13.23	**18.53**	13.23
Financial Assets at amortized cost (current)				
Trade receivables	**38,901.91**	34,542.62	**38,901.91**	34,542.62
Cash and bank balance	**3,085.17**	3,094.81	**3,085.17**	3,094.81
Loans	**192.96**	501.85	**192.96**	501.85
Other financial assets	**385.36**	641.27	**385.36**	641.27

(₹ in lakhs)

Particulars	Carrying value of the financial assets/liabilities		Fair value of the financial assets/liabilities	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial liabilities at amortized cost (non-current)				
Lease Liability	**514.14**	122.92	**514.14**	122.92
Financial liabilities at amortized cost (current)				
Borrowings	**3,264.46**	2,949.36	**3,264.46**	2,949.36
Trade payables	**18,692.34**	16,796.56	**18,692.34**	16,796.56
Others	**7,515.76**	6,913.22	**7,515.76**	6,913.22
Financial Assets at Fair value through profit & loss (non-current)				
Investments in units of mutual funds and in equity instruments of entities other than subsidiaries	**1,290.87**	6,945.45	**1,290.87**	6,945.45
Financial Assets at Fair value through profit & loss (current)				
Investment in mutual funds	**66,497.48**	33,381.26	**66,497.48**	33,381.26
Forward contract	**466.62**	–	**466.62**	–
Financial Liabilities at Fair value through profit & loss (current)				
Forward contract	**45.74**	389.69	**45.74**	389.69

B) Level-wise disclosures of financial assets and liabilities by categories are as follows:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	Level	Valuation techniques and key inputs
Financial Assets at amortized cost (non-current)				
Security Deposits	**463.85**	236.55	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	**–**	5,656.98	1	Quoted NAV in active markets
Investment in Equity shares	**1,290.87**	1,288.47	3	Value based on the NAV as per latest audited financial statement available which in view of the Management fairly represents fair value.
Financial Assets at amortized cost (current)				
Deposit for premises	**12.25**	347.80	3	Discounted cash flow method using interest rate for similar financial instrument
Financial Assets at Fair value through profit & loss (current)				
Investment in mutual funds	**66,497.48**	33,381.26	1	Quoted NAV in active markets
Forward contract	**466.62**	–	2	Forward contracts are valued using available information from the banks.
Financial Liabilities at Fair value through profit & loss (current)				
Forward contract	**45.74**	389.69	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, 2020.

During the reporting period ended March 31, 2021 and March 31, 2020, 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	2020-21	2019-20
Investment in Equity shares		
Opening Balance	**1,288.47**	1,203.47
Fair value changes of Investment designated as FVTPL	**2.40**	85.00
Closing Balance	**1,290.87**	1,288.47

One percentage point change in the unobservable inputs used in fair valuation of level 3 assets or liabilities does not have significant impact in its value.

51. Based on the pronouncements by the professional bodies and general accounting practice followed by the industry, the Company has during the year reclassified the following items of financial statements.

Items of financial statements reclassified	Amount as at and for the year ended March 31, 2020	Earlier classified as	Now reclassified as
Other Security Deposits	224.82	Non-current Assets – Others	Non-current Financial Assets – Loans
Other Security Deposits- Credit Impaired	75.65	Non-current Assets - Others	Non-current Financial Assets - Loans
Less: Loss allowance	(75.65)	Non-current Assets - Others	Non-current Financial Assets - Loans
Other Security Deposit	80.42	Other current Assets	Current Financial Assets - Loans
Other Receivables	122.05	Current Financial Assets - Others	Other Current Assets
Outstanding Liability for Expenses	4,634.69	Current Financial Liabilities-Others	Current Financial Liabilities - Trade payables
Statutory Remittances	259.63	Current Financial Liabilities - Trade payables	Other Current Liabilities
Statutory Remittances	27.13	Current Financial Liabilities-Others	Other Current Liabilities
Deposit from Distributors	254.25	Current Financial Liabilities – Borrowings	Current Financial Liabilities-Others

52. EVENTS AFTER THE REPORTING PERIOD

The board of directors of holding company have recommended final dividend of ₹8/- per fully paid up equity shares of ₹2/- each amounting to ₹6,182.57 lakhs for the financial year 2021, which is based on relevant share capital as on March 31, 2021. The actual dividend amount will be dependent on the relevant share capital outstanding as on record date / book closure. The recommended dividend is subject to the approval of shareholders at the ensuing Annual General Meeting of the Holding Company.

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	99.62	180,646.09	99.80	44,708.48	4,029.89	(1,249.67)	97.08	43,458.81
FOREIGN SUBSIDIARIES								
OOO Unique Pharmaceutical Laboratories, Russia	0.95	1,714.74	(0.03)	(13.91)	–	–	(0.03)	(13.91)
Unique Pharmaceutical Laboratories FZE, Dubai	5.49	9,952.89	0.01	5.28	–	–	0.01	5.28
Biotech Laboratories (Pty) Ltd, South Africa	4.44	8,052.20	3.58	1,606.62	–	–	3.58	1,606.62
Non-controlling Interest	0.20	370.51	(0.12)	(55.94)	207.90	(64.73)	(0.27)	(120.41)
Total Eliminations	(10.69)	(19,393.40)	(3.24)	(1,454.17)	(4,137.79)	1,283.13	(0.38)	(171.02)
TOTAL	**100.00**	**181,342.99**	**100.00**	**44,796.36**	**100.00**	**(31.01)**	**100.00**	**44,765.35**

54. Based on the internal and external information available up to the date of approval of these financial statements by the Board of Directors, the Group continues to believe that the impact of Covid-19 on its business, assets, internal financial controls, profitability and liquidity, both present and future, would be limited and there is no indication of any material impact on the carrying amounts of inventories, tangible and intangible assets, investments, trade receivables and other financial assets. However, concerns of Covid-19 pandemic still continue as availability of vaccine on mass scale may take time and hence, the Group continues to follow necessary safety guidelines. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements and the management will continue to closely monitor the changes to economic conditions in future and its impact on the Group.

For and on behalf of the Board of Directors

Nikhil Chopra
Chief Executive Officer &
Whole-Time Director
DIN: 07220097

Prashant Kumar
Director
DIN:08342577

Vijay D. Bhatt
Chief Financial Officer

M. C. Mehta
Company Secretary
ACS:8854

Place : Mumbai
Date : June 14, 2021

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of 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	LLC Unique Pharmaceutical Laboratories, Russia
Reporting period for the subsidiary	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021
Reporting currency	AED	ZAR	RUBLE
Exchange rate to INR as on 31/03/2021	19.90	4.93	0.97
Share capital	9,414.76	0.29	3,881.92
Reserves and Surplus	538.13	8,422.42	(2,167.18)
Total Assets	10,212.47	12,884.47	7,848.08
Total Liabilities	10,212.47	12,884.47	7,848.08
Investments	9,314.57	–	–
Turnover	–	21,842.57	5,823.80
Profit before taxation	5.28	1,606.61	15.72
Profit after taxation	5.28	1,175.12	(13.91)
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. Amount of Investment in Joint Venture Extend of Holding %	 Nil Nil 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	
Profit for the year i. Considered in consolidation ii. Not considered in consolidation	 Not Applicable Not Applicable

For and on behalf of the Board of Directors

Nikhil Chopra
Chief Executive Officer & Whole-Time Director
DIN: 07220097

Prashant Kumar
Director
DIN: 08342577

Vijay D. Bhatt
Chief Financial Officer

M. C. Mehta
Company Secretary
ACS:8854

Place : Mumbai
Date : June 14, 2021

TEN-YEAR FINANCIAL SUMMARY

(₹ in lakhs)

Particulars	11-12	12-13	13-14	14-15	15-16	#16-17	#17-18	#18-19	#19-20	#20-21
Balance Sheet										
Share Capital	1,694.15	1,694.15	1,694.63	1,696.16	1,696.40	1,696.40	1,671.40	1,604.73	1,545.64	**1,545.64**
Reserves and Surplus	93,692.17	99,206.03	103,086.53	99,934.99	112,478.57	137,089.73	143,667.41	146,851.50	142,983.44	**179,100.45**
Loan Funds	6,981.56	4,960.36	9,278.06	10,521.80	17,480.19	4,886.03	2,847.62	2,579.77	3,203.61	**2,643.28**
Deferred Tax Liability (Net)	1,655.69	2197.49	1,988.93	2,162.22	2,282.97	2,895.35	4,970.15	7,115.12	5,884.58	**6,376.60**
Other non-current liabilities	–	–	–	–	–	395.48	360.01	220.29	706.21	**1,007.36**
Total	104,023.57	108,058.03	116,048.15	114,315.17	133,938.13	146,962.99	153,516.59	158,371.41	154,323.48	**190,673.33**
Application of Funds										
Net Fixed Assets (Incl. Capital WIP)	28,000.53	29,917.34	32,852.81	35,604.09	50,040.35	61,245.27	58,731.00	56,720.09	59,937.40	**59,017.06**
Investments	33,771.16	43,365.78	53,611.41	59,749.74	51,304.77	54,377.04	56,669.07	58,949.23	53,623.39	**81,085.03**
Current Assets, Loans and Advances:										
Inventories	9,079.85	8,988.92	11,122.70	12,847.40	13,329.31	15,995.57	17,581.44	20,810.42	23,203.82	**27,891.28**
Sundry Debtors	13,120.82	19,464.31	24,805.15	24,849.05	26,802.32	26,509.52	30,054.05	30,092.38	34,423.91	**37,410.81**
Cash & Bank Balances	21,136.24	14,910.99	1,080.30	905.52	1,080.03	740.49	1,495.33	2,076.80	1,156.29	**2,642.91**
Loans and Advances	12,163.11	10,635.07	10,720.84	10,920.23	12,255.45	9,569.38	12,134.71	10,562.62	8,756.59	**11,995.83**
Total Currents Assets	55,500.02	53,999.29	47,728.99	49,522.20	53,467.11	52,814.96	61,265.53	63,542.22	67,540.61	**79,940.83**
Less: Current Liabilities and Provisions:										
Current Liabilities	10,716.77	14,458.26	13,467.30	14,481.85	18,720.86	19,798.88	21,290.42	20,133.15	25,566.36	**25,650.70**
Provisions	2,531.37	4,766.12	4,677.76	16,079.01	2,153.24	1,675.40	1,858.59	706.98	1,211.56	**3,718.89**
Net Current Assets	42,251.88	34,774.91	29,583.93	18,961.34	32,593.01	31,340.68	38,116.52	42,702.09	40,762.69	**50,571.24**
Total	104,023.57	108,058.03	116,048.15	114,315.17	133,938.13	146,962.99	153,516.59	158,371.41	154,323.48	**190,673.33**
Profit and Loss Statement										
Sales	63,577.48	79,446.05	93,443.47	103,813.61	111,993.24	116,744.55	122,780.56	146,444.85	160,619.62	**184,907.75**
Other income	7,915.84	4,792.27	5,963.69	3,369.39	8,115.92	7,713.90	6,218.39	7,696.35	8,389.09	**15,480.74**
Total Income	71,493.32	84,238.32	99,407.16	107,183.00	120,109.16	124,458.45	128,998.95	154,141.20	169,008.71	**200,388.49**
Total Expenses	66,630.42	73,463.85	83,558.38	91,272.58	97,399.56	102,780.09	111,094.65	127,213.67	134,052.54	**141,017.69**
Profit before extraordinary item and taxation	4,862.90	10,774.47	15,848.78	15,910.42	22,709.60	21,678.36	17,904.30	26,927.53	34,956.17	**59,370.80**
Profit after taxation	64,269.94	8,493.85	6,842.55	11,358.25	17,638.85	17,296.46	12,800.14	18,205.92	26,814.40	**44,708.48**
Earnings Data:										
Earning per share ( )	75.95	10.03	8.08	13.40	20.80	20.39	15.24	22.15	33.70	**57.85**
Book Value per share ( )	112.61	119.12	123.66	119.84	134.61	163.62	173.91	185.02	187.01	**233.75**
Dividend:										
In per share	41.00	3.00	3.00	14.00	5.00	1.00	2.00	5.00	11.00	**16.50**
Percentage (%)	*2050	150	150	**700	250	50	100	250	550	**825**

* Includes special interim dividend of 40 (2000%) 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, 2018-19 and 2019-20 are after buy-back outgo of 50 crores, 130 crores and 130 crores respectively.

Passion WITH A **PURPOSE**

J.B. CHEMICALS & PHARMACEUTICALS LTD.

J.B. Chemicals & Pharmaceuticals Limited
Cnergy IT Park, Unit A2, 3rd floor & Unit A, 8th floor, Appa Saheb Marathe Marg,
Prabhadevi, Mumbai 400 025.
T: +91 22 24395200 | E: secretarial@jbpcl.com | W: www.jbcpl.com

Conceptualised and designed by SOL Brand Solutions- www.soldigital.in