

## 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, 4 <sup>th</sup> Floor, Hind Cycle Road, Worli, Mumbai - 400 030.
4	Website	<a href="http://www.jbcpl.com">www.jbcpl.com</a>
5	E-mail id	<a href="mailto:secretarial@jbcpl.com">secretarial@jbcpl.com</a>
6	Financial Year reported	April 1, 2018 to March 31, 2019
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Pharmaceuticals
8	List three key products that the Company manufactures (as in balance sheet)	Cilnidipine, Ranitidine and Metronidazole.
9	Total number of locations where business activity is undertaken by the Company	
(a)	Number of International Locations (Provide details of major 5)	The Company has representative office in Russia and Ukraine. Excepting this, the Company does not have its own location outside India.
(b)	Number of National Locations	Nine manufacturing facilities across Ankleshwar, Panoli and Daman, 27 distribution locations across the country, one area office in Delhi and Kolkata, R & D Centre at Thane (Maharashtra), Panoli and Daman (Gujarat) and a Registered and Corporate office at Mumbai.
10	Markets served by the Company	India and over 50 countries across Asia and South East Asia, Gulf & Middle East, USA, EU, Canada, Australia, New Zealand, Latin & Central America, Africa & South Africa and Russia-CIS.

### SECTION B: Financial details of the Company

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

### SECTION C: Other Details

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

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## SECTION D: BR Information

### 1 Details of Director responsible for BR

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

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

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

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

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The Company has formulated Code of conduct and anti-bribery policy which meet industry standards. BR Policy conform to principles laid down in NVG on Social, Environmental and Economic Responsibilities of Business.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ CEO/ appropriate Board Director?	Yes. It is signed by the Chairman & Managing Director.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online ?	<a href="http://www.jbcpl.com/investors/pdf/code_of_conduct_for_directors.pdf">http://www.jbcpl.com/investors/pdf/code_of_conduct_for_directors.pdf</a> <a href="http://www.jbcpl.com/investors/pdf/policy/Anti_Bribery_Policy.pdf">http://www.jbcpl.com/investors/pdf/policy/Anti_Bribery_Policy.pdf</a> <a href="http://www.jbcpl.com/investors/pdf/policy/Business_Res_Policy0001.pdf">http://www.jbcpl.com/investors/pdf/policy/Business_Res_Policy0001.pdf</a>								
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.								

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### 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 <a href="http://www.jbcpl.com/investors/pdf/policy/Business%20Responsibility%20Report.pdf">http://www.jbcpl.com/investors/pdf/policy/Business Responsibility Report.pdf</a>

### SECTION E: Principle-Wise Performance

#### Principle 1: Ethics, Transparency and accountability

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

Yes.

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

No.

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

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

#### Principle 2: Product safety and sustainability

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

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

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

The Company has a well-established procedure of Vendor Development. The vendors' facilities and documentations are audited before being included in the approved vendor list. The Quality Assurance teams audit all key vendors every 2 years. The Company also has approved vendors for

transportation of goods. There is a process of identifying and developing alternate vendors for critical materials sourced from single vendor.

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

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

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

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

#### Principle 3: Employee well-being

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

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

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

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

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

464

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

Nil

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

The Company does not have employee association.

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

Not applicable.

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

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

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

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

### Principle 4: Stakeholder Engagement

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

Yes.

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

No.

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

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

### Principle 5: Human Rights

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

It covers only the Company.

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

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

### Principle 6: Environment

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

It covers only the Company.

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

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

**3 Does the company identify and assess potential environmental risks?**

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

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

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

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

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

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

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

Yes.

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

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

### Principle 7: Policy Advocacy

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

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

- (a) Indian Pharmaceutical Alliance,

- (b) Indian Drugs Manufacturers' Association,
- (c) Pharmaceuticals Export Promotion Council,
- (d) Federation of Indian Export Organisations, and
- (e) Ayurvedic Drug Manufacturers Association.

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

No.

### Principle 8: Inclusive growth and equitable development

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

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

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

The projects are undertaken by way of contribution to NGOs.

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

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

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

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

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

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

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### 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.