

Unique



J. B. CHEMICALS & PHARMACEUTICALS LIMITED

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StockExchange-BSE letters/MM:633

August 24, 2016

BSE Ltd.
Phiroze Jeejebhoy Towers
Dalal Street
Mumbai 400 001

BSE Scrip Code : 506943

Stock Symbol: JBCHEPHARM

Dear Sir,

Sub: Submission of Annual Report for the year 2015-16 pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Enclosed please find Annual Report of the Company for the year 2015-16. This was approved and adopted at the Annual General Meeting of the Company held on Tuesday, August 23, 2016.

We request you to take the above on record.

Thanking you,

Yours faithfully,

For J.B. Chemicals & Pharmaceuticals Ltd.

M. C. Mehta

Company Secretary & Vice President - Compliance

Building on Strengths



Annual Report 2015-16

J. B. Chemicals & Pharmaceuticals Limited



JBCPL, one of India's leading pharmaceutical companies, manufactures & markets a diverse range of pharmaceutical formulations, herbal remedies and APIs. JBCPL exports to many countries worldwide with presence in US, Europe, Australia, South Africa, other developing countries, Russia and CIS. The Company continues to invest in growing its share in the regulated markets in USA, Europe and Australia. JBCPL has a strong R&D and regulatory set-up for development of new drug delivery system and formulations, filing of DMFs and ANDAs. Its state-of-the-art manufacturing facilities are approved by health authorities of regulated markets.



Forward Looking Statements

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

At JBCPL, we aim for a bigger and brighter tomorrow. And quite rightly so, for we believe we have the fundamentals in place to outpace the market challenges and thrive into the future.

Through a disciplined and decisive approach, we have built a robust organisation that will help us steer the course and create value for all stakeholders. Our uncompromising focus on the pillars of innovation and investment adds an exciting dimension to our business.

Our endeavour to build a robust organisation is manifest in our business actions. Launching new products, strengthening existing brands, exploring new markets, enhancing manufacturing and technological capabilities, building on operational excellence and people development, we continue to strengthen our business fabric.

The success of our strategy is vindicated by our performance. Today, all our business segments - domestic formulation business, exports and API business are advancing at a steady pace, with exciting prospects going forward.

Through our focussed and firm steps, and guided by a set of values that have become the JBCPL way, we move on confidently to scale growth going forward. Building on our strengths, we are more prepared than ever for tomorrow. Reinforced and renewed, we are ready to achieve new heights of value creation.

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J.B. Mody

Chairman & Managing Director

Chairman's Statement

Performance

The financial performance of the Company in the year gone by was a bit of a mixed bag. The environment related to the foreign currency was challenging to say the least, which resulted in a low growth rate in the sales. However, in the midst of that, we were able to deliver very satisfactory results in terms of operations. It gives me immense pleasure to see that the path we have taken forward is resulting in positive results.

Total revenue from operations for FY 2015-16 stood at ₹ 1,148.16 crores, which represents a growth of 8.17%. The growth in revenue was in single digit mainly due to the impact on exports caused by sharp depreciation of currencies against US Dollar. However, it is heartening to note that the Company recorded improved operating performance. The operating profit at ₹ 184.12 crores registered a margin improvement of 9.57% over the previous year. On account of higher other income, profit before tax which stood at ₹ 227.09 crores was 42.73% higher over the previous year, while profit after tax for the year at ₹ 176.38 crores show a growth of 55.30%.

The consolidated revenue from operations for FY 2015-16 stood at ₹ 1,255.14 crores, a growth of 9.69%. The consolidated profit before tax at ₹ 208.82 crores was 43.47% higher over the previous year. However, our Russian subsidiary was impacted by ₹ 18.27 crores due to depreciation of Ruble against US Dollar. Consolidated profit after tax for the year at ₹ 161.92 crores showed a growth of 61.26%. By now, the Russian currency has stabilised against US Dollar. We are hopeful that the stability will continue, enabling us to drive higher performance.

I shall now touch upon the Company's main businesses, their performance and our plans going forward.

Domestic Formulations Business

I am delighted to share the domestic formulations business of the Company which has been registering an impressive performance. With sales of ₹ 423.32 crores, the domestic formulations business achieved good growth of 13.06% with focus products group registering a growth of 19%, against the industry growth of 14%. I am happy to share with you that the Company's products in Cardiac and Dermatological segment registered a growth of 25% and 22% respectively. The Company plans to continue its focussed pursuit to harness the potential of its existing products, particularly, the focus brands, launch new products selectively and achieve increased productivity. We are optimistic that this strategy will continue to strengthen our brands and capitalise further on our market performance.

The contrast media products in the domestic market which achieved sales of ₹ 40.32 crores grew by 14.76%. The performance was satisfactory keeping in mind the competitive pressure. The Company plans to introduce new products and work towards improved coverage to boost the top line and bottom line in this business.

The future outlook for the industry as well as growth expectations of the Company remains positive. Increasing per capita consumption of drugs, increasing health awareness and improved healthcare access are expected to aid the growth going forward. The Company continues to invest in products, people and processes to achieve its growth objective.

Exports

Exports of formulations amounted to ₹ 531.65 crores during the year, a growth of 5.96% over the previous year. The exports of formulations were affected by sharp depreciation of various currencies against US Dollar. This volatility prevailed during most part of the year which affected the demand as well as payment situation. The scenario appears to be returning to normalcy, however, any international event may have an adverse impact on the currencies. Exports to Global markets (other than Russia-CIS) at ₹ 390.72 crores achieved a growth of 11.60% in Rupee terms and 3% in US Dollar terms. Amongst the Company's focus markets, US and South Africa showed a good growth of 41% and 23% respectively. In terms of segments, ANDAs, Lozenges and Site variation products showed good growth. Growth in the US market has been a major thrust area for the Company in this business. The Company's 5 ANDAs are pending approval with US FDA and the Company is working on more submissions each year. It is expected that the US market will supplement the growth in the medium-to-long term.

The environment related to the foreign currency was challenging to say the least, which resulted in a low growth rate in the sales. However, in the midst of that, we were able to deliver very satisfactory results in terms of operations.

The Company's investment in manufacturing infrastructure of international standards for various pharmaceutical preparations, some of which are approved by health authorities such as US FDA, MHRA UK, TGA Australia, MCC South Africa, MoH Japan and MoH Ukraine, establish quality credentials in this space. All these are expected to boost exports, moving ahead.

The exports for Russia-CIS region amounted to ₹ 52.46 crores, lower than the last year. Though this business is still in the investment phase, the volatility in Russian, Ukrainian and the other CIS currencies affected the business significantly. The Company continues to cautiously invest in these potential markets. The Company is hopeful of improving its business performance in this region.

During the year, Biotech Laboratories (Pty.) Ltd., South Africa, has become a subsidiary of the Company, with Company's interest going up to 95.24% from 49%. This strategic investment will allow the Company to expand its business in South Africa and SADC countries, which hold good growth potential. With strong marketing reach of Biotech, the Company expects to expand and strengthen its presence in this region.

API Business

The sales in API business at ₹ 100.56 crores were marginally lower than the previous year.

New Capex Programme

The new capex plan for creation of additional capacity for the formulations business including tablets, liquid, ointments, vials, eye drops and lozenges and creation of additional capacity for the API business is progressing well. This investment is expected to generate additional growth in the near future. This capex is being funded out of internal accruals.

Cash Surplus

I wish to reiterate that we plan to use cash surplus for growth of our pharmaceutical business or such other fruitful purpose as the Board determines. Until then, it will remain safely invested.

Research & Development (R&D)

The R&D division continues to play an important role in the Company's growth. R&D is currently focussed on the development of new formulations for ANDAs filings, new drug delivery systems and new formulations and APIs. Our R&D has been playing an important role in the growth of exports. Let me underline that R&D activities will continue to remain in the forefront for driving future growth of the Company. During the current year, we have increased our R&D spend as it is a lifeline of any pharmaceutical company. We are hopeful that our initiatives today will generate the required returns in the coming years.

Challenges Ahead

Undoubtedly, the road to growth is not without challenges. In fact, the business faces challenges such as increasing the span of price control, intense competition, increasing regulatory requirement and growing input costs, to name a few. However, through our focus on building a robust organisation, we are hopeful of successfully meeting these challenges and enhancing value for our shareholders.

Stakeholders' Support

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



J.B. Mody

Chairman & Managing Director



Domestic Formulations

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

During FY 2015-16, the domestic formulations sales at ₹ 423.32 crores registered a good growth of 13% against industry growth of 14%. The focus products registered a growth of 19%. The strategy to realise the potential of products in Gastro and anti-hypertensive segment has helped growth. During the year, all important regions of the market have shown growth. The intense competition in the industry and the impact of price controls has made the operations more challenging in the year.

The contrast media products business with sales of ₹ 40.32 crores achieved growth of 14.76%. This is relatively a small market and the Company expects to maintain its growth momentum.

The industry is expected to maintain its growth rate in view of increase in per capita consumption of drugs, improved healthcare access, increasing health awareness and increasing penetration in Tier II and rural market. The Company believes that its well established brands and pan India presence will facilitate the growth going forward.



The Company is ranked 35th in the domestic industry (IMS MAT March 2016) with the Company's three brands viz. Rantac (anti-peptic ulcerant), Cilacar (calcium channel blocker) and Metrogyl (amoebicides), featuring among top 300 brands (IMS MAT March 2016) in terms of value as well as units. The Company's recently launched brand Rantac Syrup is a category creator and ranks #1 in Ranitidine Syrup market.



The Company accords high priority to domestic formulations business. During the current year, the Company also plans to continue to pursue focus on harnessing potential of the existing products, launch new line extensions and achieve increased productivity. These initiatives will be pursued with scientific product promotion and aggressive marketing strategies.

The increasing government procurement for public health and an increasing investment by the private sector in hospitals make the institutional business more attractive. The Company, with its product range, expects to well expand the business in this segment.



Mr. Pranabh Mody

President & Whole time Director
(Operations)

The Company recognises the important role played by field force in growth of domestic formulations business. The Company has concentrated on enhancing productivity by honing skill and has also put in place motivating incentive schemes to realise potential of the people and the products.

During the year, Government banned sales of about 344 fixed dose combinations. The issue is before judiciary and the outcome is awaited. The Government's new stance on FDCs particularly the ones which have been selling in the domestic market for long has caused concern. The space for introduction of FDCs will now significantly depend on the approach adopted by the Government going forward. This is a significant development and has huge bearing on growth of the industry and availability of drugs in the market. Further, WPI driven price revisions have been falling short particularly keeping in view the increase in costs. These are challenges for the growth.



The Company's recently launched brand Rantac Syrup is a category creator and ranks #1 in Ranitidine Syrup market.



This business witnessed good improvement in working capital management. The stringent initiatives taken have resulted in rationalisation of inventory position and release of cash for growth.





Exports

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

New capex plan for creation of additional capacity is on course and will increase the exports going forward.

The Company's total exports income amounted to ₹ 651.67 crores (58.13% of net sales), against ₹ 623.34 crores (60.04% of net sales) in the previous year. The exports business in general was significantly impacted by high volatility of major currencies against US Dollar due to fall in oil prices internationally and outlook of interest rates in US.

The exports to Global market (other than Russia-CIS region) at sales of ₹ 390.72 crores grew by 11.60% in Rupee terms. The exports to US and South Africa particularly fared well and registered growth of 41% and 23% respectively.

The Company has placed enhanced focus on US business. The Company's 5 ANDAs are awaiting approval and plans to file a few ANDA every year. The US sales have shown good growth over last several years and are expected to significantly contribute to the Company's exports going forward. Besides this, the Company plans to manufacture certain APIs itself to make the US business more profitable and remove uncertainty associated with third party API source.

During the year, the Company's subsidiary acquired stake from other JV partner in Biotech Laboratories (Pty.) Ltd., South Africa. Consequently, Biotech has become the Company's subsidiary and its present interest therein has increased to 95.24%. This strategic acquisition will provide the Company necessary elbow room for growth in this another focus market. The Company also plans to acquire certain dossiers registered with MCC, South Africa, to speed up the growth. Biotech's existing business and product pipeline hold high growth potential.

The exports for Russia-CIS market were lower at ₹ 52.46 crores. The market has been plagued by high depreciation of Russian and Ukrainian currency against US Dollar due to steep fall in oil prices. In addition, the same impact has been seen in all the other CIS markets. Due to this, the Company's Russian subsidiary lost ₹18.27 crores on account of sharp depreciation of Ruble against US Dollar. However, the Russian currency has stabilised now and we hope this will continue. The Company considers Russia-CIS as a very potential market and accordingly continues to invest to grow the business in this market. The Company is hopeful that its well established

US Business Partner



Mr. Shekhar Nadkarni



Mr. Ravi Gulgule



Mr. Sandeep Nasa, Head - Russia-CIS business



Mr. Jay Mehta

Sr. Vice President -
(International Division)

brands and new products coupled with focussed marketing will help achieve growth in this market going forward.

The API exports were ₹ 99.70 crores against ₹ 102.25 crores in the previous year. The Company expects this business to grow.

High focus on CRAMS projects in the area of lozenges and site transfer projects for formulations from multinational firms have been consistently growing. The Company is working to expand this business to ensure that there is sustainable and predictable revenue stream. The Company's State-of-the-art manufacturing facilities with approvals from international health authorities such as US FDA, UK MHRA, EU GMP, TGA Australia, MCC South Africa, MoH Ukraine and MoH Japan and wide range of products across injectable, lozenges, solid and semi-solid along with strong regulatory and development support give Company the needed platform to succeed in international business.

Mr. Nirav Mody

Sr. Vice President -
Strategic Marketing and
Business Development



New capex plan for creation of additional capacity for the formulations business including tablets, liquid, ointments, vials, eye drops and lozenges and creation of additional capacity for the API business for its Diclofenac Sodium plant is progressing well. This is being funded by internal accruals. This will help grow exports of both formulations and APIs.

The Company continues to manufacture and supply OTC products to Cilag GmbH international. This business is expected to grow further in coming years.

The international business poses challenges such as increased competition, rapidly changing regulatory environment and increasing span of price controls in some markets. However, the Company is optimistic about its good growth prospects.



Standing – **Stewart Barker** (Chief Executive Officer) and Sitting (from left to right) – **Motshabi Kgantsi** (Responsible Pharmacist), **Amanda Burstein** (Finance and Supply Chain Executive) and **Christa Bester** (NBD Executive)



Dr. Omer Abdelrahman Ali (third from left), Director of Al Haitham, Sudan with company's Senior Management Team



Mr. Bharat P. Mehta

Whole time Director (Planning & Development)



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

Sr. No.	Health Authority	Facility Approved
1	US FDA	Tablets, APIs
2	MHRA, UK	Lozenges
3	EU GMP	Tablets
4	MCC, South Africa	Tablets, Injections, Lozenges
5	TGA, Australia	Tablets, Lozenges, Ointments, Gel, Creams, Liquid
6	PIC/S (MOH, Ukraine)	Tablets, Lozenges, Injections, Liquid, Ointments, Gel, Creams
7	Health Canada	Herbal Syrup and Lozenges
8	MOH, Japan	API



Mr. Kamlesh L. Udani

Executive Director (Technical & Production)



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



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



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

Corporate Social Responsibility

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

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

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

Healthcare

During the year, the Company contributed to corpus of Ankleshwar Industrial Development Society towards upgradation of facilities and treatment of poor patients at Smt. Jayaben Mody Hospital run by the said society. The Company regularly contributes to this Society for provision of medical treatment and diagnostic facility



Smt. Jayaben Mody Hospital at Ankleshwar, Gujarat



Medicines donated by the Company being administered to underprivileged children at a Camp in Mumbai

for treatment of poor residing in and around Ankleshwar area. Besides this, the Company also contributed to corpus of Shree Sardar Vallabhbhai Patel Rotary General Hospital Trust, which runs Sardar Patel Hospital and Heart Institute in Ankleshwar. The Company places importance on providing free and/or affordable medical facility to needy people in and around Ankleshwar, where the Company has its manufacturing facilities.

Recognising the attention needed in casualty cases, the Company continued to contribute for treatment of burn injuries of poor patients at National Burns Centre at Navi Mumbai and also contributed towards setting up of casualty centre at K. J. Somaiya Hospital, Mumbai.

The economic condition of people in Nashik and Dhule district of Maharashtra was affected due to poor rains in last couple of years. This situation required help to poor patients. To support the cause, the Company contributed to NGO, which undertook project to provide free medical care to children with neurological problems in remote villages in Nashik and Dhule district.

The Company also contributed towards treatment of visually impaired poor people as well as provided free medicines to Tata Memorial Hospital and Shrimad Rajchandra Hospital for treatment of poor patients.

Education

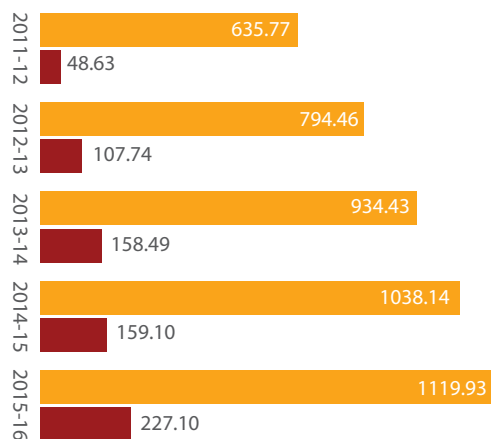
Education is another area where the Company regularly contributes with an objective that the students get needed assistance and right environment and facility to pursue their education. Towards this end, during the year, the Company contributed to Ashoka University corpus of International Foundation for Research and Education for scholarships to poor students at undergraduate/post graduate level. The Company also contributed to corpus of Institute of Chemical Technology for setting up of Nano Drugs Delivery Laboratory in the Department of Pharmaceutical.

The Company also contributed to NGO's project for re-instatement of school dropout children in Marathwada Region of Maharashtra.

Financial Highlights

Net Sales & Profit before Exceptional item and tax

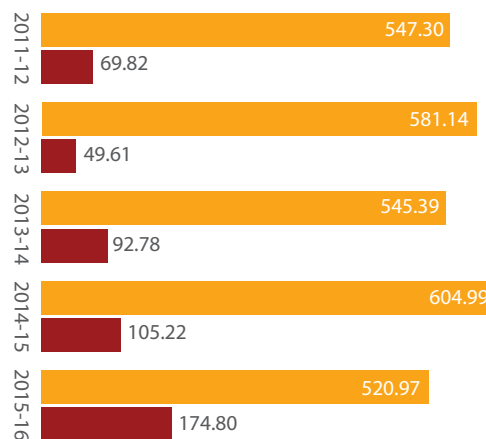
(₹ in crores)



Net Sales Profit before Exceptional item and tax

Investments + Cash & Bank Balance / Borrowings

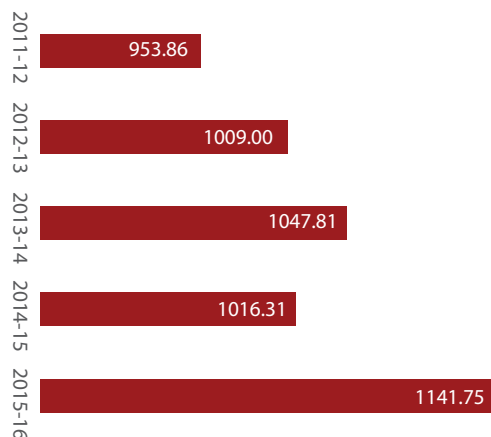
(₹ in crores)



Investments + Cash & Bank Balance Borrowings

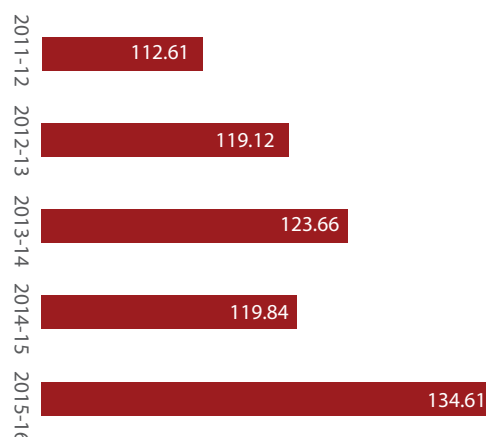
Share Capital + Reserves & Surplus

(₹ in crores)

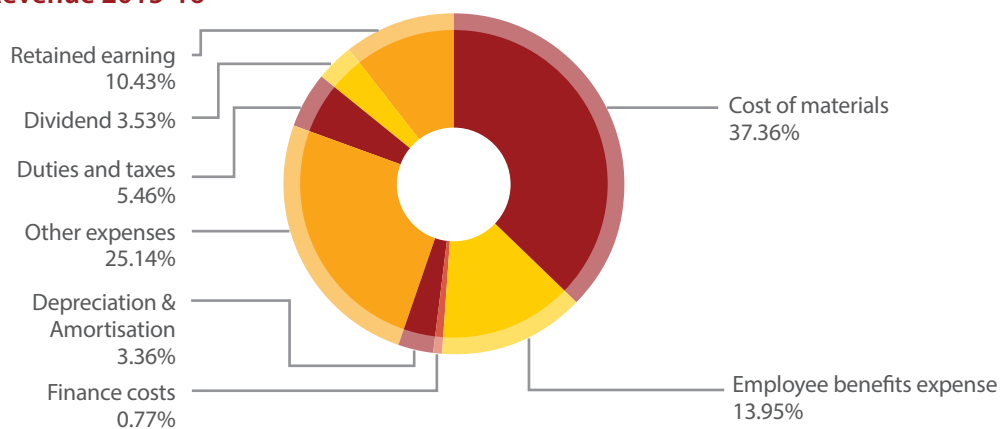


Book Value

(in ₹)



Distribution of Revenue 2015-16



Board of Directors



Jyotindra B. Mody
Chairman & Managing Director



Dinesh B. Mody
Whole time Director
(Administration)



Shirish B. Mody
Whole time Director (Marketing)



Durga Dass Chopra
Independent Director



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



Pranabh Mody
President & Whole time Director
(Operations)



Rajiv C. Mody
Independent Director



Kamlesh L. Udani
Executive Director (Technical &
Production)



Dr. Satyanarain Agarwala
Independent Director



Dr. Niranjn N. Maniar
Independent Director



Jashvantrai B. Joshi
Independent Director



Krupa R. Gandhi
Independent Director



Devang R. Shah
Independent Director



Shaukat H. Merchant
Independent Director

CORPORATE INFORMATION

AUDIT COMMITTEE

Mr. Durga Dass Chopra (Chairman)
 Mr. Dinesh B. Mody
 Ms. Krupa R. Gandhi
 Dr. Niranjana N. Maniar
 Dr. Satyanarain Agarwala

CORE TECHNICAL TEAM

Mr. Bharat P. Mehta, Whole time Director (Planning & Development)
 Mr. Kamlesh Udani, Executive Director (Technical & Production)
 Dr. Milind Joshi, President - Global Regulatory Management
 Mr. Parmeshwar Bang, Vice President - Works
 Mr. M. K. Karve, Quality Controller - Corporate QA

COMPANY SECRETARY

M. C. Mehta

AUDITORS

J. K. Shah & Co.
 Chartered Accountants
 Mumbai

BANKERS

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

BUSINESS MANAGEMENT TEAM

Mr. Jyotindra B. Mody, Managing Director
 Mr. Dinesh B. Mody, Whole time Director (Administration)
 Mr. Shirish B. Mody, Whole time Director (Marketing)
 Mr. Pranabh Mody, President & Whole time Director (Operations)
 Mr. P. K. Singh, President - Global Business
 Mr. Nirav Mody, Sr. Vice President - Strategic Marketing and Business Development
 Mr. Jay Mehta, Sr. Vice President - International Division
 Mr. Savya Sachi, Director - Marketing & Sales (DBU)
 Mr. Bhushan Sachdev, Vice President - Supply Chain Management
 Mr. Vijay Bhatt, Chief Financial Officer
 Mr. B. K. Dhar, General Manager - API (Marketing)
 Mr. Mitesh Kothari, General Manager - Diagnostic

REGISTERED OFFICE

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 4th floor, Hind Cycle Road
 Worli, Mumbai 400 030.
 Tel No. (022) 2482 2222/2493 0918
 Fax No. (022) 2493 0534
 Website : www.jbcpl.com
 Email id for investors:
secretarial@jbcpl.com
investorelations@jbcpl.com

REGISTRARS & SHARE TRANSFER AGENT

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

DIRECTORS' REPORT

Your directors are pleased to present the fortieth report and audited financial statement of the Company for the year ended on March 31, 2016.

1. FINANCIAL HIGHLIGHTS

The following is the highlight of financial performance of the Company during the year under review as well as appropriation of profits.

(₹ in lakhs)

Particulars	2015-16	2014-15
Revenue from Operations (Net)	114,816.77	106,142.12
Other Income	5,292.39	1,040.88
Total Revenue	120,109.16	107,183.00
Profit before finance cost and depreciation	27,672.43	20,335.42
Less: Finance cost	922.27	665.01
Less: Depreciation & Amortisation expense	4,040.56	3,759.99
Profit before tax	22,709.60	15,910.42
Provision for tax:		
Current Tax	4,950.00	4,200.00
Deferred tax	120.75	352.17
Profit for the period after tax	17,638.85	11,358.25
Balance brought forward from previous year	44,241.46	47,725.65
Amount available for appropriation	61,880.31	59,083.90
Appropriations:		
Proposed dividend	424.10	11,873.15
Tax on proposed dividend	86.34	2,417.09
Interim dividend paid	3,816.90	-
Tax on Interim dividend	777.04	-
Less: Residual value of assets without useful life adjusted against opening balance	-	347.40
Less: Adjustment pursuant to the Scheme of Amalgamation and Arrangement	-	204.80
Less: Dividend and dividend distribution tax on equity shares issued under ESOP before AGM held on 19-08-2015	1.81	-
Balance carried forward to balance sheet	56,774.12	44,241.46
Total	61,880.31	59,083.90

2. DIVIDEND

Your directors recommend a final dividend of Re.0.50 (25%) per equity share of face value of ₹ 2.

During the year, the Board of Directors declared interim dividend of ₹ 4.50 (225%) per equity share of face value of ₹ 2. The final dividend, if declared, together with interim dividend already paid would result in total outgo of ₹ 51.04 crores including dividend distribution tax. In the previous year, the Company paid dividend of ₹ 14 per equity share comprising of special dividend of ₹ 10 per share and regular dividend of ₹ 4 per share.

3. OPERATIONS/STATE OF AFFAIRS

The net sales during the year at ₹ 1,119.93 crores were 7.88% higher over the previous year. The total operating revenue at ₹ 1,148.17 crores were 8.17% higher; while the total income for the year at ₹ 1,201.09 crores shows increase of 12.06% due to higher other income. The operating profit of ₹ 184.12 crores registered margin improvement of 9.57% over previous year due to favourable product mix as well as containment of costs. The profit before tax and profit after tax at ₹ 227.10 crores and ₹ 176.39 crores registered growth of 42.73% and 55.30% respectively.

The domestic formulations business achieved good growth of 13.06% at sales of ₹ 423.33 crores, while contrast media products achieved growth of 14.76% at sales of ₹ 40.32 crores. The overall formulations exports at ₹ 531.65 crores registered growth of 5.96%, which is lower mainly due to depreciation of currencies against US Dollar. The exports to Rest of the World countries at ₹ 390.72 crores registered growth of 11.60% in Rupee terms. However, the other formulations exports including exports for Russia-CIS market were lower. The total sales of bulk drugs stood at ₹ 100.56 crores against ₹ 103.76 crores in the previous year.

4. RESPONSIBILITY STATEMENT

The directors confirm:

- that in the preparation of the annual accounts for the year under review, the applicable accounting standards have been followed;
- 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 2015-16 and of profit of the Company for that year;
- 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;

DIRECTORS' REPORT (CONTD.)

- (iv) that they have prepared the annual accounts for the year ended on March 31, 2016 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.

5. SUBSIDIARIES

During the year, the Company's subsidiary Unique Pharmaceutical Laboratories FZE ("UPL FZE") acquired 2,194,030 Ordinary Shares in Biotech Laboratories (Pty.) Ltd. ("Biotech") from Afrika Biopharma Investments (Pty.) Ltd. Consequent to restructuring of existing 49% shareholding in Biotech and issue of certain shares by Biotech after the aforesaid acquisition, UPL FZE now holds 95.24% voting capital of Biotech. Accordingly, Biotech has become subsidiary of the Company. Subsequently, the Company's subsidiary J.B. Healthcare Pvt. Ltd., Jersey, has been dissolved.

The report on financial performance and financial position of the subsidiary companies as on March 31, 2016 is presented in Annexure-A.

6. CORPORATE GOVERNANCE

A certificate from auditors of the Company on compliance of conditions of corporate governance is annexed to this report. The management discussion and analysis report and compliance report on corporate governance as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the said Regulations") form part of this annual report. This annual report contains information as on and has been prepared in accordance with the provisions of the said Regulations as applicable on March 31, 2016.

7. PUBLIC DEPOSITS

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

8. DIRECTORS

In accordance with the provisions of the Companies Act, 2013, Mr. Pranabh Mody retires by rotation at the ensuing annual general meeting. He, being eligible, has offered himself for re-appointment.

All independent directors have given a declaration to the Board that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 as

well as in Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year, the Board appointed Mr. Shaukat H. Merchant as an additional director on February 3, 2016. He is an independent director and holds office up to the date of ensuing annual general meeting. The Company has received, pursuant to Section 160 of the Companies Act, 2013, a notice from a member proposing candidature of Mr. Shaukat H. Merchant to the office of director of the Company. It is proposed to appoint Mr. Shaukat H. Merchant as an independent director of the Company. Mr. Shaukat Merchant is a Senior Solicitor & Senior Partner of the Law Firm M/s. M&M Legal Ventures, Advocates & Solicitors, Mumbai which was established by him in the year 1993. He possesses expertise in the field of law. His detailed profile is given in notice for the ensuing annual general meeting. This profile is deemed to form part of this report.

During the year, Mr. Mahesh K. Shroff, independent director, resigned from the Board due to his health reasons. Total 5 meetings of the Board of Directors of the Company were held during the year 2015-16. They were held on May 20, 2015, August 5, 2015, November 4, 2015, February 3, 2016 and March 11, 2016.

9. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION POLICY

The Company's policy on directors' appointment is set out in Annexure-B. The Company's policy on directors' remuneration including criteria for determining qualifications, positive attributes and independence of a director as well as policy relating to remuneration of Key Managerial Personnel and other employees is set out in Annexure-C.

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

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

11. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the requirement of Section 135 of the Companies Act, 2013, the Board of the Company has constituted Corporate Social Responsibility (CSR) Committee comprising of Dr. Satyanarain Agarwala, independent director, Mr. Bharat P. Mehta and Mr. Pranabh Mody. The CSR Committee has formulated and recommended CSR Policy of the Company to the Board, which the Board has approved. The details and contents of CSR policy and annual report on CSR in the prescribed form are set out in Annexure-E.

The Company spent ₹ 243.58 lakhs on prescribed CSR projects/ activities during 2015-16 as against ₹ 274.78 lakhs being 2%

DIRECTORS' REPORT (CONTD.)

of the average net profits of the Company made during the three immediately preceding financial years. Pursuant to second proviso to Section 135(5) of the Companies Act, 2013, Board has to specify that the Company could not spend the entire amount of ₹ 274.78 lakhs as it did not come across other deserving activity/projects for the benefit of needy section of the society.

12. AUDIT COMMITTEE AND VIGILANCE MECHANISM

The Board has constituted Audit Committee comprising of Mr. Durga Dass Chopra, Dr. Satyanarain Agarwala, Mr. Dinesh Mody, Dr. N.N. Maniar and Ms. Krupa Gandhi. There has been no instance of non-acceptance of recommendation of Audit Committee by the Board.

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

13. ANNUAL PERFORMANCE EVALUATION

The Board of Directors has laid down the criteria for evaluation of performance of individual directors, Board of Directors and Committees of the Board. The Nomination and Remuneration Committee first carried out evaluation of performance of each director during 2015-16 against the criteria. The result of this process was placed before the Board at its meeting held on May 20, 2016, which (excluding the director being evaluated) also independently carried out evaluation of performance of each director. The Board at the said meeting also carried out performance evaluation of each Board constituted committee (excluding the members of the Committee being evaluated) against the criteria. The Board's own performance was also evaluated by each individual director based on the criteria. The Chairman of the Board then reviewed the outcome of entire performance evaluation process and shared the same with the Board members.

14. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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. Therefore, there is no information to be furnished in Form AOC-2. However, every contract or arrangement entered into pursuant to Section 188(1) of the Companies Act, 2013 is referred to in Annexure-F pursuant to Section 188(2) of the Companies Act, 2013. The terms of these contracts or arrangements are on arm's length basis and in ordinary course of business, and have been approved by the Audit Committee and the Board of Directors.

15. EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013, the extract of the Annual Return as provided under Section 92(3) of the Companies Act, 2013, as on March 31, 2016 is given in Annexure-G.

16. PARTICULARS OF EMPLOYEES AND OTHER REMUNERATION RELATED DISCLOSURES.

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, is given in Annexure-H.

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, are given in Annexure-I.

17. EMPLOYEE STOCK OPTION PLAN

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

18. LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans and guarantees given and investments made under Section 186 of the Companies Act, 2013 during the year and outstanding as at the year-end are given in Annexure-K.

19. RISK MANAGEMENT

The Board of Directors has developed and implemented risk management policy for the Company. The Board periodically

DIRECTORS' REPORT (CONTD.)

monitors the risk management plan and reviews mitigation measure taken in relation thereto.

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

Neither management of the Company has come across any instance of fraud during the year 2015-16 nor the auditors of the Company has reported any such instance to the Audit Committee.

21. ORDER OF NATIONAL GREEN TRIBUNAL

In proceeding instituted by certain NGOs, National Green Tribunal, Pune Bench ("Tribunal"), by its judgement and Order dated 8-1-2016 ("the said Order"), *inter alia*, held that grant of ex-post facto environmental clearance by the Ministry of Environment and Forests ("MoEF") under Circular dated 14-5-2002 issued by MoEF was not in accordance with the provisions of the Environment (Protection) Act, 1986. Accordingly, the environmental clearance granted to the Company on 23-12-2002 in respect of its bulk drugs unit at Panoli, Gujarat ("the said unit") and such clearance granted to certain other respondents companies under EIA Notification dated 27-1-1994 has been held to be bad in law and the Tribunal consequently ordered closure of industrial activities of all the respondents' industrial units including the Company's said unit. The Company filed Application before the Tribunal for review of its said Order on the ground that the Company has another environmental clearance dated 8-8-2007 issued by MoEF under EIA Notification dated 14-9-2006 and Consolidated Consent and Authorisation dated 2-11-2013 issued by Gujarat Pollution Control Board. The Tribunal has, however, not allowed the Company's Review Application by judgement and Order dated 17-5-2016. The Tribunal has stayed its said judgement and Order dated 17-5-2016 for a period of two months by an Order passed on 18-5-2016. The Company is now in the process of filing an

appeal before the Supreme Court. This Order does not impact going concern status of the Company.

Your Directors believe that the Company holds valid and subsisting clearance and consent for running of the said unit.

22. AUDITORS AND AUDITORS REPORT

The Board of Directors recommends re-appointment of M/s J.K. Shah & Co., Chartered Accountants, as auditors of the Company, to hold office after conclusion of ensuing annual general meeting until conclusion of the next annual general meeting. M/s J.K. Shah & Co., being eligible, has submitted their written consent and certificate of eligibility.

In respect of the auditors' observation contained in paragraph (i) (c) of Annexure-A to the Auditors' report, your directors have to inform the members that the said observation pertain to a residential flat in Kolkata purchased on May 15, 1992 at cost of ₹ 2.64 lakhs (w.d.v. as on March 31, 2016 ₹ 1.62 lakhs), which is being used by the Company in the ordinary course of business. The purchase agreement in respect of this premise could not be then registered due to unavailability of the Seller. However, the Company is in continuous possession. The Company has re-initiated efforts to get the said document registered.

23. SECRETARIAL AUDIT REPORT

Ashish Bhatt & Associates, Practising Company Secretaries, Secretarial Auditor of the Company, carried out secretarial audit for the financial year 2015-16 as provided under Section 204 of the Companies Act, 2013 and the rules made there under. The secretarial audit report given by the said auditor is annexed to this report as Annexure-L.

24. HEALTH AND SAFETY

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

25. APPRECIATION

Your Directors record their sincere gratitude to the banks for their assistance and shareholders, business associates, medical professionals and customers for their continued support and faith in the Company, and to employees of UNIQUE FAMILY for their valuable services and commitment.

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

Place : Mumbai

Date : May 20, 2016

ANNEXURE - A

Report on financial performance of the subsidiary companies during the year ended on March 31, 2016 and their financial position as on that date.

(₹ in lakhs)

	Unique Pharmaceutical Laboratories FZE, Dubai	OOO Unique Pharmaceutical Laboratories, Russia	Unique Pharmaceutical Laboratories LLC, Ukraine*	J.B. Healthcare Pvt. Ltd., Jersey (upto 15/12/2015)	Biotech Laboratories (Pty.) Ltd., South Africa
Share capital	9,414.76	3,881.92	16.69	2,668.12	0.30
Reserves and Surplus	(395.52)	(2,296.43)	(16.69)	699.96	3,402.86
Total Assets	13,171.05	5,134.23	-	3,389.94	9,340.91
Total Liabilities	13,171.05	5,134.23	-	3,389.94	9,340.91
Investments	8,434.60	-	-	-	-
Turnover	7,079.17	5,181.81	-	-	16,021.15
Other Income	-	2,304.96	-	75.91	135.55
PBT	(320.87)	(2,211.23)	(2.51)	25.36	662.86
Provision for tax	-	-	-	-	302.50
Deferred Tax	-	(509.99)	-	-	(93.39)
PAT	(320.87)	(1,701.24)	(2.51)	25.36	453.75
Proposed Dividend	-	-	-	-	-
% shareholding	100	100	100	100	95.24

* Under dissolution

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

Place : Mumbai

Date : May 20, 2016

ANNEXURE - B

Company's Policy on directors' appointment

Policy Statement:

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

- (a) The appointment of any director should be such as to help maintain/achieve diversity of thought, experience, knowledge, perspective and gender in the Board of Directors.
- (b) A candidate proposed for appointment as a director should be a person of integrity.
- (c) A candidate proposed for appointment as independent director shall:
 - (i) be independent of management;
 - (ii) shall possess appropriate skills, experience and knowledge in fields such as finance and financial advisory, law, management, sales, marketing, administration, corporate governance, taxation, regulatory affairs, drugs and medicine, technical operations and any other discipline related to the Company's business;
 - (iii) be such that brings in appropriate balance of skills, experience and knowledge in the Board of Directors;

- (iv) be willing to devote time for the affairs and activities of the Board and its Committee(s) and otherwise to enable the Board of Directors to discharge its functions and duties effectively; and
- (v) satisfy criteria of independence as mentioned in the Companies Act, 2013 and the Listing Agreement from time to time.
- (d) For independent directors, requisite professional qualification in the area of expertise is preferred. However, experience and expertise in a given field should be determining factor.
- (e) A candidate proposed for position of executive director may be from the promoter group or outside. Such candidate should have enough experience or potentially fit for the executive responsibilities.

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

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

Place : Mumbai
 Date : May 20, 2016

ANNEXURE - C

Company's Policy on remuneration of directors, Key Managerial Personnel and other employees.

General:

The objective of remuneration for managing director, whole-time directors, other key managerial personnel and other employees of the Company 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, when required. Besides this, achievement of long-term objectives of the Company and protecting and enhancing stakeholders' interest are added policy objectives in case of remuneration of managing director and whole-time directors. Further, it is also the objective to create a strong performance oriented culture within the Company that rewards achievement of the Company's short term and long term objectives and goals.

Remuneration for Executive Directors:

The Nomination and Remuneration Committee ("Committee") shall endeavour to fix the base salaries (fixed salaries) 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 Committee shall also consider incentive pay (in the form of commission, bonus or variable pay of any other description) to strike balance between fixed and incentive pay reflecting short term and long term performance objectives appropriate to the working of the Company and its goals.

The annual increments in the base salaries shall be determined keeping in view performance of the Company and shall also reflect appropriate performance benchmarks.

The remuneration of managing directors and whole-time directors shall be subject to provisions of the Companies Act, 2013 ("Act"). However, the base salaries shall be paid as minimum remuneration in the event of loss or inadequacy of profits, subject to provisions of the Act.

Remuneration for Non-Executive Directors:

Non-Executive directors shall be entitled to receive remuneration by way of fee for attending meetings of the Board of Directors or 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 Act and also reimbursement of expenses for participation in the Board and other meetings. Subject to the provisions of the Act, Non-Executive

ANNEXURE - C (CONTD.)

directors may also receive profit related commission as may be decided by the Board.

Remuneration for other Key Managerial Personnel (KMP) Senior Management Personnel (SMP):

The Committee shall endeavour to fix the base salaries (fixed salaries) for KMP and 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 Committee shall also consider incentive pay (in the form of commission, bonus or variable pay of any other description) to strike balance between fixed and incentive pay reflecting short term and long term performance objectives appropriate to the working of the Company and its goals. 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 based on appropriate benchmarks and practices prevailing in the industry. The Company management shall place annual increment of key executives before the Board of Directors for approval.

Remuneration for other 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.

Common Consideration:

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.

All employees shall be entitled to loan as per the scheme formulated by the Company and group personal accident insurance as per the prevailing practice.

The Committee/Company management may also recommend grant of stock options in appropriate cases, subject to provisions of the Act and SEBI Regulations. The Committee or the Company management, as the case may be, may also undertake mid-term review of remuneration if the circumstances so warrant.

Criteria for determining qualifications, positive attributes and independence of a director.

- (a) The appointment of any person as a director shall be as per the policy on appointment of directors laid down by the Board. The Nomination and Remuneration Committee (NRC) has also to ensure that the proposed candidate does not have any conflict of interest.
- (b) 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. A candidate proposed for executive director should have enough experience or be potentially fit for the executive responsibilities.
- (c) Through personal interaction with the candidate proposed for position of director, the NRC shall ascertain positive attributes such as leadership, strategic, decision making, flexibility and communication. For candidate proposed for executive director, the NRC shall ascertain additional positive attributes such as entrepreneurship, quality & customer focus, anticipation & speed, passion for superior performance and people orientation.
- (d) Candidate proposed as independent director should satisfy criteria of independence specified in the Companies Act, 2013 and the Listing Agreement from time to time.

For and on behalf of the Board of Directors

**J. B. Mody
Chairman & Managing Director**

Place : Mumbai
Date : May 20, 2016

ANNEXURE - D

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

(A) Conservation of energy:

- (i) Steps taken or impact on conservation of energy: The Company regularly takes measures for conservation of energy and thereby contain the rising energy cost. During the year, the Company (i) enhanced the batch size of several products at its Ankleshwar plant with aim to optimise energy consumption (ii) replaced single effect evaporator by multiple effect evaporator that has resulted in reduced steam consumption, and (iii) replaced tube lights with EELED lights in certain areas at plants located at Panoli. These steps have helped contain energy consumption.

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

The Company plans to (i) replace boiler generated steam for heating water for dehumidification by putting solar based water heating system, and (ii) install solar power plant.

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

During the year, the Company has not made capital investment on energy conservation equipment.

(B) Technology absorption:

- (i) Efforts made towards technology absorption:

The Company has developed certain technologies in-house in relation to development of pharmaceutical formulations. The following efforts were made towards absorption of some of the technologies:

- Osmotically Controlled Release Oral Delivery System - a zero order delivery system developed for calcium channel blocker, anti-diabetic and overactive bladder treatment solid dosage forms.
- Exhibit batches of Osmotic Pump technology for an anti-epileptic extended release dosage form were manufactured.
- Exhibit batches of ODT (Orally disintegrating tablets) – (Rapid oral disintegration in saliva to ingest these products) selected anti-inflammatory dosage form especially for pediatrics and geriatrics were manufactured.

- Exhibit batches of anti-fungal oral dosage form chewable troche (lozenges) were manufactured.
- Technology for anti-lipidemic oral dosage form implemented.

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

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

- Prior approval supplements for alternative API in ANDA. This will give benefit of assured supply of the desired quality and cost advantage.
- Received regulatory approval of various formulations as a result of the technology developed & these products are launched in the global markets.
- Improvement in product yield, quality and reduced cost of production.

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

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

	(₹ in lakhs)
(a) Capital	296.62
(b) Revenue	2,217.08
(c) Total	2,513.70

(C) Foreign exchange earnings and outgo:

The foreign exchange earned in terms of actual inflows during the year and foreign exchange outgo in terms of actual outflows during the year was ₹ 103,440.72 lakhs and ₹ 51,575.80 lakhs respectively.

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

Place : Mumbai
Date : May 20, 2016

ANNEXURE - E

Details and contents of corporate social responsibility policy and annual report on CSR

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

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

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

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

Annual Report on CSR Activities

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Policy recognises CSR as a part of governance philosophy. The policy provides for undertaking any activity prescribed under Schedule VII to the Companies Act, 2013. Without limiting the aforesaid scope, the policy provides for undertaking activities/projects in the area of promotion of education, eradication of hunger, poverty and malnutrition and empowering women and children. The weblink to the CSR Policy is http://www.jbcpl.com/investors/pdf/policy/Corporate-Social-Responsibility-Policy.pdf and CSR activities/projects for 2015-16 is http://www.jbcpl.com/investors/pdf/2015_2016/Csr.pdf
2. The Composition of the CSR Committee	Dr. Satyanarain Agarwala, Mr. Bharat P. Mehta and Mr. Pranabh Mody.
3. Average net profit of the Company for last three financial years	₹ 13,738.95 lakhs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	₹ 274.78 lakhs
5. Details of CSR spent during the financial year	
(a) Total amount to be spent for the financial year;	₹ 274.78 lakhs
(b) Amount unspent, if any;	₹ 31.20 lakhs
(c) Manner in which the amount spent during the financial year is detailed below.	

(₹ in lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	Contribution to corpus of Ankleshwar Industrial Development Society towards upgradation of facilities and treatment of poor patients at Smt. Jayaben Mody hospital run by the society.	Promoting health care including preventive healthcare	Ankleshwar, District: Bharuch, Gujarat State	50.00	50.00 (1) 50.00 (2) Nil	127.50	Direct

ANNEXURE - E (CONTD.)

(₹ in lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
2	Contribution to corpus of Shree Sardar Vallabhbhai Patel Rotary General Hospital Trust.	Promoting health care including preventive healthcare	Ankleshwar, District: Bharuch, Gujarat State	50.00	50.00 (1) 50.00 (2) Nil	50.00	Direct
3	Contribution for treatment of burn injuries of poor patients at National Burns centre and spreading awareness about skin donation.	Promoting health care including preventive healthcare	Airoli, Navi Mumbai, Maharashtra State	10.00	10.00 (1) 10.00 (2) Nil	25.00	Through Rotary Club of Bombay North-Charity Trust
4	Contribution for setting up casualty centre at K. J. Somaiya Hospital.	Promoting health care including preventive healthcare	Mumbai, Maharashtra State	25.00	25.00 (1) 25.00 (2) Nil	25.00	Through Rotary Club of Bombay Queen's Necklace Charitable Trust
5	Contribution for free medical care to children with Neurological Problems in remote villages in Nashik and Dhule district.	Promoting health care including preventive healthcare	Nashik and Dhule District, Maharashtra State	10.00	10.00 (1) 10.00 (2) Nil	10.00	Through Concern India Foundation
6	Donation of medicines to hospitals and poor people for free / subsidised treatment.	Promoting health care including preventive healthcare	Mumbai, Solapur, Maharashtra State	14.28	14.28 (1) 14.28 (2) Nil	22.06	Direct
7	Contribution to corpus of Vision Foundation of India towards treatment of visually impaired poor people.	Promoting health care including preventive healthcare	Mumbai, Maharashtra State	5.00	5.00 (1) 5.00 (2) Nil	10.00	Direct
8	Contribution to Ashoka University corpus of International Foundation for Research and Education for Scholarships to poor students at undergraduate/post graduate level.	Promotion of education	Rajiv Gandhi Education city, Kundli, Haryana, National Capital Region	40.00	40.00 (1) 40.00 (2) Nil	80.00	Direct
9	Contribution to corpus of Institute of Chemical Technology for setting up of Nano Drugs Delivery Laboratory in the Department of Pharmaceutical Sciences and Technology.	Promotion of education	Mumbai, Maharashtra State	25.00	25.00 (1) 25.00 (2) Nil	50.00	Direct
10	Contribution to corpus of Light of Life Trust for re-instatement of school drop out children in Marathwada Region.	Promotion of education	Jalna district, Maharashtra State	10.00	10.00 (1) 10.00 (2) Nil	10.00	Direct

ANNEXURE - E (CONTD.)

(₹ in lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
11	Contribution to corpus of Sanjali Welfare & Education Trust for setting up school at Sanjali Village.	Promotion of education	Sanjali, District: Bharuch, Gujarat State	1.00	1.00 (1) 1.00 (2) Nil	1.00	Direct
12	Contribution to corpus of Smt. Girija Shastri Memorial Trust for providing livelihood to the poor.	Eradication of poverty	Ragihalli, Bengaluru, Karnataka State	3.30	3.30 (1) 3.30 (2) Nil	3.30	Direct
13	Contribution to corpus of Tata Memorial Hospital for treatment of poor children suffering from cancer.	Promoting health care including preventive healthcare	Mumbai, Maharashtra State	-	-	5.00	Direct
14	Contribution to corpus of MESCO Education Society for vocational training activities.	Promotion of education	Mumbai, Maharashtra State	-	-	10.00	Direct
15	Contribution to Iskcon Food Relief Foundation to supplement mid-day meal to students in Maharashtra.	Eradication of poverty and malnutrition	Mumbai, Maharashtra State	-	-	15.00	Direct
16	Contribution to corpus of Light of Life Trust for setting up of old age homes.	Setting up of old age homes	Karjat Taluka, Maharashtra State	-	-	10.00	Direct
Total				243.58	243.58	453.86	

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

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

Place : Mumbai
Date : May 20, 2016

Dr. Satyanarain Agarwala
Chairman, CSR Committee

ANNEXURE - F

Details of related party contracts or arrangements

Name of the related party	Nature of the contracts or arrangements	Duration of the contracts or arrangements	Broad terms of the contract or arrangement	Justification for the contract or arrangement
Unique Pharmaceutical Laboratories FZE, Dubai (UPL FZE)	Supply Agreement	Ongoing	The Company to manufacture and supply the products to UPL FZE for marketing and distribution thereof by UPL FZE in Russia-CIS markets.	The arrangement would facilitate focused marketing of the products in Russia-CIS markets.
	Re-imbursement of expenses	Ongoing	Re-imbursement of expenses in the normal course of business.	This arrangement is in conformity with normal trade practice.
	Guarantee Commission	5 years from September 23, 2015	Provision of corporate guarantee to the Bank in relation to working capital finance sanctioned to UPL FZE by the Bank and guarantee commission charged @ 0.50% p.a.	Support provided to UPL FZE for availing financial facility from bank at arm's length guarantee commission.
Biotech Laboratories (Pty.) Ltd., South Africa (Biotech)	Supply Agreement	Ongoing	Biotech has been appointed as a distributor of various products of the Company for distribution in South Africa and certain other African countries at a price as may be mutually agreed between the parties.	To increase Company's exports in South Africa and certain other African countries.
	Re-imbursement of expenses	Ongoing	Re-imbursement of expenses in the normal course of business.	This arrangement is in conformity with normal trade practice.
Lekar Pharma Limited (Lekar)	Purchase Agreement for purchase of agreed finished pharmaceutical formulations by the Company	Ongoing	Lekar to supply the agreed finished pharmaceutical formulations to the Company at price based on agreed formula.	Timely availability of quality products at competitive price for domestic market.
	Loan License Agreement for manufacture of products on loan license basis.	Ongoing	The Company to manufacture certain formulations on loan license basis for Lekar and also supply certain raw material and packing materials at agreed processing charges/basis of charge respectively.	Utilisation of available capacity at processing charges levied in line with industry-wide accepted formula and reasonable margin.
Unique Pharmaceutical Laboratories Limited (UPLL)	License Agreements for license of certain brands and logo to the Company.	Ongoing	The Company is licensed the use of certain brand names and 'Unique' Logo by UPLL on payment of royalty @ 1% for use of brand names and @1% for use of aforesaid logo, calculated in the manner laid down in the agreements.	To be able to continue to market the products and grow the sales and profits.
Jyotindra Family Trust	Leave and license agreement for various immovable properties ¹	3 years from November 1, 2014 ¹	License fee payable monthly in advance and security deposit paid under certain agreements in line with market practice.	To continue to use the commercial premises as office and residential premises as residence for the Company's executives at arm's length license fee.
Dinesh Family Trust	Leave and license agreement for various immovable properties ²	3 years from November 1, 2014 ²	License fee payable monthly in advance and security deposit paid under certain agreements in line with market practice.	To continue to use the commercial premises as office and residential premise as residence for the Company's executives at arm's length license fee.

ANNEXURE - F (CONTD.)

Name of the related party	Nature of the contracts or arrangements	Duration of the contracts or arrangements	Broad terms of the contract or arrangement	Justification for the contract or arrangement
D. B. Mody (HUF)	Leave and license agreement for various immovable properties ³	3 years from November 1, 2014 ³	License fee payable monthly in advance and security deposit paid under certain agreements in line with market practice.	To continue to use the commercial premises as office and residential premise as residence for the Company's executives at arm's length license fee.
Shirish Family Trust	Leave and license agreement for various immovable properties ⁴	3 years from November 1, 2014 ⁴	License fee payable monthly in advance and security deposit paid under certain agreements in line with market practice.	To continue to use the commercial premises as office and residential premise as residence for the Company's executives at arm's length license fee.
S. B. Mody (HUF)	Leave and license agreement for various immovable properties ⁵	3 years from November 1, 2014 ⁵	License fee payable monthly in advance and security deposit paid under certain agreements in line with market practice.	To continue to use the commercial premises as office and residential premise as residence for the Company's executives at arm's length license fee.
J. B. Mody Enterprises LLP	Leave and license agreement for office premises at Neelam Centre, Worli, Mumbai	3 years from November 1, 2014 ⁶	License fee payable monthly in advance and security deposit paid in line with market practice.	To continue to use the premises as office of the Company at arm's length license fee.
Dinesh Mody Ventures LLP	Leave and license agreement for office premises at Neelam Centre, Worli, Mumbai	3 years from November 1, 2014 ⁶	License fee payable monthly in advance and security deposit paid in line with market practice.	To continue to use the premises as office of the Company at arm's length license fee.
Shirish Mody Enterprises LLP	Leave and license agreement for office premises at Neelam Centre, Worli, Mumbai	3 years from November 1, 2014 ⁶	License fee payable monthly in advance and security deposit paid in line with market practice.	To continue to use the premises as office of the Company at arm's length license fee.
Mehul Transport Co.	Leave and license agreement for office premises at Neelam Centre, Worli, Mumbai	3 years from November 1, 2014	License fee payable monthly in advance and security deposit paid in line with market practice.	To continue to use the premises as office of the Company at arm's length license fee.
Mody Brothers	Leave and license agreement for office premises at Worli, Mumbai	3 years from November 1, 2014	License fee payable monthly in advance.	To continue to use the premises as office of the Company at arm's length license fee.
Boxcare Packagings Private Limited	Purchase agreement for purchase of corrugated boxes	Ongoing	Purchase by the Company of boxes of different sizes and specifications.	Reliability in timely supply and boxes of required quality and specification at arm's length prices to serve domestic and export orders.
Namplas Chemicals Private Limited (Namplas)	Job Work Agreement for processing of intermediate by Namplas	Ongoing	Namplas to process intermediate Sodium Methoxide (25% in Methanol) on job work basis based on raw materials provided by the Company.	Processing at arm's length charges and supply of the processed material through pipeline resulting in optimisation in inventory holding and saving of transportation cost.
Ifiunik Pharmaceuticals Limited	Inter-corporate deposit of ₹65 lakhs accepted	On call	Interest payable on quarterly basis.	Borrowing at competitive market driven interest rate.
Synit Drugs Pvt. Ltd.	Inter-corporate deposit of ₹ 40 lakhs accepted	On call	Interest payable on quarterly basis.	Borrowing at competitive market driven interest rate.

ANNEXURE - F (CONTD.)

Name of the related party	Nature of the contracts or arrangements	Duration of the contracts or arrangements	Broad terms of the contract or arrangement	Justification for the contract or arrangement
Kruti Finance and Holdings Private Limited	Inter-corporate deposit of ₹ 40 lakhs accepted	3 years from May 20, 2013	Interest payable on quarterly basis.	Borrowing at competitive market driven interest rate.
Jyotindra Mody Ventures LLP / D.B. Mody Enterprises LLP / Shirish Mody Property LLP	Leave and license agreement for office premises at Prabhadevi, Mumbai	5 years from November 4, 2015	License fee payable monthly in advance and security deposit in line with market practice.	To use the premises as corporate office of the Company at arm's length license fee.
Bansi S. Mehta & Co.	Arrangement for provision of professional services and advisory services	Financial year 2015-16	Availment of advisory services in the area of corporate laws and taxation laws and study of related party contract from arm's length perspective.	Competent advice in the area of corporate and taxation laws.
M&M Legal Ventures	Arrangement for provision of legal and advisory services	Period upto March 2018	Availment of legal and advisory services in relation to review petition filed before the National Green Tribunal, Pune and other matters of the Company.	Competent litigation and advisory services.

- ¹ Ten leave and license agreements have been entered into in respect of different office premises in Neelam Centre, Worli (Mumbai), one leave and license agreement has been entered into in respect of office premises at T.V. Industrial estate at Worli, (Mumbai) and one leave and license agreement each has been entered into in respect of residential premises at Mumbai and Bharuch (Gujarat). The agreements in respect of office premises have been terminated effective 01-04-2016.
- ² Four leave and license agreements have been entered into in respect of different office premises in Neelam Centre, Worli (Mumbai) and one leave and license agreement each has been entered into in respect of office premises at T.V. Industrial estate at Worli, (Mumbai) and residential premises at Bharuch (Gujarat). The agreements in respect of office premises have been terminated effective 01-04-2016.
- ³ Six leave and license agreements have been entered into in respect of different office premises in Neelam Centre, Worli (Mumbai) and one leave and license agreement has been entered into in respect of residential premises at Mumbai. The agreements in respect of office premises have been terminated effective 01-04-2016.
- ⁴ Four leave and license agreements have been entered into in respect of different office premises in Neelam Centre, Worli (Mumbai) and one leave and license agreement each has been entered into in respect of office premises at T.V. Industrial estate at Worli, (Mumbai) and residential premises at Bharuch (Gujarat). The agreements in respect of office premises have been terminated effective 01-04-2016.
- ⁵ Six leave and license agreements have been entered into in respect of different office premises in Neelam Centre, Worli (Mumbai) and one leave and license agreement has been entered into in respect of residential premises at Mumbai. The agreements in respect of office premises have been terminated effective 01-04-2016.
- ⁶ These agreements have been terminated effective 01-04-2016.

ANNEXURE - G

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2016

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

I REGISTRATION & OTHER DETAILS:

i	CIN	L24390MH1976PLC019380
ii	Registration Date	18-12-1976
iii	Name of the Company	J. B. Chemicals & Pharmaceuticals Ltd.
iv	Category/Sub-category of the Company	Public Company/ Limited by shares
v	Address of the Registered office & contact details	Neelam Centre, "B" Wing, 4 th Floor, Hind Cycle Road, Worli, Mumbai - 400 030. Maharashtra. Tel No. (022) 2482 2222/ 2493 0918 Fax : (022) 2493 0534 email : secretarial@jbcpl.com
vi	Whether listed Company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Datamatics Financial Services Ltd. Plot No. B-5, Part-B, Cross Lane, M.I.D.C., Andheri (E), Mumbai 400 093. Tel No. (022) 6671 2001-06 Fax : (022) 2821 3404 email :satish_patil@dfssl.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name and description of main products	NIC Code of the Product	% to total turnover of the Company
1	Manufacture of pharmaceutical products	2100	84.27%
2	Trading in pharmaceutical products	46497	13.63%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	OOO Unique Pharmaceutical Laboratories 127944, Moscow, Tverskaya Str., 18, bldg. 1, office 609.	N.A.	Subsidiary	100%	2(87)
2	LLC Unique Pharmaceutical Laboratories Vasylkivska Street, office 005, Kyiv, Ukraine.	N.A.	Subsidiary	100%	2(87)
3	Unique Pharmaceutical Laboratories FZE Office No. LB181205, LOB-18, Jebel Ali Free Zone, Dubai, UAE	N.A.	Subsidiary	100%	2(87)
4	Biotech Laboratories (Pty) Ltd. Building 17, MIFA Business Park, 399 George Street, Randjespark, Midrand, Johannesburg, 1685, Republic of South Africa.	N.A.	Subsidiary	95.24%	2(87)

ANNEXURE - G (CONTD.)

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

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	3,021,250	-	3,021,250	3.56	46,359,020	-	46,359,020	54.65	51.09
b) Bodies Corporate	43,474,960	-	43,474,960	51.26	132,690	-	132,690	0.16	(51.10)
c) Any other : Firms and Trusts	522,610	-	5,22,610	0.62	522,610	-	522,610	0.62	0.00
SUB TOTAL:(A) (1)	47,018,820	-	4,70,18,820	55.44	47,014,320	-	47,014,320	55.43	(0.01)
(2) Foreign									
a) NRI- Individuals	286,517	-	286,517	0.34	286,517	-	286,517	0.34	0.00
SUB TOTAL (A) (2)	286,517	-	286,517	0.34	286,517	-	286,517	0.34	0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	47,305,337	-	47,305,337	55.78	47,300,837	-	47,300,837	55.77	(0.01)
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	1,278,060	2,550	1,280,610	1.51	2,096,588	2,550	2,099,138	2.47	0.96
b) Banks/FI	18,253	4,500	22,753	0.03	63,379	4,500	67,879	0.08	0.05
c) Insurance Companies	1,700,000	3,000	1,703,000	2.01	1,150,000	3,000	1,153,000	1.36	(0.65)
d) FIs	3,382,212	-	3,382,212	3.98	4,471,717	-	4,471,717	5.27	1.29
SUB TOTAL (B)(1):	6,378,525	10,050	6,388,575	7.53	7,781,684	10,050	7,791,734	9.18	1.65
(2) Non Institutions									
a) Bodies corporate:									
i) Indian	2,494,972	17,966	2,512,938	2.96	2,443,109	17,966	2,461,075	2.90	(0.06)
ii) Overseas	7,500	-	7,500	0.01	-	-	-	0.00	(0.01)
b) Individuals:									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	15,102,383	1,626,300	16,728,683	19.73	16,402,765	1,459,535	17,862,300	21.06	1.33
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	10,717,220	-	10,717,220	12.64	8,262,658	-	8,262,658	9.74	(2.90)
c) Others									
(i) Non Resident Indians & Foreign National	1,021,667	6,200	1,027,867	1.21	1,107,400	6,200	1,113,600	1.31	0.10
(ii) Trusts & Clearing Member	120,105	-	120,105	0.14	27,771	-	27,771	0.04	(0.10)
SUB TOTAL (B)(2):	29,463,847	1,650,466	31,114,313	36.69	28,243,703	1,483,701	29,727,404	35.05	(1.64)
Total Public Shareholding (B)= (B)(1)+(B)(2)	35,842,372	1,660,516	37,502,888	44.22	36,025,387	1,493,751	37,519,138	44.23	0.01
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	83,147,709	1,660,516	*84,808,225	100	83,326,224	1,493,751	*84,819,975	100	-

* The difference in share capital represents shares allotted by the Company under ESOP.

ANNEXURE - G (CONTD.)

(ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	Jyotindra B. Mody	473,490	0.56	0	5,371,905	6.33	0	5.77
2	Dinesh Bhagwanlal Mody	0	0.00	0	4,738,632	5.59	0	5.59
3	Dinesh B. Mody/ Kumud D. Mody	300	0.00	0	300	0.00	0	0.00
4	Shirish Bhagwanlal Mody	0	0.00	0	4,828,762	5.69	0	5.69
5	Shirish B. Mody/ Bharati S. Mody	227,550	0.27	0	227,550	0.27	0	0.00
6	Kumud Dinesh Mody	0	0.00	0	4,735,079	5.58	0	5.58
7	Kumud D. Mody/ Dinesh B. Mody	104,865	0.12	0	104,865	0.12	0	0.00
8	Bharati S. Mody/ Shirish B. Mody	148,435	0.18	0	219,794	0.26	0	0.08
9	Bharati S. Mody	5,220	0.01	0	4,743,208	5.59	0	5.58
10	Pallavi Bharat Mehta	0	0.00	0	4,890,317	5.77	0	5.77
11	Pallavi B. Mehta/ Bharat P. Mehta	310,890	0.36	0	310,890	0.36	0	0.00
12	Pranabh Dinesh Mody	0	0.00	0	4,762,847	5.62	0	5.62
13	Pranabh Dinesh Mody/ Dinesh B. Mody	90,000	0.11	0	90,000	0.11	0	0.00
14	Pranabh Dinesh Mody/ Sejal P. Mody	87,325	0.10	0	87,325	0.10	0	0.00
15	Sejal Pranabh Mody/ Pranabh D. Mody	50,000	0.06	0	50,000	0.06	0	0.00
16	Nirav Shirish Mody	0	0.00	0	4,766,479	5.62	0	5.62
17	Nirav Shirish Mody/ Shirish B. Mody	218,500	0.26	0	218,500	0.26	0	0.00
18	Jinali Pranabh Mody	3,000	0.00	0	3,000	0.00	0	0.00
19	Purv Uday Asher/ Uday M. Asher	375,000	0.44	0	375,000	0.44	0	0.00
20	Jay Bharat Mehta	0	0.00	0	2,456,558	2.90	0	2.90
21	Jay Bharat Mehta/ Shilpi Jay Mehta	2,050	0.00	0	2,050	0.00	0	0.00
22	Dinesh Bhagwanlal Mody/ Jyotindra B. Mody (held for D B Mody HUF)	502,500	0.59	0	502,500	0.59	0	0.00
23	Uday M. Asher/ Purvi U. Asher	120,900	0.14	0	120,900	0.14	0	0.00
24	Uday Madhavdas Asher	14,100	0.02	0	14,100	0.02	0	0.00
25	Kantaben Vinaychandra Gosalia	19,420	0.02	0	19,420	0.02	0	0.00
26	Kantaben Vinaychandra Gosalia / Bhakti Ashok Patel	6,460	0.01	0	6,460	0.01	0	0.00
27	Rajen D. Shah	10,000	0.01	0	0	0.00	0	(0.01)
28	Priti Rajen Shah	0	0.00	0	10,000	0.01	0	0.01
29	Bharat P. Mehta/ Pallavi B. Mehta	171,810	0.20	0	171,810	0.20	0	0.00
30	Bharat P. Mehta	29,715	0.03	0	2,485,549	2.93	0	2.90
31	Vibha Anupam Mehta/ Anupam P. Mehta	9,500	0.01	0	9,500	0.01	0	0.00
32	Anupam Pravinchandra Mehta	5,000	0.01	0	5,000	0.01	0	0.00
33	P. D. Mody (held for P D Mody HUF)	7,000	0.01	0	7,000	0.01	0	0.00
34	Jyotindra Bhagwanlal Mody /Dinesh Bhagwanlal Mody (held for Mody Bros.)	19,125	0.02	0	19,125	0.02	0	0.00
35	Pallavi Bharat Mehta/ D. B. Mody / Bharati Shirish Mody (held for Mody Trading Co.)	53,485	0.06	0	53,485	0.06	0	0.00
36	Nirav Shirish Mody/ Shirish Bhagwanlal Mody (as a trustee of Priti Family Trust)	225,000	0.27	0	225,000	0.27	0	0.00

ANNEXURE - G (CONTD.)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
37	Nirav Shirish Mody/ Shirish Bhagwanlal Mody (as a trustee of Deepali Family Trust)	225,000	0.27	0	225,000	0.27	0	0.00
38	Synit Drugs Pvt. Ltd.	750	0.00	0	750	0.00	0	0.00
39	Jyotindra Mody Holdings Pvt. Ltd.	7,466,242	8.80	0	0	0.00	0	(8.80)
40	Dinesh Mody Securities Pvt. Ltd.	7,055,326	8.32	0	0	0.00	0	(8.32)
41	Shirish B. Mody Investments Pvt. Ltd.	6,530,601	7.70	0	0	0.00	0	(7.70)
42	Ansuya Mody Securities Pvt. Ltd.	7,234,882	8.53	0	0	0.00	0	(8.53)
43	Kumud Mody Securities Pvt. Ltd.	7,181,232	8.47	0	0	0.00	0	(8.47)
44	Bharati S. Mody Investments Pvt. Ltd.	7,873,987	9.28	0	0	0.00	0	(9.28)
45	Namplas Chemicals Pvt. Ltd.	123,110	0.15	0	123,110	0.15	0	0.00
46	Boxcare Packagings Pvt. Ltd.	8,830	0.01	0	8,830	0.01	0	0.00
47	Nisha Vinaychandra Gosalia/Kantaben Vinaychandra Gosalia	2,420	0.00	0	2,420	0.00	0	0.00
48	Nirmala Zaveri/ Narendra B. Zaveri	4,500	0.01	0	0	0.00	0	(0.01)
49	Rajiniben Zaveri	11,500	0.01	0	11,500	0.01	0	0.00
50	Ila Dipak Parekh/ Dipak Hiralal Parekh	9,800	0.01	0	9,800	0.01	0	0.00
51	Bharat K. Doshi	25,402	0.03	0	25,402	0.03	0	0.00
52	Nitin K. Doshi	261,115	0.31	0	261,115	0.31	0	0.00
	TOTAL	47,305,337	55.78	0	47,300,837	55.77	0	(0.01)

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

	Share holding at the beginning of the Year		Cumulative Share holding during the year (01-04-2015 to 31-03-2016)	
	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	47,305,337	55.78		
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer /bonus/ sweat equity etc.)				Refer Note
At the end of the year	47,300,837	55.77		

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Share holding	Reason	Cumulative Share- holding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015)/ at the end of the year (31-03-2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Jyotindra Mody Holdings Pvt. Ltd.	7,466,242	8.80	01-04-2015				
		0	0	07-05-2015	(7,466,242)	Cancelled pursuant to the Scheme Amalgamation & Arrangement	0	0
				31-03-2016				
2	Dinesh Mody Securities Pvt. Ltd.	7,055,326	8.32	01-04-2015				
		0	0	07-05-2015	(7,055,326)	Cancelled pursuant to the Scheme Amalgamation & Arrangement	0	0
				31-03-2016				

ANNEXURE - G (CONTD.)

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Share holding	Reason	Cumulative Share- holding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015)/ at the end of the year (31-03-2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
3	Shirish B. Mody Investments Pvt. Ltd.	6,530,601	7.70	01-04-2015		Cancelled pursuant to the Scheme Amalgamation & Arrangement	0	0
		0	0	07-05-2015	(6,530,601)			
				31-03-2016				
4	Ansuya Mody Securities Pvt. Ltd.	7,234,882	8.53	01-04-2015		Cancelled pursuant to the Scheme Amalgamation & Arrangement	0	0
		0	0	07-05-2015	(7,234,882)			
				31-03-2016				
5	Kumud Mody Securities Pvt. Ltd.	7,181,232	8.47	01-04-2015		Cancelled pursuant to the Scheme Amalgamation & Arrangement	0	0
		0	0	07-05-2015	(7,181,232)			
				31-03-2016				
6	Bharati S. Mody Investments Pvt. Ltd.	7,873,987	9.28	01-04-2015		Cancelled pursuant to the Scheme Amalgamation & Arrangement	0	0
		0	0	07-05-2015	(7,873,987)			
				31-03-2016				
7	Jyotindra B. Mody	473,490	0.56	01-04-2015		Allotted pursuant to the Scheme Amalgamation & Arrangement	5,371,905	6.33
		5,371,905	6.33	07-05-2015	4,898,415			
				31-03-2016				
8	Dinesh Bhagwanlal Mody	0	0	01-04-2015		Allotted pursuant to the Scheme Amalgamation & Arrangement	4,738,632	5.59
		4,738,632	5.59	07-05-2015	4,738,632			
				31-03-2016				
9	Shirish Bhagwanlal Mody	0	0	01-04-2015		Allotted pursuant to the Scheme Amalgamation & Arrangement	4,828,762	5.69
		4,828,762	5.69	07-05-2015	4,828,762			
				31-03-2016				
10	Kumud Dinesh Mody	0	0	01-04-2015		Allotted pursuant to the Scheme Amalgamation & Arrangement	4,735,079	5.58
		4,735,079	5.58	07-05-2015	4,735,079			
				31-03-2016				
11	Bharati S. Mody/Shirish B. Mody	148,435	0.18	01-04-2015		Allotted pursuant to the Scheme Amalgamation & Arrangement	219,794	0.26
		219,794	0.26	07-05-2015	71,359			
				31-03-2016				
12	Bharati S. Mody	5,220	0.01	01-04-2015		Allotted pursuant to the Scheme Amalgamation & Arrangement	4,743,208	5.59
		4,743,208	5.59	07-05-2015	4,737,988			
				31-03-2016				
13	Pranabh Dinesh Mody	0	0	01-04-2015		Allotted pursuant to the Scheme Amalgamation & Arrangement	4,762,847	5.62
		4,762,847	5.62	07-05-2015	4,762,847			
				31-03-2016				
14	Pallavi Bharat Mehta	0	0	01-04-2015		Allotted pursuant to the Scheme Amalgamation & Arrangement	4,890,317	5.77
		4,890,317	5.77	07-05-2015	4,890,317			
				31-03-2016				
15	Bharat P. Mehta	29,715	0.04	01-04-2015		Allotted pursuant to the Scheme Amalgamation & Arrangement	24,85,549	2.93
		2,485,549	2.93	07-05-2015	2,455,834			
				31-03-2016				
16	Jay Bharat Mehta	0	0	01-04-2015		Allotted pursuant to the Scheme Amalgamation & Arrangement	24,56,558	2.90
		2,456,558	2.90	07-05-2015	2,456,558			
				31-03-2016				
17	Nirav Shirish Mody	0	0	01-04-2015		Allotted pursuant to the Scheme Amalgamation & Arrangement	4,766,479	5.62
		4,766,479	5.62	07-05-2015	4,766,479			
				31-03-2016				

ANNEXURE - G (CONTD.)

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Share holding	Reason	Cumulative Share- holding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015)/ at the end of the year (31-03-2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
18	Ila Parekh/ Dipak Hiralal Parekh	9,800	0.01	01-04-2015				
				24-07-2015	(857)	Sale	8,943	0.01
				18-09-2015	857	Purchase	9,800	0.01
		9,800	0.01	31-03-2016				
19	Rajen D. Shah	10,000	0.01	01-04-2015				
				14-08-2015	(10,000)	Sale	0	0.00
		0	0	31-03-2016				
20	Priti Rajen Shah	0	0	01-04-2015				
				14-08-2015	10,000	Purchase	10,000	0.01
		10,000	0.01	31-03-2016				
21	Nirmala Zaveri	4,500	0.01	01-04-2015				
				25-12-2015	(4,500)	Transmission	0	0.00
		0	0	31-03-2016				

Note: The above mentioned cancellation of 43,342,270 equity shares and allotment of 43,342,270 equity shares was made pursuant to the Scheme of Amalgamation and Arrangement. Pursuant to Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 and Section 55 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 ("the Scheme"), between Jyotindra Mody Holdings Private Limited and Ansuya Mody Securities Private Limited and Dinesh Mody Securities Private Limited and Kumud Mody Securities Private Limited and Shirish B. Mody Investments Private Limited and Bharati S. Mody Investments Private Limited ('the Transferor Companies') and J. B. Chemicals & Pharmaceuticals Limited ('the Transferee Company'), which Scheme was sanctioned by Hon'ble Bombay High Court by Order passed on 27-2-2015. The Scheme became effective on 13-4-2015 upon filing of the said Order with the Registrar of Companies.

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015)/ at the end of the year (31-03-2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Ashish Dhawan	8,179,608	9.65	01-04-2015				
				07-08-2015	(370,996)	Sale	7,808,612	9.21
				02-10-2015	(1,300,000)	Sale	6,508,612	7.67
				09-10-2015	(329,004)	Sale	6,179,608	7.29
				16-10-2015	(260,880)	Sale	5,918,728	6.98
				23-10-2015	(125,920)	Sale	5,792,808	6.83
				30-10-2015	(47,742)	Sale	5,745,066	6.77
				06-11-2015	(95,066)	Sale	5,650,000	6.66
				20-11-2015	(5,823)	Sale	5,644,177	6.65
				04-12-2015	(24,475)	Sale	5,619,702	6.63
				25-12-2015	(1,234)	Sale	5,618,468	6.62
				31-12-2015	(88,995)	Sale	5,529,473	6.52
				01-01-2016	(75,847)	Sale	5,453,626	6.43
				08-01-2016	(91,374)	Sale	5,362,252	6.32
				05-02-2016	(41,740)	Sale	5,320,512	6.27
				04-03-2016	(63,491)	Sale	5,257,021	6.20
				11-03-2016	(33,730)	Sale	5,223,291	6.16
		18-03-2016	(29,761)	Sale	5,193,530	6.12		
		5,193,530	6.12	31-03-2016				

ANNEXURE - G (CONTD.)

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)			
		No. of Shares at the beginning (01-04-2015)/ at the end of the year (31-03-2016)	% of total shares of the Company				No. of shares	% of total shares of the Company		
2	Franklin India Smaller Companies Fund	1,264,793	1.49	01-04-2015						
				01-05-2015	32,329	Purchase	1,297,122	1.53		
				08-05-2015	16,290	Purchase	1,313,412	1.55		
				15-05-2015	51,381	Purchase	1,364,793	1.61		
				10-07-2015	8,707	Purchase	1,373,500	1.62		
				17-07-2015	8,258	Purchase	1,381,758	1.63		
				28-08-2015	9,602	Purchase	1,391,360	1.64		
				16-10-2015	(50,000)	Sale	1,341,360	1.58		
				23-10-2015	(50,000)	Sale	1,291,360	1.52		
				19-02-2016	26,990	Purchase	1,318,350	1.55		
				31-03-2016	32,046	Purchase	1,350,396	1.59		
		3	Akhil Dhawan	1,350,396	1.59					
				81,976	0.09	01-04-2015				
				31-07-2015	(1,000)	Sale	80,976	0.10		
				07-08-2015	(15,476)	Sale	65,500	0.08		
				18-09-2015	(1,000)	Sale	64,500	0.08		
				25-09-2015	(2,200)	Sale	62,300	0.07		
				30-09-2015	(4,500)	Sale	57,800	0.07		
				02-10-2015	1,300,000	Purchase	1,357,800	1.60		
				09-10-2015	(6,900)	Sale	1,350,900	1.59		
				30-10-2015	(12,200)	Sale	1,338,700	1.58		
				06-11-2015	(8,600)	Sale	1,330,100	1.57		
				05-02-2016	(7,450)	Sale	1,322,650	1.56		
4	Credit Suisse (Singapore) Limited			1,322,650	1.56	31-03-2016				
		235,294	0.27	01-04-2015						
				10-04-2015	30,071	Purchase	265,365	0.31		
				17-04-2015	36,951	Purchase	302,316	0.36		
				24-04-2015	2,389	Purchase	304,705	0.36		
				08-05-2015	3,190	Purchase	307,895	0.36		
				15-05-2015	(1,583)	Sale	306,312	0.36		
				22-05-2015	(11,993)	Sale	294,319	0.35		
				05-06-2015	13,855	Purchase	308,174	0.36		
				12-06-2015	46,655	Purchase	354,829	0.42		
				19-06-2015	62,009	Purchase	416,838	0.49		
				26-06-2015	18,019	Purchase	434,857	0.51		
				30-06-2015	32,498	Purchase	467,355	0.55		
				03-07-2015	37,396	Purchase	504,751	0.60		
				10-07-2015	51,782	Purchase	556,533	0.66		
				17-07-2015	35,242	Purchase	591,775	0.70		
				24-07-2015	49,482	Purchase	641,257	0.76		
				31-07-2015	30,374	Purchase	671,631	0.79		
				07-08-2015	27,184	Purchase	698,815	0.82		
				14-08-2015	31,544	Purchase	730,359	0.86		
				21-08-2015	94,038	Purchase	824,397	0.97		
				28-08-2015	58,420	Purchase	882,817	1.04		
				11-09-2015	25,246	Purchase	908,063	1.07		
				30-09-2015	1,206	Purchase	909,269	1.07		
				09-10-2015	57,118	Purchase	966,387	1.14		
				16-10-2015	(18,990)	Sale	947,397	1.12		
				04-12-2015	2,657	Purchase	950,054	1.12		
				11-12-2015	21,484	Purchase	971,538	1.15		
				15-01-2016	10,412	Purchase	981,950	1.16		
				22-01-2016	48,682	Purchase	1,030,632	1.22		
				12-02-2016	5,622	Purchase	1,036,254	1.22		
				19-02-2016	3,520	Purchase	1,039,774	1.23		
				11-03-2016	(393)	Sale	1,039,381	1.23		
		18-03-2016	(1,463)	Sale	1,037,918	1.22				
		31-03-2016								
		1,037,918	1.22							

ANNEXURE - G (CONTD.)

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015)/ at the end of the year (31-03-2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
5	General Insurance Corporation of India Ltd.	901,000	1.06	01-04-2015				
				04-09-2015	(39,878)	Sale	861,122	1.01
				11-09-2015	(10,122)	Sale	851,000	1.00
				23-10-2015	(93,624)	Sale	757,376	0.89
				30-10-2015	(6,376)	Sale	751,000	0.88
		751,000	0.88	31-03-2016				
6	DSP Blackrock 3 Years Close Ended Equity Fund	0	0	01-04-2015				
				07-08-2015	357,449	Purchase	357,449	0.42
				11-12-2015	26,092	Purchase	383,541	0.45
				18-12-2015	5,000	Purchase	388,541	0.46
				22-01-2016	60,815	Purchase	449,356	0.53
				29-01-2016	37,219	Purchase	486,575	0.57
				12-02-2016	118,853	Purchase	605,428	0.71
				19-02-2016	38,693	Purchase	644,121	0.76
				26-02-2016	46,732	Purchase	690,853	0.81
				04-03-2016	42,106	Purchase	732,959	0.86
				732,959	0.86	31-03-2016		
7	Dimensional Emerging Markets Value Fund	393,027	0.46	01-04-2015				
				10-04-2015	10,399	Purchase	403,426	0.48
				15-05-2015	20,736	Purchase	424,162	0.50
				22-05-2015	5,095	Purchase	429,257	0.51
				30-06-2015	8,057	Purchase	437,314	0.52
				03-07-2015	12,200	Purchase	449,514	0.53
				10-07-2015	5,676	Purchase	455,190	0.54
				17-07-2015	8,374	Purchase	463,564	0.55
				31-07-2015	14,926	Purchase	478,490	0.56
				28-08-2015	7,919	Purchase	486,409	0.57
				04-09-2015	17,849	Purchase	504,258	0.60
				11-09-2015	35,704	Purchase	539,962	0.64
				18-09-2015	7,451	Purchase	547,413	0.65
				25-12-2015	13,024	Purchase	560,437	0.66
				31-12-2015	4,509	Purchase	564,946	0.67
				08-01-2016	4,809	Purchase	569,755	0.67
				15-01-2016	11,525	Purchase	581,280	0.69
		22-01-2016	7,129	Purchase	588,409	0.69		
		05-02-2016	4,102	Purchase	592,511	0.70		
		12-02-2016	7,738	Purchase	600,249	0.71		
		19-02-2016	8,121	Purchase	608,370	0.72		
		26-02-2016	3,385	Purchase	611,755	0.72		
		611,755	0.72	31-03-2016				
8	Morgan Stanley Asia (Singapore) Pte.	587,158	0.69	01-04-2015				
				12-08-2015	20,730	Purchase	607,888	0.72
				14-08-2015	15,511	Purchase	623,399	0.74
				21-08-2015	19,592	Purchase	642,991	0.76
				28-08-2015	39,078	Purchase	682,069	0.80
				04-09-2015	6,133	Purchase	688,202	0.81
				30-09-2015	(2,136)	Sale	686,066	0.81
				02-10-2015	(36,870)	Sale	649,196	0.77
				09-10-2015	(15,245)	Sale	633,951	0.75
				16-10-2015	13,342	Purchase	647,293	0.76
				23-10-2015	35,513	Purchase	682,806	0.81
				30-10-2015	11,402	Purchase	694,208	0.82
				06-11-2015	(46,703)	Sale	647,505	0.76
		13-11-2015	(10,000)	Sale	637,505	0.75		

ANNEXURE - G (CONTD.)

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015)/ at the end of the year (31-03-2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
				20-11-2015	(1,248)	Sale	636,257	0.75
				04-12-2015	1,341	Purchase	637,598	0.75
				31-12-2015	6,707	Purchase	644,305	0.76
				08-01-2016	(4,351)	Sale	639,954	0.75
				15-01-2016	(3,291)	Sale	636,663	0.75
				22-01-2016	(1,002)	Sale	635,661	0.75
				29-01-2016	(24,956)	Sale	610,705	0.72
				05-02-2016	(98,150)	Sale	512,555	0.60
				12-02-2016	336	Purchase	512,891	0.61
				19-02-2016	4,695	Purchase	517,586	0.61
				26-02-2016	(3,687)	Sale	513,899	0.61
				04-03-2016	(7,358)	Sale	506,541	0.60
				11-03-2016	(2,395)	Sale	504,146	0.59
				18-03-2016	1,011	Purchase	505,157	0.60
				25-03-2016	2,204	Purchase	507,361	0.60
		507,647	0.60	31-03-2016	286	Purchase	507,647	0.60
9	ICICI Lombard General Insurance Company Ltd	1,082,343	1.28	01-04-2015				
				28-08-2015	(55,900)	Sale	1,026,443	1.21
				04-09-2015	(26,443)	Sale	1,000,000	1.18
				09-10-2015	(100,332)	Sale	899,668	1.06
				16-10-2015	(199,668)	Sale	700,000	0.83
				23-10-2015	(100,000)	Sale	600,000	0.71
				30-10-2015	(176,789)	Sale	423,211	0.50
				06-11-2015	(13,896)	Sale	409,315	0.48
		409,315	0.48	31-03-2016				
10	The New India Assurance Company Limited	800,000	0.94	01-04-2015				
				12-06-2015	(3,559)	Sale	796,441	0.94
				19-06-2015	(97,010)	Sale	699,431	0.83
				26-06-2015	(92,382)	Sale	607,049	0.72
				30-06-2015	(47,347)	Sale	559,702	0.66
				03-07-2015	(29,550)	Sale	530,152	0.63
				10-07-2015	(29,738)	Sale	500,414	0.59
				17-07-2015	(414)	Sale	500,000	0.59
				09-10-2015	(55,000)	Sale	445,000	0.53
				16-10-2015	(45,000)	Sale	400,000	0.47
		400,000	0.47	31-03-2016				
11	Ashish Kacholia	709,707	0.84	01-04-2015				
				03-04-2015	(9,707)	Sale	700,000	0.83
				22-05-2015	(100,000)	Sale	600,000	0.71
				29-05-2015	(100,000)	Sale	500,000	0.59
				26-06-2015	(100,000)	Sale	400,000	0.47
				17-07-2015	(50,000)	Sale	350,000	0.41
				07-08-2015	(50,000)	Sale	300,000	0.35
				12-08-2015	(144,925)	Sale	155,075	0.18
				14-08-2015	(55,075)	Sale	100,000	0.12
				21-08-2015	(100,000)	Sale	0	0
		0	0.00	31-03-2016				
12	SLG International Opportunities, L.P	326,300	0.39	01-04-2015				
				03-07-2015	(40,235)	Sale	266,565	0.31
				10-07-2015	(218,565)	Sale	48,000	0.06
				17-07-2015	(48,000)	Sale	0	0
		0	0.00	31-03-2016				

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

ANNEXURE - G (CONTD.)

(v) Shareholding of Directors & Key Managerial Personnel (KMP's)

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015)/ at the end of the year (31-03-2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
A	DIRECTORS:							
1	Mr. Jyotindra B. Mody Chairman & Managing Director	473,490 5,371,905	0.56 6.33	01-04-2015 07-05-2015 31-03-2016	4,898,415	Allotted pursuant to the Scheme of Amalgamation & Arrangement	5,371,905	6.33
2	Mr. Dinesh B. Mody Whole time Director (Administration)	300 4,738,932	0.00 5.59	01-04-2015 07-05-2015 31-03-2016	4,738,632	Allotted pursuant to the Scheme of Amalgamation & Arrangement	4,738,932	5.59
3	Mr. Shirish B. Mody Whole time Director (Marketing)	227,550 5,056,312	0.27 5.96	01-04-2015 07-05-2015 31-03-2016	4,828,762	Allotted pursuant to the Scheme of Amalgamation & Arrangement	5,056,312	5.96
4	Mr. Bharat P. Mehta Whole time Director (Planning & Development)	201,525 2,657,359	0.24 3.13	01-04-2015 07-05-2015 31-03-2016	2,455,834	Allotted pursuant to the Scheme of Amalgamation & Arrangement	2,657,359	3.13
5	Mr. Pranabh Mody President & Whole time Director (Operations)	177,325 4,940,172	0.21 5.82	01-04-2015 07-05-2015 31-03-2016	4,762,847	Allotted pursuant to the Scheme of Amalgamation & Arrangement	4,940,172	5.82
6	Mr. Durga Dass Chopra Director	307,930 307,930	0.36 0.36	01-04-2015 31-03-2016	-	-	3,07,930	0.36
7	Mr. Kamlesh L. Udani Executive Director (Technical & Production)	57,390 57,390	0.07 0.07	01-04-2015 31-03-2016	-	-	57,390	0.07
8	Dr. Niranjan N. Maniar Director	15,000 15,000	0.02 0.02	01-04-2015 31-03-2016	-	-	15,000	0.02
9	Dr. Satyanarain Agarwala Director	1,570 1,570	0.00 0.00	01-04-2015 31-03-2016	-	-	1,570	0.00
10	Mr. Rajiv C. Mody Director	Nil Nil	Nil Nil	01-04-2015 31-03-2016	-	-	Nil	Nil
11	Ms. Krupa R. Gandhi Director	Nil Nil	Nil Nil	01-04-2015 31-03-2016	-	-	Nil	Nil
12	Mr. Jashvantra B. Joshi Director	Nil Nil	Nil Nil	01-04-2015 31-03-2016	-	-	Nil	Nil
13	Mr. Devang R. Shah Director	14,890 14,890	0.02 0.02	01-04-2015 31-03-2016	-	-	14,890	0.02
14	Mr. Shaukat H. Merchant Additional director	Nil Nil	Nil Nil	01-04-2015 31-03-2016	-	-	Nil	Nil
B	Key Managerial Personnel (KMP's) :							
1	Mr. M. C. Mehta Company Secretary	Nil Nil	Nil Nil	01-04-2015 31-03-2016	-	-	Nil	Nil
2	Mr. Vijay Bhatt Chief Financial Officer	Nil Nil	Nil Nil	01-04-2015 31-03-2016	-	-	Nil	Nil

ANNEXURE - G (CONTD.)

V. INDEBTNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured	Deposits	Total Indebtedness
Loans				
Indebtness at the beginning of the financial year				
i) Principal Amount	5,408.83	5,112.97	–	10,521.80
ii) Interest due but not paid	–	5.23*	–	5.23
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	5,408.83	5,118.20	–	10,527.03
Change in Indebtedness during the financial year				
Additions	2,400.00	9,294.47	–	11,694.47
Reduction	8.83	4,726.44	–	4,735.27
Net Change	2,391.17	4,568.03	–	6,959.20
Indebtedness at the end of the financial year				
i) Principal Amount	7,800.00	9,680.19	–	17,480.19
ii) Interest due but not paid	–	6.04*	–	6.04
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	7,800.00	9,686.23	–	17,486.23

* Not debited by the Bank on due date.

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director and Whole Time Directors :

(₹ in lakhs)

Particulars of Remuneration	Name of the MD/WTD						Total Amount
	Mr. Jyotindra B. Mody	Mr. Dinesh B. Mody	Mr. Shirish B. Mody	Mr. Bharat P. Mehta	Mr. Pranabh Mody	Mr. Kamlesh L. Udani	
Gross salary							
(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	447.01	447.13	444.90	182.25	188.04	110.10	1,819.43
(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	34.17	34.05	36.28	27.10	21.31	9.84	162.75
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Stock option	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sweat Equity	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Commission							
– as % of profit	100.00	100.00	100.00	Nil	Nil	Nil	300.00
– others	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (A)	581.18	581.18	581.18	209.35	209.35	119.94	2,282.18
Ceiling as per the Act							2,421.39

Note : 1) The commission of ₹ 100 lakhs each has been approved for payment to Mr. J. B. Mody, Mr. D. B. Mody and Mr. S. B. Mody for 2015-16, which has been provided at the year-end but is yet to be paid. Further, an amount of ₹ 72.95 lakhs was paid to each of Mr. J. B. Mody, Mr. D. B. Mody and Mr. S. B. Mody during the year on account of balance remuneration for financial year 2014-15. This amount could not be paid to each of them during 2014-15 due to inadequacy of net profit calculated as per section 197/198 of the Companies Act, 2013. However, this amount was paid to them during 2015-16 after receipt of approval of the Central Government.

2) The amounts mentioned in note 1) above do not form part of remuneration mentioned in the above table.

ANNEXURE - G (CONTD.)

B. Remuneration to other Directors:

(₹ in lakhs)

Particulars of Remuneration	Name of the Director									Total Amount
	Mr. Durga Dass Chopra	Dr. Satyanarain Agarwala	Dr. Niranjana N. Maniar	Mr. Mahesh K. Shroff	Mr. Rajiv C. Mody	Mrs. Krupa R. Gandhi	Mr. Jashvantraai Joshi	Mr. Devang Shah	Mr. Shaukat H. Merchant	
(a) Fee for attending Board/ Committee meetings	11.40	13.00	9.00	9.20	2.00	9.00	1.00	5.80	2.00	62.40
(b) Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	11.40	13.00	9.00	9.20	2.00	9.00	1.00	5.80	2.00	62.40
Total Managerial Remuneration										2,344.58
Overall Ceiling as per the Act.										2,495.39

Note: The Company does not have Non-executive Directors other than Independent Directors.

C. Remuneration to Key Managerial Personnel other than MD/ WTD

(₹ in lakhs)

Particulars of Remuneration	Key Managerial Personnel		Total Amount
	Company Secretary	CFO	
Gross Salary			
(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	43.07	51.40	94.47
(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	Nil	Nil	Nil
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil
Stock Option	Nil	Nil	Nil
Sweat Equity	Nil	Nil	Nil
Commission			
- as % of profit	Nil	Nil	Nil
- others	Nil	Nil	Nil
Others	Nil	Nil	Nil
Total	43.07	51.40	94.47

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

No penalty, punishment or compounding fees has been imposed on the Company, or its directors and officers during the year ended on March 31, 2016.

ANNEXURE - H

Information as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended on March 31, 2016.

- (a) Name & age (years) (b) Designation (c) Gross remuneration received (₹) (d) Qualification(s) & experience (years) (e) Date of commencement of employment (f) Last employment held before joining the Company
- (a) Bang P.B. (48) (b) Vice President - Works (c) 70,10,112 (d) M.Pharm., DBM (24) (e) 28.08.2003 (f) Ankur Drugs & Pharmaceuticals Limited-General Manager (a) *Chauhan V.V. (45) (b) Vice President-R&D (c) 94,27,370 (d) M.Pharm. (23) (e) 12.06.2014 (f) Intas Pharmaceuticals Limited-Vice President-Manufacturing (a) *Gopal B.K. (71) (b) General Sales Manager (c) 92,79,596 (d) B.Sc. (43) (e) 01.01.1977 (f) Pfizer Limited-P.S.R. (a) Joshi M.D. (Dr.) (52) (b) President-Global Regulatory Management (c) 1,33,24,129 (d) M.Sc., Ph.D (30) (e) 07.12.1989 (f) Adonis Labs Private Limited-Executive Quality Assurance (a) Mehta B.P. (68) (b) Whole time director (Planning & Development) (c) 2,22,09,312 (d) B.Sc. (45) (e) 01.01.1977 (f) Unique Pharma Labs.-Production Manager (a) Mehta J.B. (38) (b) Senior Vice President (International Division) (c) 1,25,50,016 (d) B.Sc.(Chem. Engg.) (11) (e) 01.10.2004 (f) Allergan Pharmaceuticals-Research Project-In charge (a) Mody D.B. (80) (b) Whole time director (Administration) (c) # 5,06,28,564 (d) Exp. in Admn. (61) (e) 01.01.1977 (f) J.B. Chemicals & Pharmaceuticals Pvt. Ltd.-Whole time director (Administration) (a) Mody J.B. (87) (b) Managing Director (c) # 5,06,28,564 (d) Inter Sc. (65) (e) 01.01.1977 (f) J.B. Chemicals & Pharmaceuticals Pvt. Ltd.-Managing Director (a) Mody N.S. (35) (b) Senior Vice President- Strategic Marketing & Business Development (c) 1,25,50,016 (d) B.Sc. in Business Admn. (11) (e) 13.07.2004 (f) Rodman & Renshaw-Equity Research Analyst (a) Mody P.D. (53) (b) President & Whole time director (Operations) (c) 2,22,09,312 (d) B.Pharm., M.B.A. (USA) (29) (e) 25.06.1987 (f) First employment (a) Mody S.B. (75) (b) Whole time director (Marketing) (c) # 5,06,28,564 (d) B.Sc. (Tech.) (56) (e) 01.01.1977 (f) J.B. Chemicals & Pharmaceuticals Pvt. Ltd.- Director-Technical (a) **Sachi Savva (53) (b) Director-Marketing & Sales (DBU) (c) 94,94,295 (d) B.Sc., LLB, DBM, ADM (30) (e) 17.02.2012 (f) Dr. Reddy's Laboratories Limited-Vertical Head-Acute (a) Singh P.K. (51) (b) President (Global Business) (c) 1,15,09,854 (d) M.Pharm (29) (e) 01.12.2001 (f) Coral Laboratories-General Manager (International Division) (a) Udani K.L. (62) (b) Executive Director (Technical & Production) (c) 1,27,68,768 (d) B.E. (Elect.), M.B.A. (36) (e) 01.02.2001 (f) Unique Pharmaceutical Laboratories Ltd.-Managing Director.

Notes: (1) The nature of employment of the above employees is contractual in nature. The other terms and conditions of each of the above are as per the contract/letter of appointment and rules of the Company. (2) Mr. J.B. Mody, Mr. D.B. Mody and Mr. S.B. Mody are related to each other as brothers. Mr. P.D. Mody is son of Mr. D. B. Mody. Mr. N.S. Mody is son of Mr. S. B. Mody. Mr. B.P. Mehta is son-in-law of Mr. J.B. Mody and Mr. J.B. Mehta is son of Mr. B.P. Mehta. *(3) Employed for part of the year. ** (4) Not a member of the Board of Directors. (5) An employee of the Company in receipt of remuneration in excess of that drawn by the whole-time director does not hold by himself or along with his spouse and dependent children more than two percent of the equity shares of the Company. # (6) An amount of ₹ 72,94,842 was paid to each of Mr. J. B. Mody, Mr. D. B. Mody and Mr. S. B. Mody during the year on account of balance remuneration for financial year 2014-15. This amount could not be paid to each of them during 2014-15 due to inadequacy of net profit calculated as per section 197/198 of the Companies Act, 2013. However, this amount was paid to them during 2015-16 after receipt of approval of the Central Government. The remuneration of Mr. J. B. Mody, Mr. D. B. Mody and Mr. S. B. Mody mentioned above is for 2015-16 and does not include the said remuneration of 2014-15 paid during the year.

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

Place : Mumbai

Date : May 20, 2016

ANNEXURE - I

Disclosures pursuant to 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, percentage increase in their remuneration and its comparison against performance of the Company.**

Name	Designation	Remuneration for 2015-16 (₹ in lakhs)	Remuneration for 2014-15 (₹ in lakhs)	% increase in 2015-16 over 2014-15	Ratio of remuneration paid in 2015-16 to median remuneration	Comparison of Remuneration against performance of the Company (Remuneration for 2015-16 as % of Net Sales)	Comparison of Remuneration against performance of the Company (Remuneration for 2015-16 as % of reported PBT) ³
Jyotindra B. Mody	Chairman & Managing Director	606.28 ¹	452.04 ²	34.12 ²	225.92:1	0.54	2.67
Dinesh B. Mody	Whole time director (Administration)	606.28 ¹	452.04 ²	34.12 ²	225.92:1	0.54	2.67
Shirish B. Mody	Whole time director (Marketing)	606.28 ¹	452.04 ²	34.12 ²	225.92:1	0.54	2.67
Bharat P. Mehta	Whole time director (Planning & Development)	222.09	197.42	12.50	82.76:1	0.20	0.98
Pranabh Mody	President & Whole time director (Operations)	222.09	197.42	12.50	82.76:1	0.20	0.98
Kamlesh L Udani	Executive director (Technical & Production)	127.69	113.50	12.50	47.58:1	0.11	0.56

- The remuneration of Mr. Jyotindra B. Mody, Mr. Dinesh B. Mody and Mr. Shirish B. Mody for 2015-16 includes commission of ₹ 100 lakhs approved for payment by the Nomination and Remuneration Committee/Board of Directors.
- The remuneration of Mr. Jyotindra B. Mody, Mr. Dinesh B. Mody and Mr. Shirish B. Mody for 2014-15 includes ₹ 72.95 lakhs, being balance remuneration that could not be paid during 2014-15 due to inadequacy of profits calculated as per Section 197/198 of the Companies Act, 2013, which sum was paid during 2015-16 after receipt of approval from the Central Government. During 2015-16, fixed remuneration of Mr. Jyotindra B. Mody, Mr. Dinesh B. Mody and Mr. Shirish B. Mody was increased by 12%.
- The remuneration of managing director and whole time directors for 2015-16 is within the limit of 10% of net profit calculated as per Section 197/198 of the Companies Act, 2013.

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

Name of independent director	Sitting fees paid during 2015-16 (₹ in lakhs)	Sitting fees paid during 2014-15 (₹ in lakhs)	% increase in 2015-16 over 2014-15 ⁴	Ratio of sitting fee paid during 2015-16 to median remuneration ⁴
Mr. Durga Dass Chopra	11.40	4.70	142.55	4.25:1
Dr. Satyanarain Agarwala	13.00	6.30	106.35	4.84:1
Dr. Niranjana Maniar	9.00	4.60	95.65	3.35:1
Mr. Mahesh K. Shroff (Ceased to be director from 12-3-2016)	9.20	4.10	124.39	3.43:1
Mr. Rajiv C. Mody	2.00	0.70	185.71	0.75:1
Ms. Krupa R. Gandhi	9.00	4.50	100.00	3.35:1
Mr. Jashvantrai Joshi	1.00	0.50	100.00	0.37:1
Mr. Devang Shah	5.80	0.50	1060.00	2.16
Mr. Shaikat Merchant (Appointed on 3-2-2016)	2.00	-	-	0.75:1

- During the year, sitting fee for meetings of the Board and Committees thereof was increased by 100%. Percentage increase in sitting fee and ratio of sitting fee to median remuneration would vary due to factors such as number of meetings attended during current year, number of committee positions held and the date of appointment.

ANNEXURE - I (CONTD.)

(iii) Increase in remuneration of Chief Financial Officer and Company Secretary and comparison of their remuneration against Company performance:

The Chief Financial Officer joined the employment in January 2015 and was not eligible for increase in remuneration during 2015-16 as per the Company rules. The increase in remuneration of the Company Secretary during the year was 13.62%. The Company Secretary's remuneration of ₹ 46.89 lacs during the year was 0.04% of net sales and 0.21% of reported PBT for 2015-16, while Chief Financial Officer's remuneration of ₹ 55.67 lacs was 0.05% of net sales and 0.25% of reported PBT for 2015-16.

(iv) The increase in the median remuneration of the employees in the financial year was 16.81%

(v) As on March 31, 2016, the Company had 2,734 permanent employees on its rolls.

(vi) Explanation on the relationship between average increase in remuneration and Company performance:

The average increase in the remuneration during 2015-16 was 13.76%, while the growth in net sales, operating profit and profit before tax during 2015-16 was 7.88%, 9.57% and 42.73% respectively. The performance of the Company and performance of the employees are important determinants of the increase in remuneration. Besides this, other factors such as industry benchmarking, inflation, company affordability and attrition are also critical determinants of increase in remuneration. The Board is of the opinion that average increase in remuneration bears direct relationship to performance the Company as well as market trends in the industry.

(vii) 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 2015-16 was 13.76% as against the average increase of 12.25% granted in the fixed remuneration of managerial personnel.

However, the overall remuneration of Mr. J.B. Mody, Mr. D.B. Mody and Mr. S.B. Mody shows increase of 34.12% each due to commission of ₹ 100.00 lakhs approved by the Nomination and Remuneration Committee/ Board of Directors for each of them for 2015-16 due to their and Company's better performance. The Board of Directors/Shareholders of the Company have approved of payment of commission to Mr. J.B. Mody, Mr. D.B. Mody and Mr. S.B. Mody on account of role played by each of them in direction and performance of the Company.

For the year 2015-16, the increase in fixed remuneration of managerial personnel was the same as cap placed by the Board of Directors/Shareholders of the Company. The increase in remuneration of managerial personnel was the outcome of performance of the Company, performance of the managerial personnel and the market practices. There were no exceptional circumstances for increase in the managerial remuneration.

(viii) The key parameters of any variable component of remuneration availed by directors:

The remuneration paid to directors do not have any variable component. Only Mr. J.B. Mody, Mr. D.B. Mody and Mr. S.B. Mody are entitled to commission based on their performance and performance of the Company.

(ix) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Not applicable.

(x) Variations in the market capitalisation, price earnings ratio and percentage increase in the market quotation in comparison to last public offer price:

The market capitalisation of the Company as on March 31, 2016 was ₹ 2,115.83 crores as against ₹ 1,691.50 crores as on March 31, 2015. The price earnings ratio of the Company as on March 31, 2016 was 12 as against 15.25 as on March 31, 2015. The year-end closing market quotation of the Company's equity shares of face value of ₹ 2 being ₹ 249.45 represents an increase of 12,472.50% (adjusted for split) over the last IPO price of ₹ 10 per share made in 1985. (The above information is based on NSE closing price of ₹ 249.45 quoted on March 31, 2016).

(xi) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:

This has been given at (i) and (iii) above.

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

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

Place : Mumbai
Date : May 20, 2016

ANNEXURE - J

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

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

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

Place : Mumbai

Date : May 20, 2016

ANNEXURE - K

Particulars of loans, guarantees and investments

Name of entity	Relationship with the Company	Nature of transaction and material terms	Amount
Unique Pharmaceutical Laboratories FZE	Wholly owned subsidiary	Subscription to equity capital	₹ 9,354.84 lakhs
OOO Unique Pharmaceutical Laboratories	Wholly owned subsidiary	Subscription to equity capital	₹ 1,691.37 lakhs
Unique Pharmaceutical Laboratories FZE	Wholly owned subsidiary	Corporate guarantee given to the banker in relation to working capital finance sanctioned to the said subsidiary. Guarantee commission charged @ 0.50%.	USD 4 million
Mukand Ltd.	Not related	Inter-corporate deposit @ 16.25% p.a.	₹ 50 lakhs

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

Place : Mumbai

Date : May 20, 2016

ANNEXURE - L

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2016

[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.

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 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:

I 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, 2016 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 Overseas 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, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during audit period);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
 - (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, 1998 (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.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s);

ANNEXURE - L (CONTD.)

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

I 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.

I 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.

I further report that during the audit period the Company has not passed any ordinary / special resolutions which are 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

Place : Mumbai
Date : May 20, 2016

Annexure I

List of applicable laws to the Company
Under the Major Group and Head

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

For Ashish Bhatt & Associates

Ashish Bhatt

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

Place : Mumbai
Date : May 20, 2016

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY DEVELOPMENTS

The domestic formulations industry at sales of over ₹ 87,000 crores for 12 months period ended March 2016, grew at around 14% (IMS). The market continues to show intense competition with increased number of brands being launched in the market. In March 2016, Government of India issued notifications under Drugs and Cosmetics Act, 1940 prohibiting manufacture for sale, sale and distribution of about 344 fixed dose combinations. However, many of the affected companies have challenged this exercise of power by the Central Government before Hon'ble Delhi High Court, which is yet to dispose of the writ petitions. Four formulations of the Company have been affected by the said notifications; however, the sales of these formulations are not regarded as material.

OPPORTUNITIES & THREATS

Domestic Business:

The domestic formulations industry has been growing well for last several years and the growth prospects going forward seem robust. The future outlook for the industry and growth expectations remains positive in view of increased government and private spending on healthcare. The per capita consumption of drugs is on increase due to spurt in chronic diseases coupled with increase in literacy rate, increase in per capita income, improved health care access, increasing market penetration and increasing health awareness. All these are expected to provide growth opportunity in coming years. The brand building, new products introductions, product awareness programmes, price revisions and penetration in rural markets will remain growth enablers. For the Company, the domestic formulations business is a thrust area and has consistently shown growth in last several years. In view of good long term growth prospects offered by the domestic industry and the Company's strengths in this business, the Company has good growth potential and is well poised to take advantage of the growing market.

During the year 2015-16, domestic formulations business of the Company registered 13.06% growth. The Company's growth strategy includes focusing on growing therapeutic segments like anti-peptic ulcerant, cardiovascular, pain management, anti-infective and gastrointestinal, new product introductions, deeper penetration in rural market and deeper penetration in hospital business. Despite the challenges, the Company is quite hopeful of growing the business in this segment.

The Company has already created good brands like Rantac (anti-peptic ulcerant), Cilacar (calcium channel blocker) and Metrogl (amoebicides), which feature in top 300 brands (IMS) and otherwise enjoy strong brand equity in medical fraternity and trade. The sustained brand building efforts in cardiac, gastro and topical anti-infective segments have met with good success. Your Company's contrast media division also performed well during the year and achieved growth of 14.76%.

The rising costs on one hand and price control on formulations on the other remain a concern.

International business:

The wide geographical presence in international market, State-of-the-art manufacturing facilities with approval from health authorities such as US FDA, UK MHRA, TGA Australia, MCC South Africa, MoH-Ukraine, MoH-Japan, etc. and wide range of products across injectable, solid and semi-solid along with strong regulatory and R&D backup present a good business opportunity and has good growth outlook.

The Company's exports of formulations at ₹ 531.65 crores registered growth of 5.96%. The Company's focus on US and South Africa business has yielded good results during 2015-16 as the business in these markets achieved good growth of 41% and 23% respectively. The Company has identified several potential products for US market and is working towards filing ANDAs. From activity perspective, the Company's focus is on growth of contract manufacturing, branded generics products, lozenges and contrast media products.

Further, Russia-CIS markets, where your Company has strong foothold, also offer good potential. Though the Company will take some more time to grow business in this region, the Company is hopeful of growth in this region in coming years.

The Company perceives volatility of currencies against US Dollar as a major concern in the international business.

SEGMENT WISE PERFORMANCE

The Company is engaged in one segment viz. pharmaceuticals. The domestic formulations business with net sales of ₹ 423.33 crores registered growth of 13.06% against industry growth of about 14% during the year. The contrast media division with net sales of ₹ 40.32 crores achieved growth of 14.76%. Harnessing potential of existing products, penetration into new markets, selective new product launches and focus on increase in productivity is expected to help achieve good growth in the current year.

The exports to Rest of the World countries at ₹ 390.72 crores grew by 11.60% in Rupee terms. However, exports for Russia-CIS market did not grow. Formulations exports during the year were particularly affected due to sharp depreciation of major currencies against US Dollar due to volatility in oil prices. The sales of bulk drugs at ₹ 100.56 crores were marginally lower against the previous year.

OUTLOOK

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

RISKS AND CONCERNS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The operating revenue at ₹ 1,148.17 crores registered growth of 8.17% over the previous year, while the operating profit at ₹ 184.12 crores registered growth of 18.52% over the previous year. The operating profit also registered margin improvement of 9.57% over the previous year.

Due to higher other income, the profit before tax and profit after tax at ₹ 227.10 crores and ₹ 176.39 crores registered growth of 42.73% and 55.30% respectively. The earnings per share for the year is ₹ 20.80 per equity share of face value of ₹ 2 each.

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 2016, employee strength was 2,734.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

BOARD OF DIRECTORS

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

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

The information on composition and category of directors as well as attendance of each director at the meetings of the Board of Directors held during the year ended on March 31, 2016 and at the last annual general meeting and their directorships in other companies and committee membership in other public companies as of the year-end is as under:

Name of Director	Category	No. of board meetings attended	Attendance at last AGM	No. of other director-ship(s)	Other committee position	
					Member	Chairman
Mr. Jyotindra B. Mody	Executive (Promoter)	5	Yes	4	-	-
Mr. Dinesh B. Mody	Executive (Promoter)	5	Yes	3	-	-
Mr. Shirish B. Mody	Executive (Promoter)	5	Yes	4	-	-
Mr. Bharat P. Mehta	Executive (Promoter Group)	5	Yes	2	-	-
Mr. Pranabh Mody	Executive (Promoter Group)	5	Yes	4	1	-
Mr. Kamlesh L. Udani	Executive	3	Yes	3	-	-
Mr. Durga Dass Chopra	Non-Executive & Independent	5	Yes	1	-	-
Dr. Satyanarain Agarwala	Non-Executive & Independent	5	Yes	3	-	-
Dr. Niranjana N. Maniar	Non-Executive & Independent	5	Yes	-	-	-
Mr. Rajiv C. Mody	Non-Executive & Independent	2	No	5	1	-
Mr. Jashvantrai B. Joshi	Non-Executive & Independent	1	No	-	-	-
Ms. Krupa R. Gandhi	Non-Executive & Independent	5	Yes	1	-	-
Mr. Devang R. Shah	Non-Executive & Independent	5	Yes	4	-	-
Mr. Mahesh K. Shroff (upto 11/03/2016)	Non-Executive & Independent	5	Yes	*_	*_	*_
Mr. Shaukat Merchant (appointed as additional director w.e.f. 03/02/2016)	Non-Executive & Independent	2	Not Applicable	1	-	-

*Not applicable as not a director as on March 31, 2016.

Notes:

- (1) The directorships exclude directorships of bodies corporate incorporated outside India.
- (2) The committee positions pertain to position held on Audit Committee and Stakeholders Relationship Committee of public limited companies.

CORPORATE GOVERNANCE REPORT (CONTD.)

(b) Meetings and Review:

5 meetings of the Board of Directors were held during the year ended on March 31, 2016. These meetings were held on May 20, 2015, August 5, 2015, November 4, 2015, February 3, 2016 and March 11, 2016.

The Board of Directors reviews compliance of applicable laws on quarterly basis. The Board has formulated risk management plan and periodically reviews the mitigations measures taken by the management. The Company has also laid down system to inform Board members about risk assessment and minimization procedures. The Company is working on the succession plan for appointment to the Board of Directors and senior management and and soon plans to place the same before the Board. 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.

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 set 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.

(c) Code of Conduct:

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

(d) CEO/CFO Certification:

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

(e) Performance Evaluation:

Performance evaluation of all directors during the year 2015-16 was first carried out by the Nomination and Remuneration Committee. Thereafter, the Board (excluding director being evaluated) carried out evaluation of performance of all directors including independent directors. The further information on the subject is provided in the Directors' Report.

(ii) Relationship between directors inter-se:

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

(iii) The number of equity shares held by the non-executive directors in the Company as on March 31, 2016 is as under:

Name	No. of shares held
Mr. Durga Dass Chopra	3,07,930
Dr. Satyanarain Agarwala	1,570
Dr. Niranjana N. Maniar	15,000
Mr. Rajiv C. Mody	-
Ms. Krupa R. Gandhi	-
Mr. Jashvantraji Joshi	-
Mr. Devang Shah	14,890
Mr. Shaikat Merchant	-

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

AUDIT COMMITTEE

The terms of reference of the Audit Committee is 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

CORPORATE GOVERNANCE REPORT (CONTD.)

appointment of auditors of the company; 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors; 4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval; 5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval; 6) Monitoring the end use of funds raised through public offers and related matters; 7) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter; 8) Review and monitor the auditor's independence and performance, and effectiveness of audit process; 9) Approval or any subsequent modification of transactions of the company with related parties; 10) Scrutiny of inter-corporate loans and investments; 11) Valuation of undertakings or assets of the Company, wherever it is necessary; 12) Evaluation of internal financial controls and risk management systems; 13) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems; 14) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit; 15) Discussion with internal auditors of any significant findings and follow up there on; 16) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board; 16) 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; 17) 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; 18) To review the functioning of the Whistle Blower mechanism; 19) Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; 20) Approval or any subsequent modifications of transactions of the Company with related parties as per the Companies Act, 2013 and Clause 49 of the Listing Agreement in force from time to time; 21) Examination of the financial statements and the auditors' report thereon; and 22) Such other items of business as the Companies Act, 2013, rules made there under and the Listing Agreement 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.

The composition of the Audit Committee complies with the requirement laid down in the Listing Regulations as well as Companies Act, 2013. Mr. D. D. Chopra, Chartered Accountant, is Chairman of the Audit Committee, while Mr. Dinesh B. Mody, Dr. Satyanarain Agarwala, Dr. N.N. Maniar and Ms. Krupa R. Gandhi are the other members of the Audit Committee. M.C. Mehta, Company Secretary, acts as Secretary to the Audit Committee. The Audit Committee reviews information specified in Section B of Part C of Schedule II of the Listing Regulations, to the extent applicable.

4 meetings of the committee were held during the year ended on March 31, 2016. These meetings were held on May 20, 2015, August 5, 2015, November 4, 2015 and February 3, 2016. The information with regard to attendance of the members is as under:

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

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

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of three independent directors namely Dr. Satyanarain Agarwala, Chairman, Mr. Rajiv C. Mody and Mr. Devang Shah. The terms of reference of the committee is as per the provisions of the Companies Act, 2013 and the Listing Regulations. The terms of reference 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; 2) To formulate criteria of persons who may be appointed in senior management. The term 'senior management' shall mean personnel of the Company who are members of its core management team (excluding board of directors) comprising all members of the management one level below the executive directors, including the functional heads; 3) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal; 4) To devise a policy on board diversity (including diversity of thought, experience, knowledge, perspective

CORPORATE GOVERNANCE REPORT (CONTD.)

and gender); 5) To formulate criteria for performance evaluation of directors, Board of directors and committees of the Board; 6) To carry out evaluation of every director's performance; 7) To carry out such other functions as is or may be prescribed under the Companies Act, 2013, rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, from time to time; 8) To determine remuneration package for executive directors 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 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.

Three meetings of Nomination and Remuneration Committee were held during the year on May 18, 2015, November 4, 2015 and December 21, 2015. The information with regard to attendance of the members is as under:

Name	Position held	Category	No. of meetings attended
Dr. Satyanarain Agarwala	Chairman	Non-executive & independent director	3
Mr. Rajiv C. Mody	Member	Non-executive & independent director	–
Mr. Mahesh K. Shroff (upto March 11, 2016)	Member	Non-executive & independent director	3
Mr. Devang Shah (w.e.f. March 12, 2016)	Member	Non-executive & independent director	–

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

REMUNERATION OF DIRECTORS

(i) Remuneration of Non-executive directors

The non-executive directors at present are only paid sitting fees for attending meetings of the Board and Committee(s) thereof. Role and responsibilities of non-executive directors, being the criteria relied upon by the Board, the Board unanimously decides the amount of sitting fees to be paid from time to time, in accordance with the Remuneration Policy of the Company. The sitting fee presently fixed does not require prior approval of the shareholders. The information on amount of sitting fees paid to the non-executive directors for attending meetings of the Board and Committee(s) thereof held during the year ended on March 31, 2016 is as under:

Name	Sitting Fees (₹)
Mr. Durga Dass Chopra	11,40,000
Dr. Satyanarain Agarwala	13,00,000
Dr. Niranjana N. Maniar	9,00,000
Mr. Mahesh K. Shroff (upto March 11, 2016)	9,20,000
Mr. Rajiv C. Mody	2,00,000
Ms. Krupa R. Gandhi	9,00,000
Mr. Jashvantrao Joshi	1,00,000
Mr. Devang Shah	5,80,000
Mr. Shaukat Merchant	2,00,000

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

CORPORATE GOVERNANCE REPORT (CONTD.)

(ii) Remuneration of Executive directors

The remuneration of the executive directors of the Company for the year ended on March 31, 2016 summarized under major elements is as under:

(₹ in lakhs)

Name	Salary	Commission	Allowances & Perquisites	Retiral benefits	Total
Mr. Jyotindra B. Mody	200.91	100.00	251.13	54.24	*606.28
Mr. Dinesh B. Mody	200.91	100.00	251.13	54.24	*606.28
Mr. Shirish B. Mody	200.91	100.00	251.13	54.24	*606.28
Mr. Bharat P. Mehta	97.84	–	97.84	26.41	222.09
Mr. Pranabh Mody	97.84	–	97.84	26.41	222.09
Mr. Kamlesh L. Udani	56.25	–	56.25	15.19	127.69

*Does not include an amount of ₹ 72.95 lakhs paid to each of Mr. J. B. Mody, Mr. D. B. Mody and Mr. S. B. Mody during the year on account of balance remuneration for financial year 2014-15. This amount could not be paid to each of them during 2014-15 due to inadequacy of net profit calculated as per section 197/198 of the Companies Act, 2013. However, this amount was paid to them during 2015-16 after receipt of approval of the Central Government.

Notes:

- All the above remuneration components except commission are fixed in nature. Mr. Jyotindra B. Mody, Mr. Dinesh B. Mody and Mr. Shirish B. Mody are entitled to commission as per their contract of appointment. The payment of commission is determined by the Nomination and Remuneration Committee and the Board of Directors keeping in view performance of the Company and the performance of the director. The commission shown in the above table for the year 2015-16 is yet to be paid.
- The appointment of each executive director is for a period of five years from the respective date of appointment.
- The Company has entered into contract with each executive director setting out terms and conditions of appointment, which contract can be terminated by either party by giving three months notice to the other. The contract so entered into does not provide for payment of severance fees.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee consists of Mr. Durga Dass Chopra, Chairman, Mr. Jyotindra B. Mody and Mr. Dinesh B. Mody. M. C. Mehta, Company Secretary & Vice President-Compliance is compliance officer and acts as Secretary to the Committee. The terms of reference include consideration and resolution of grievances of the security holders.

The complaints received from the investors are being regularly attended to and are believed to be resolved to their satisfaction. The status of the investors' complaints is reviewed by the Stakeholders Relationship Committee generally on quarterly basis. During the year, the Company received 13 investor complaints all of which have been attended to before the end of the year, and believed to have been resolved to the satisfaction of the investors.

GENERAL BODY MEETINGS

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

Year	Location	Date	Time	Whether any special resolution passed
12-13	Rama Watumull Auditorium, K.C. College, Dinshaw Wacha Road,	August 14, 2013	3.30 p.m.	Yes. Six special resolutions passed.
13-14	Churchgate,	September 15, 2014	3.30 p.m.	Yes. Four special resolutions passed.
14-15	Mumbai – 400020	August 19, 2015	3.30 p.m.	Yes. Nine special resolutions passed.

The Company has neither passed any special resolution through postal ballot during 2015-16 nor at present proposes to pass any special resolution through postal ballot during the current year.

CORPORATE GOVERNANCE REPORT (CONTD.)

MEANS OF COMMUNICATION

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

GENERAL SHAREHOLDER INFORMATION

AGM: Date, Time and Venue	August 23, 2016 at 3.30 p.m. at Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020.
Record Date (For electronically held shares)	August 16, 2016
Date of Book Closure (for physically held shares)	August 16, 2016 to August 23, 2016 (both days inclusive)
Financial year	April to March
Dividend Payment Date	August 30, 2016
Listing on Stock Exchanges	-BSE Limited Address: Phiroze Jeejebhoy Towers, Dalal Street, Mumbai 400 001. -National Stock Exchange of India Limited Address: Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051. The Company has paid the annual listing fees for the period 1 st April, 2016 to 31 st March, 2017 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 Financial Services Ltd. Plot No.B-5, Part B Cross Lane, MIDC, Marol, Andheri (E), Mumbai - 400 093. Tel. No.: 022-6671 2001 - 06 Fax No.: 022-6671 2011 Email: corpequity@dfssl.com
Share Transfer System	The power of share transfer is delegated by the Board to a committee of directors. The Share Transfer Committee meets regularly to consider and approve transfer of shares held in physical form.
Distribution of Shareholding as on 31-03-2016.	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 trade in commodities and therefore not applicable.
Commodity price risk or foreign exchange risk and hedging activities	The Company does not deal in commodities. The significant sales of the Company come from exports to a number of countries and it transacts its business in international markets in various foreign currencies such as USD, EURO, RUB, AUD, AED and GBP. Therefore, exchange risk assumes significance for the Company and volatility of currencies bears direct relationship on performance of the Company. 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).

CORPORATE GOVERNANCE REPORT (CONTD.)

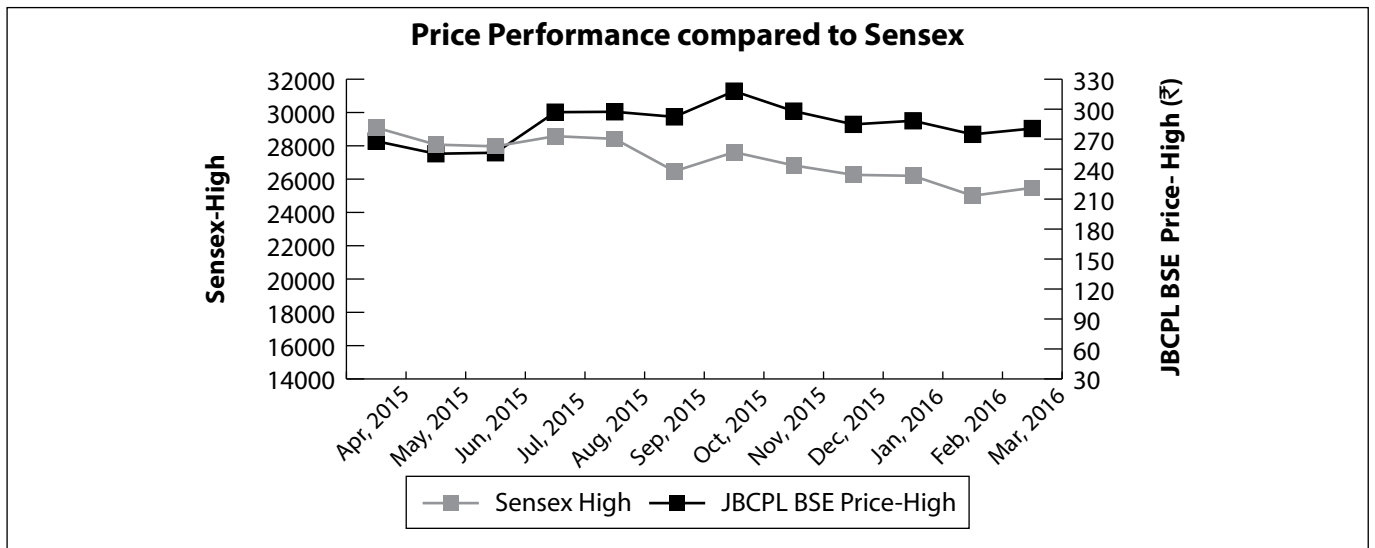
Plant Locations	-Plot No. 215 to 219, 304 to 310 and 4 & 5, Phase IV, GIDC Industrial Area, Panoli 394 116, Gujarat. -Plot No.128/1, 128/1/1, 128/2, 129/1 & 129/B1, GIDC Industrial Area, Ankleshwar 393 002, Gujarat. -Survey No. 101/2 & 102/1, Daman Industrial Estate, Airport Road, Kadaiya, Daman 396 210.
Address for correspondence	Neelam Centre, 'B' Wing, 4 th Floor, Hind Cycle Road, Worli, Mumbai - 400 030. Tel. No. (022) 2482 2222/2493 0918 Fax No. (022) 2493 0534 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.

Annexure A

The high and low prices of the Company's equity shares (of face value of ₹ 2 each) on BSE Limited (BSE) and on National Stock Exchange of India Limited (NSE) during each month in the financial year 2015-16 were as under:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume of shares traded	High (₹)	Low (₹)	Volume of shares traded
April, 2015	268.00	199.50	1,927,655	268.50	199.00	6,350,961
May, 2015	255.40	212.25	1,331,088	255.40	212.15	3,480,069
June, 2015	256.40	221.65	1,021,573	256.15	222.05	2,465,093
July, 2015	297.00	234.00	1,620,903	296.00	233.40	5,851,144
August, 2015	297.40	239.00	1,601,077	297.40	239.00	4,481,663
September, 2015	292.30	246.65	1,163,335	291.90	246.40	3,302,702
October, 2015	318.05	277.05	1,562,749	318.35	277.30	5,537,381
November, 2015	298.05	262.60	792,655	299.00	254.40	3,032,253
December, 2015	284.80	252.00	596,707	284.80	252.85	2,298,841
January, 2016	288.40	233.35	618,711	288.00	233.85	2,840,421
February, 2016	274.80	228.30	769,627	275.00	228.00	2,354,524
March, 2016	280.65	243.00	306,042	280.40	240.50	1,301,074

Annexure B



CORPORATE GOVERNANCE REPORT (CONTD.)

Annexure C

Distribution of shareholding as on March 31, 2016 is as under :

Range of equity shares held	No. of shareholders	% of shareholders	No. of equity shares held	% of capital
Upto 500	27,459	79.41	3,814,038	4.50
501 – 1000	3,040	8.79	2,498,435	2.95
1001 – 2000	2,112	6.11	3,296,635	3.89
2001 – 3000	874	2.53	2,263,863	2.67
3001 – 4000	331	0.96	1,191,560	1.41
4001 – 5000	189	0.55	888,512	1.05
5001 – 10000	290	0.84	2,039,107	2.40
10001 – 50000	212	0.61	4,425,903	5.22
50001 and above	73	0.21	64,401,922	75.93
Total	34,580	100.00	84,819,975	100.00

Annexure D

Shareholding pattern as on March 31, 2016 is as under :

Category	No. of shares	% holding
Promoters & Promoter Group	47,300,837	55.77
Other directors & their relatives	418,780	0.49
Mutual Funds, Banks & Insurance Companies	3,320,017	3.91
Foreign Portfolio Investors	4,471,717	5.27
NBFCs	55,526	0.07
NRIs / Foreign National	1,113,600	1.31
Trusts	3,950	0.00
Clearing Member	23,821	0.03
Bodies Corporate	2,405,549	2.84
Resident individuals	25,706,178	30.31
Total	84,819,975	100.00

Annexure E

The position as to dematerialization of shares as on March 31, 2016 is as under:

Category	No. of shares	% of shares	No. of Shareholders	% of Shareholders
Electronic Form	83,326,224	98.24	33,240	96.12
Physical Form	1,493,751	1.76	1,340	3.87
Total	84,819,975	100.00	34,580	100.00

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

DISCLOSURES

- The Company has not entered into any materially significant related party transaction with any related party that may have potential conflict with the interest of the Company at large.
- To the best of the Company's knowledge, there has been no incidence of non-compliance with requirement of stock exchange, SEBI or other statutory authority, on matters relating to capital markets during last three years. During last three years, no penalty or stricture has been imposed on the Company by the Stock Exchanges, SEBI or any statutory authority on any matter related to capital market.
- The Board of Directors of the Company has established vigil mechanism and formulated a whistle blower policy, the details whereof are provided in the Board's report, which forms part of this Annual Report. The Whistle Blower Policy is available on the Company's website www.jbcpl.com. It is affirmed that none of the personnel has been denied access to the Audit Committee.
- The Company is in compliance with all mandatory requirements of the Listing Regulations. The status on adoption of discretionary requirements is set out in this report.

CORPORATE GOVERNANCE REPORT (CONTD.)

- 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/Material_Subsidiaries.pdf (b) the Policy on dealing with Related Party Transactions and has posted the same on its website www.jbcpl.com. The web link thereto is http://www.jbcpl.com/investors/pdf/policy/Related_Party_Transactions.pdf
- The Company does not trade in commodities and hence disclosure of commodity price risks and commodity hedging activities is not applicable.

CORPORATE GOVERNANCE COMPLIANCE

The Company has complied with all requirements of corporate governance report of sub-para (2) and (10) of the 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:**
The Chairman of the Company is executive and hence the provision with regard to maintenance of chairman's office as contained in the discretionary requirement is not relevant.
- **Shareholders rights:**
The half-yearly financial results are published in the news papers 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.
- **Separate posts of Chairman and CEO:**
The Company's Articles of Association provides that the same individual may hold both these posts. This discretionary requirement will be considered by the Company at the appropriate time.
- **Reporting of Internal Auditor:**
Internal auditor reports to both Audit Committee as well as the Board of Directors.

VIGIL MECHANISM

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

RELATED PARTY TRANSACTIONS

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

SUBSIDIARY COMPANIES

The Company does not have unlisted material subsidiary incorporated in India. The Audit Committee reviews the financial statements of the subsidiary companies including the investments, if any, made by the subsidiary companies. The minutes of meetings of the board of directors of subsidiaries have been placed at the meeting of the board of directors of the Company.

SENIOR MANAGEMENT

All members of senior management submit 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.

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

CORPORATE GOVERNANCE REPORT (CONTD.)

- (c) Code of Conduct for Board of Directors and Senior Management Personnel
- (d) Details of establishment of Vigil Mechanism/Whistle Blower Policy
- (e) Criteria for making payment to non-executive directors, which forms part of Remuneration policy
- (f) Policy on dealing with related party transactions
- (g) Policy for determining material subsidiary
- (h) Details of familiarisation programme imparted to independent directors

SHARES SUSPENSE ACCOUNT

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

DECLARATION

I hereby declare that the directors and senior management personnel including all functional heads of the Company have affirmed compliance with the code of conduct, for the year ended on March 31, 2016.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 20, 2016

J. B. Mody
Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of J. B. Chemicals & Pharmaceuticals Limited

We have examined the compliance of conditions of Corporate Governance by J. B. Chemicals & Pharmaceuticals Limited ('the Company'), for the year ended on 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 01st April, 2015 to 30th November, 2015 and as stipulated in regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulation') with the stock exchanges for the period 01st December, 2015 to 31st March, 2016.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of relevant records and the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement/Listing Regulations.

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

For J. K. Shah & Co.
Chartered Accountants
Firm Registration No. 109606W

J.K. Shah
Partner
Membership No: 03662

Place : Mumbai
Date : May 20, 2016

INDEPENDENT AUDITORS' REPORT

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

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of J. B. Chemicals & Pharmaceuticals Limited ('the Company'), which comprise the balance sheet as at 31st March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making

those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 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

INDEPENDENT AUDITORS' REPORT (CONTD.)

the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts, as such the question

of commenting on any material foreseeable losses thereon does not arise;

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

for J. K. Shah & Co.
Chartered Accountants
Firm's registration number : 109606W

J. K. Shah
Partner

Place : Mumbai
Date : 20th May, 2016

Membership Number : 03662

ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2016, we report that:

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) These fixed assets have been physically verified by the management at regular interval considering the size of the Company and nature of assets. No material discrepancies have been noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. However, formalities of registration in respect of one office premise having original cost of ₹ 2.64 lacs are pending.
- (ii) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the discrepancies noticed on physical verification between physical stock and the book records were not material and have been adequately dealt with in the books of account.
- (iii) The Company has not granted loans to the companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made and guarantees given.
- (v) In our opinion and according to the information and explanations given to us, the Company, during the year, has not accepted the deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the company, pursuant to the rules made by the Central Government for the maintenance of cost records, under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have generally been maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were in arrears as at 31st March 2016 for a period of more than six months from the date they became payable.

ANNEXURE - A TO THE AUDITORS' REPORT (CONTD.)

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

Name of Statute	Nature of Dues	Amount (₹ In lacs)	Period to which amount relates	Forum where dispute pending
Income Tax Act, 1961	Income Tax	50.81(#)	2012-2013	Commissioner (Appeals)
The UP Sales Tax Act	Sales Tax	0.25	1992-1993	Supreme Court of India
Tamilnadu VAT Act, 2006	VAT Tax	3.44	2006-2007 to 2011-2012	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty & Penalty	7.19	2006-2009	CESTAT
		16.14	May, 2001 to Nov, 2001	
		2.22	July, 2010 to Oct, 2011	
		0.66	Nov, 2011 to March, 2012	
Central Excise Act, 1944	Excise Duty & Penalty	1.70	April, 2012 to September, 2013	Commissioner (Appeals)
The Finance Act, 1994	Service Tax & Penalty	2.76	2009-2010	CESTAT
		7.09	2010-2011	
The Finance Act, 1994	Service Tax & Penalty	3.85	December, 2006 to December, 2010	Commissioner (Appeals)
		0.05		
		28.38	2008-09 to 2011-12	
		63.64	2013-14	
		12.51	June, 2014 to Sep., 2014	
		0.58	Jan, 2014 to March, 2014	

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

- (viii) According to the records of the Company, it has not defaulted in repayment of dues to any banks.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit for the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for J. K. Shah & Co.

Chartered Accountants

Firm's registration number : 109606W

J. K. Shah

Partner

Place : Mumbai

Date : 20th May, 2016

Membership Number : 03662

ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls 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 Limited ("the Company") as of 31st March 2016 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for J. K. Shah & Co.

Chartered Accountants

Firm's registration number : 109606W

J. K. Shah

Partner

Place : Mumbai

Date : 20th May, 2016

Membership Number : 03662

BALANCE SHEET AS AT MARCH 31, 2016

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2016		As at March 31, 2015	
EQUITY AND LIABILITIES					
Shareholders' funds					
(a) Share capital	2	1,696.40		1,696.16	
(b) Reserves and surplus	3	112,478.57	114,174.97	99,934.99	101,631.15
Non-current liabilities					
(a) Long-term borrowings	4	-		40.00	
(b) Deferred tax liabilities (Net)	5	2,282.97		2,162.22	
(c) Long-term provisions	6	1,020.11	3,303.08	1,202.60	3,404.82
Current liabilities					
(a) Short-term borrowings	7	17,440.19		10,472.97	
(b) Trade payables					
A) Dues to Micro and Small enterprises	8	116.17		88.55	
B) Dues to Other Creditors		6,744.76		6,142.21	
Total Trade Payable		6,860.93		6,230.76	
(c) Other current liabilities	9	11,899.93		8,259.92	
(d) Short-term provisions	10	1,133.13	37,334.18	14,876.41	39,840.06
TOTAL			154,812.23		144,876.03
ASSETS					
Non-current assets					
(a) Fixed assets					
(i) Tangible assets	11	36,779.09		29,961.91	
(ii) Intangible assets	11	138.45		125.05	
(iii) Capital work-in-progress		13,052.33		5,464.69	
(iv) Intangible assets under development		70.48		52.44	
(b) Non-current investments	12	31,779.80		23,071.57	
(c) Long-term loans and advances	13	2,339.04		1,761.91	
(d) Other non-current assets	14	-	84,159.19	-	60,437.57
Current assets					
(a) Current investments	15	19,524.97		36,678.17	
(b) Inventories	16	13,329.31		12,847.40	
(c) Trade receivables	17	26,802.32		24,849.05	
(d) Cash and cash equivalents	18	1,080.03		905.52	
(e) Short-term loans and advances	19	9,916.41	70,653.04	9,158.32	84,438.46
TOTAL			154,812.23		144,876.03
Significant Accounting Policies and Notes on Financial Statements 1 to 48					

As per our report of even date**For J. K. Shah & Co.**Chartered Accountants
Firm Registration No. 109606W**J. K. Shah**Partner
Membership No. 03662

Place : Mumbai

Date : May 20, 2016

For and on behalf of the Board of Directors**J. B. Mody**

Chairman & Managing Director

S. B. Mody

Whole time Director (Marketing)

Place : Mumbai

Date : May 20, 2016

D. B. Mody

Whole time Director (Administration)

Vijay D. Bhatt

Chief Financial Officer

M. C. Mehta

Company Secretary

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2016

(₹ in lakhs)

Particulars	Note No.	2015-2016	2014-2015
Income:			
Revenue from Operations (Gross)	20	116,476.35	107,598.81
Less: Excise Duty		1,659.58	1,456.69
Revenue from Operations (Net)		114,816.77	106,142.12
Other income	21	5,292.39	1,040.88
Total Revenue		120,109.16	107,183.00
Expenses:			
Cost of materials consumed	22	37,307.84	34,158.73
Purchases of stock-in-trade		8,207.33	9,031.37
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(636.50)	(89.95)
Employee benefits expense	24	16,750.56	14,681.81
Finance costs	25	922.27	665.01
Depreciation and Amortization Expense	11	4,040.56	3,759.99
Other Expenses	26	30,807.50	29,065.62
Total expenses		97,399.56	91,272.58
Profit Before Tax		22,709.60	15,910.42
Tax expense:			
(1) Current tax		4,950.00	4,200.00
(2) Deferred tax		120.75	352.17
Profit for the Year		17,638.85	11,358.25
Earnings per equity share			
(1) Basic		20.80	13.40
(2) Diluted		20.80	13.39
Significant Accounting Policies and Notes on Financial Statements	1 to 48		

As per our report of even date

For J. K. Shah & Co.
Chartered Accountants
Firm Registration No. 109606W

J. K. Shah
Partner
Membership No. 03662

Place : Mumbai
Date : May 20, 2016

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

S. B. Mody
Whole time Director (Marketing)

Place : Mumbai
Date : May 20, 2016

D. B. Mody
Whole time Director (Administration)

Vijay D. Bhatt
Chief Financial Officer

M. C. Mehta
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2016

(₹ in lakhs)

Particulars	2015-2016		2014-2015	
A. Cash Flow from Operating Activities				
Net Profit before Tax		22,709.60		15,910.42
Adjustment For				
Depreciation	4,040.56		3,759.99	
Foreign Exchange Fluctuation (Net)	(78.34)		459.05	
Interest Paid	186.30		330.02	
(Profit)/ Loss on Sale/Discard of Assets (Net)	0.04		5.10	
(Profit)/ Loss on Sale of Investments (Net)	(3,371.79)		(921.60)	
Bad Debts	-		8.40	
Interest Received	(82.45)		(98.78)	
Dividend Received	(627.02)		(40.99)	
Reversal of Deferred Employee Compensation	-		(4.44)	
Loss of Investment on Liquidation of Foreign Subsidiary	72.60		-	
Exchange Gain on Liquidation of Foreign Subsidiary	(1,211.13)		-	
Provision for Doubtful debts	430.71		-	
Adjustment due to amalgamation	-		62.69	
Provision for Diminution in value of Investment	-		34.45	
		(640.52)		3,593.89
Operating Profit Before Working Capital Changes		22,069.08		19,504.31
Adjustment For				
Trade and Other Receivables	(3,839.38)		(895.03)	
Inventories	(481.91)		(1,724.70)	
Trade Payable	4,059.48		1,215.80	
		(261.81)		(1,403.93)
Cash Generated From Operations		21,807.27		18,100.38
Direct Taxes Paid (Net)		(5,134.33)		(3,797.21)
Net Cash from Operating Activities		16,672.94		14,303.17
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	(18,501.03)		(7,072.59)	
Sale of Fixed Assets	24.17		29.94	
Purchase of Investments	(30,976.47)		(25,620.02)	
Sale of Investments	42,720.64		20,368.84	
Exchange Gain realised on Liquidation of Foreign Subsidiary	1,211.13		-	
Interest Received	103.35		80.71	
Dividend Received	627.02		40.99	
Net Cash used in Investing Activities		(4,791.19)		(12,172.13)

CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

(₹ in lakhs)

Particulars	2015-2016		2014-2015	
C. Cash Flow from Financing Activities				
Proceeds from issue of Shares under ESOP (including Securities Premium)	11.16		71.13	
Proceeds/(Repayment) from/of Short Term Borrowing (Net)	7,230.04		1,011.06	
Proceeds/(Repayment) from/of Long Term Borrowing (Net)	(8.83)		(12.93)	
Interest Paid	(185.49)		(403.00)	
Dividend Paid (Including Dividend Distribution Tax)	(18,754.12)		(2,972.08)	
Net Cash Used in Financing Activities		(11,707.24)		(2,305.82)
Net Increase in Cash and Cash Equivalents		174.51		(174.78)
Cash And Cash Equivalents as at 01.04.15	905.52		1,080.30	
Cash And Cash Equivalents as at 31.03.16	1,080.03	174.51	905.52	(174.78)

Notes :

- 1) The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 on "Cash Flow Statement".
- 2) Balance with Banks include ₹ 7.60 lakhs (Previous year ₹ 12.50 lakhs) being deposits under lien.
- 3) Previous years' figures are regrouped / reclassified wherever necessary in order to conform to current years' groupings and classifications.

As per our report of even date

For J. K. Shah & Co.
Chartered Accountants
Firm Registration No. 109606W

J. K. Shah
Partner
Membership No. 03662

Place : Mumbai
Date : May 20, 2016

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

S. B. Mody
Whole time Director (Marketing)

Place : Mumbai
Date : May 20, 2016

D. B. Mody
Whole time Director (Administration)

Vijay D. Bhatt
Chief Financial Officer

M. C. Mehta
Company Secretary

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. BASIS OF ACCOUNTING

The Financial statements are prepared on mercantile basis under the historical cost convention in accordance with the generally accepted accounting principles in India, Accounting Standards notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Companies Act, 2013.

1.2. REVENUE RECOGNITION

All revenue and expenses are accounted for on accrual basis. Revenue is recognized when no significant uncertainties exist in relation to the amount of eventual receipt.

1.3. FIXED ASSETS

Fixed Assets are stated at cost of acquisition and includes other direct / indirect and incidental expenses incurred to put them into use but excludes CENVAT availed on such assets. Whenever, the cost of the fixed asset are met under the specific contract by third party, the same is reduced from the cost of the respective fixed asset.

All indirect expenses incurred during project implementation and on trial run are treated as incidental expenditure during construction and capitalized.

1.4. DEPRECIATION

Depreciation is provided based on the useful life specified in Schedule II to the Companies Act, 2013. Premium paid for leasehold land is amortized over the lease period.

1.5. INTANGIBLES

Intangible assets are stated at costs less accumulated amortization.

Intangible assets are amortized over a period of 3 years.

1.6. IMPAIRMENT OF ASSETS

Where there is an indication that an asset is impaired, the recoverable amount, if any, is estimated and the impairment loss is recognized to the extent carrying amount exceeds recoverable amount.

1.7. PROVISIONS AND CONTINGENCIES

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or present obligation that probably will not require an outflow

of resources or where reliable estimate of the amount of the obligation cannot be made.

1.8. INVENTORIES

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

1.9. INVESTMENTS

Investments, which are long term in nature, are stated at cost of acquisition with provision where necessary for diminution, other than temporary, in the value of investments. Current investments are carried at lower of cost or market value and quoted/fair price, computed category wise.

1.10. EMPLOYEE BENEFIT

1.10.1 Short Term Employee Benefits

Short term employee benefits are recognized in the period during which the services have been rendered.

1.10.2 Long Term Employee Benefits:

a. Provident Fund, Family Pension Fund & Employees' State Insurance Scheme

As per the Employees Provident Funds and Miscellaneous Provisions Act, 1952 all employees of the Company are entitled to receive benefits under the provident fund & family pension fund which is a defined contribution plan. These contributions are made to the fund administered and managed by Government of India. In addition, some employees of the Company are covered under Employees' State Insurance Scheme Act 1948, which are also defined contribution schemes recognized and administered by Government of India.

The Company's contributions to these schemes are recognized as expense in profit and loss account during the period in which the employee renders the related service. The Company has no further obligation under these plans beyond its monthly contributions.

b. Superannuation Plan:

Some employees of the Company are entitled to superannuation, a defined contribution plan

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

which is administrated through Life Insurance Corporation of India ("LIC"). Superannuation benefits are recognized in the Profit and loss account.

c. Leave Encashment:

The Company provides for the liability at year end on account of unavailed earned leave as per the actuarial valuation.

d. Gratuity:

The Company provides for gratuity obligations through a Defined benefits Retirement plan ('The Gratuity Plan') covering all employees. The present value of the obligation under such Defined benefits plan is determined based on actuarial valuation using the Project Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up final obligation. The obligation is measured at the present value of the estimated cash flows. The discount rate used for determining the present value of the defined obligation under defined benefit plan, is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized in profit and loss account as and when determined.

The Company makes annual contribution to LIC for the gratuity plan in respect of all the employees liability on the basis of actuarial valuation done by the LIC.

1.11. FOREIGN CURRENCY TRANSACTION

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities at the balance sheet date are translated at the exchange rate prevailing on the date of Balance Sheet. Exchange rate differences resulting from foreign exchange transactions settled during the period including year-end translation of assets and liabilities are recognized in the profit and loss account.

In case of forward exchange contracts or any other financial instruments that is in substance a forward exchange contract to hedge the foreign currency risk which is on account of firm commitment and/or is a highly probable forecast transaction, the premium or discount arising at the

inception of the contract is amortized as expense or income over the life of contract.

Gain/Loss on settlement of transaction arising on cancellation or renewal of such a forward exchange contract is recognized as income or expense for the period.

1.12. LEASES

Leases wherein a significant portion of the risks and reward of ownership are retained by the lessor are classified as Operating Leases. Lease rentals in respect of such leases are charged to the profit and loss account.

1.13. RESEARCH AND DEVELOPMENT

Revenue expenditure on Research and Development is charged to the profits of the year in which it is incurred.

Capital expenditure on Research and Development is treated as fixed assets.

1.14. BORROWING COST

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

1.15. INCOME TAX

- a. Tax expenses comprise of current and deferred tax.
- b. Provision for current income tax is made on the basis of relevant provisions of the Income Tax Act, 1961 as applicable to the financial year.
- c. Deferred Tax is recognized subject to the consideration of prudence on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- d. Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

1.16. EMPLOYEE STOCK OPTION PLAN

The accounting value of stock options representing the excess of the market price over the exercise price of the shares granted under "Employees Stock Option Scheme" (ESOP) of the Company is amortized on straight line basis over the vesting period as "Deferred Employees Compensation".

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

2. SHARE CAPITAL

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Authorised :		
101,500,000 (Previous year 101,500,000) Equity Shares of ₹ 2/- each	2,030.00	2,030.00
Issued, Subscribed & Paid up		
84,819,975 (Previous year 84,808,225) Equity Shares of ₹ 2/- each fully paid	1,696.40	1,696.16
Less: Share Capital Cancelled on Amalgamation	-	866.85
Add: Share Capital Pending Allotment	-	866.85
Total	1,696.40	1,696.16

2.1 Reconciliation of the shares outstanding and amount of Share Capital

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	(₹ in lakhs)	Number	(₹ in lakhs)
Shares outstanding at the beginning of the year	84,808,225	1,696.16	84,731,625	1,694.63
Shares Issued during the year pursuant to Employees Stock Options Scheme	11,750	0.24	76,600	1.53
Shares outstanding at the end of the year	84,819,975	1,696.40	84,808,225	1,696.16

2.2 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.

2.3 Details of Shareholders holding more than 5% shares.

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Jyotindra B. Mody	5,371,905	6.33	473,490	0.56
Dinesh Bhagwanlal Mody	4,738,932	5.59	300	0.00
Shirish Bhagwanlal Mody	5,056,312	5.96	227,550	0.27
Kumud Dinesh Mody	4,839,944	5.71	104,865	0.12
Bharati S. Mody	4,963,002	5.85	153,655	0.19
Pallavi Bharat Mehta	5,201,207	6.13	310,890	0.37
Pranabh Dinesh Mody	4,940,172	5.82	177,325	0.21
Nirav Shirish Mody	4,984,979	5.88	218,500	0.26
Jyotindra Mody Holdings Pvt. Ltd.	-	-	7,466,242	8.80
Dinesh Mody Securities Pvt. Ltd.	-	-	7,055,326	8.32
Shirish B. Mody Investments Pvt. Ltd.	-	-	6,530,601	7.70
Ansuya Mody Securities Pvt. Ltd.	-	-	7,234,882	8.53
Kumud Mody Securities Pvt. Ltd.	-	-	7,181,232	8.47
Bharati S. Mody Investments Pvt. Ltd.	-	-	7,873,987	9.28
Ashish Dhawan	5,193,530	6.12	8,179,608	9.64

2.4 Shares reserved for issue under ESOP

In the year 2004, the Company has instituted the Employees Stock Option Scheme, under which 2,500,000 equity shares of ₹ 2 each have been reserved. Under the Scheme, the options are granted at an amount equal to ninety five percent of the average daily closing price of the shares of the Company's share quoted on National Stock Exchange of India Ltd. during the period of twelve weeks preceding the date of grant. These options vest in four equal instalments and subject to other provisions of the Scheme, are exercisable within a period of five years from the respective date of vesting.

The activity in the said ESOP Scheme during the year was as under:

Particulars	As at March 31, 2016	As at March 31, 2015
Options outstanding at the beginning of the year	35,875	167,350
Less: Exercised	11,750	76,600
Lapsed	24,125	54,875
Options outstanding at the end of the year	-	35,875

On exercise of options during the year, the Company received aggregate exercise price of ₹ 11.16 lakhs (Previous year ₹ 71.13 lakhs).

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

3. RESERVES & SURPLUS

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
a. Capital Reserves (transferred from amalgamating company)		
Investment allowance Reserve (utilised)	34.86	34.86
Capital Reserve	63.53	63.53
Cash Subsidy	1.98	1.98
	100.37	100.37
b. Capital Reserve	4.21	4.21
c. Cash Subsidy	85.66	85.66
d. Contingency Reserve	2,020.00	2,020.00
e. Securities Premium Reserve		
Opening Balance	4,935.23	4,865.63
Add : Securities premium credited on shares issued under ESOP	10.92	69.60
Closing Balance	4,946.15	4,935.23
f. Share Options Outstanding Account		
Opening Balance	-	4.44
Less: Amortised during the year	-	4.44
Closing Balance	-	-
g. Capital Redemption Reserve		
Opening Balance	-	-
Add: Transfer pursuant to the Scheme of Amalgamation	-	15.05
Less: Utilised pursuant to the Scheme of Amalgamation	-	15.05
Closing Balance	-	-
h. Statutory Reserve		
Opening Balance	267.49	-
Add: Transfer pursuant to the Scheme of Amalgamation	-	267.49
Less : Transfer to General Reserve	267.49	-
Closing Balance	-	267.49
i. General Reserve		
Opening Balance	48,280.57	48,280.57
Add: Transfer pursuant to the Scheme of Amalgamation	-	133.72
Less: Utilised pursuant to the Scheme of Amalgamation	-	133.72
Add: Transfer from Statutory Reserve	267.49	-
Closing Balance	48,548.06	48,280.57
j. Surplus in the statement of Profit & Loss		
Opening balance	44,241.46	47,725.65
Less: Adjustment pursuant to the Scheme of Amalgamation	-	204.80
Less: Residual value representing Expired Useful Life of Assets as per Schedule II	-	347.40
Add : Profit for the year	17,638.85	11,358.25
Less : Interim Dividend	3,816.90	-
Less : Tax on Interim Dividend	777.04	-
Less : Proposed Dividend #	425.60	11,873.15
Less : Tax on Proposed Dividend #	86.65	2,417.09
Closing Balance	56,774.12	44,241.46
Total	112,478.57	99,934.99

includes dividend of ₹ 1.50 lakhs and tax thereon ₹ 0.31 lakhs on shares issued under ESOP before annual general meeting held on 19-08-15.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

4. LONG TERM BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured		
Inter Corporate Deposit	–	40.00
Total	–	40.00

5. DEFERRED TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred Tax Assets		
Retirement Benefits	568.54	619.06
Others	242.00	121.19
	810.54	740.25
Deferred Tax Liability		
Depreciation	3,093.51	2,902.47
	3,093.51	2,902.47
Total	2,282.97	2,162.22

6. LONG TERM PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for Employee Benefits		
Gratuity	626.15	850.21
Leave Encashment	393.96	352.39
Total	1,020.11	1,202.60

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

7. SHORT TERM BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured		
Working Capital Loans from Banks #		
Foreign currency loans	7,800.00	5,400.00
	7,800.00	5,400.00
Unsecured		
(a) Foreign currency loans from Bank	8,928.13	2,412.50
(b) Rupee Loans	347.81	2,308.72
(c) Deposit from Distributors / Customers	259.25	246.75
(d) Inter Corporate Deposits from related parties	105.00	105.00
	9,640.19	5,072.97
Total	17,440.19	10,472.97

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

8. The details of amount outstanding to Micro, Small and Medium Enterprise based on available information with the Company is as under:

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
(i) Principal	116.17	88.55
(ii) Interest due thereon	–	–
(b) (i) The amount of interest paid by the buyer in terms of S. 16 of Micro and Small and Medium Enterprise Development Act, 2006.	–	–
(ii) The amount of payment made to supplier beyond the appointed day during the each accounting year *	788.04	730.43
(c) (i) 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.	–	–
(d) (i) The amount of interest accrued and remaining unpaid at the end of each accounting year	84.83	70.43
(e) (i) The amount of further interest remaining due and payable even in the succeeding years, until such date when interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under S. 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	14.40	16.12

The above information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

* The delayed payment has been computed having regard to specified credit period of 45 days under Micro, Small and Medium Enterprise Development Act, 2006. However, there is no delay in terms of agreed credit terms with these suppliers.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

9. OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Current maturities of long-term debt		
Vehicle Loan (Secured) *	–	8.83
Inter corporate Deposit from a related party **	40.00	–
(b) Interest accrued and due on borrowings	6.04	5.23
(c) Unclaimed Dividends #	288.08	156.21
(d) Advance from Customers	60.07	21.71
(e) Other Payable	9,346.30	7,464.39
(f) Creditors for capital expenditure	2,159.34	603.45
(g) Outstanding Purchase Consideration (Undischarged liabilities of vendors)	0.10	0.10
Total	11,899.93	8,259.92

Nature of Security and Terms of Repayment

* Vehicle loans were secured by hypothecation of vehicles and same was repayable in sixty equated monthly instalment inclusive of interest on reducing balance.

** Inter corporate deposit bears interest @ 11% p.a., payable at quarterly rests.

There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

10. SHORT TERM PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Provision for Employee Benefits		
Gratuity	527.76	500.07
Leave Encashment	94.93	86.10
(b) Others		
Proposed Dividend	424.10	11,873.15
Tax on Proposed Dividend	86.34	2,417.09
Total	1,133.13	14,876.41

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

Fixed Assets	Gross Block			Accumulated Depreciation				Net Block		
	As at 1 st April 2015	Additions	Disposals	As at 31 st March 2016	As at 1 st April 2015	Excess of Carrying amount over Residual value	Depreciation charge for the period	On disposals	As at 31 st March 2016	As at 31 st March 2015
Tangible Assets										
Land (Freehold)	59.34	-	-	59.34	-	-	-	-	59.34	59.34
Land (Leasehold)	830.16	-	-	830.16	94.20	-	7.98	-	727.98	735.96
Factory Buildings	12,099.22	1,360.24	-	13,459.46	3,702.93	-	371.17	-	4,074.10	8,396.29
Other Buildings (Note 1&2)	669.04	4,803.49	-	5,472.53	174.63	-	60.93	-	235.56	494.41
Plant & Equipments	35,220.86	3,864.85	6.48	39,079.23	17,986.24	-	2,958.22	1.92	20,942.54	17,234.62
Furniture & Fixtures	1,179.95	21.51	3.92	1,197.54	870.16	-	93.10	3.57	959.69	309.79
Vehicles	1,055.81	121.01	94.42	1,082.40	496.45	-	110.35	75.55	531.25	559.36
Office Equipments	2,051.35	318.91	4.38	2,365.88	1,734.47	-	153.41	3.95	1,883.93	316.88
Airconditioners	3,223.78	291.96	-	3,515.74	1,368.52	-	185.42	-	1,553.94	1,855.26
Total	56,389.51	10,781.97	109.20	67,062.28	26,427.60	-	3,940.58	84.99	30,283.19	29,961.91
Intangible Assets										
Trade Marks	3.67	-	-	3.67	3.66	-	-	-	3.66	0.01
Computer Software	779.89	113.38	-	893.27	654.85	-	99.98	-	754.83	125.04
Total	783.56	113.38	-	896.94	658.51	-	99.98	-	758.49	125.05
Grand Total	57,173.07	10,895.35	109.20	67,959.22	27,086.11	-	4,040.56	84.99	31,041.68	30,086.96
Previous year's Total	51,094.39	6,187.54	108.86	57,173.07	22,873.66	526.28	3,759.99	73.82	27,086.11	28,220.73

Note :

- 1) Value of buildings includes a sum of ₹ 3,000/- being the cost of shares in the societies.
- 2) Registration formalities for one of the office premise having cost of ₹ 2.64 lakhs is pending.
- 3) No depreciation has been claimed on assets to the extent of CENWAT claimed.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

12. NON CURRENT INVESTMENTS

(Long Term Investment) (At Cost)

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
A Trade Investments		
Equity Shares (Unquoted)		
In Subsidiary Companies :		
Investment in OOO Unique Pharmaceutical Laboratories - Russia (No. of shares are not denominated as per Law of Russian Federation)	3,881.92	1,250.30
Nil (Previous year 5,241,100) Ordinary shares of US \$ 1 each of J.B. Healthcare Pvt. Ltd.	-	2,337.86
Investment in Unique Pharmaceutical Laboratories LLC, Ukraine (No. of shares are not denominated as per Law of Ukraine)	34.45	34.45
51,885,000 (Previous year 365,000) Ordinary Shares of AED 1 each of Unique Pharmaceutical Laboratories FZE, Dubai	9,414.76	59.92
Share Application Money	-	940.25
In Other Companies :		
5,866 (Previous year 5,866) Equity Shares of ₹ 10/- each of Bharuch Enviro Infrastructure Ltd.	0.59	0.59
612,032 (Previous year 612,032) Equity Shares of ₹ 10/- each of Narmada Clean Tech Limited	61.20	61.20
20,000 (Previous year 20,000) Equity Shares of Enviro Technology Ltd. of ₹ 10/- each	2.00	2.00
60,000 (Previous year 60,000) Equity Shares of Panoli Enviro Technology Ltd. of ₹ 10/- each	6.00	6.00
50,000 (Previous year 50,000) Equity Shares of ₹ 10/- each of Ankleshwar Research & Analytical Infrastructure Limited	5.00	5.00
Total (A)	13,405.92	4,697.57
B Other Investments		
(a) Equity Shares (Unquoted):		
In Other Companies:		
8,036 (Previous year 8,036) Equity Shares of ₹ 10/- each of J B Life Science Overseas Ltd.	0.80	0.80
2,000,000 (Previous year 2,000,000) Equity Shares of ₹ 10/- each of Asian Heart Institute & Research Centre Pvt. Ltd.	200.00	200.00
(b) Government Securities		
National Saving Certificates (Pledged with Government Authorities)	0.29	0.41
Total (B)	201.09	201.21
C Investments in Mutual Funds		
Unquoted :		
17,000,000 (Previous year 17,000,000) units of ₹ 10 each of HDFC FMP 371 D July 2013(1) Growth	1,700.00	1,700.00
18,000,000 (Previous year 18,000,000) units of ₹ 10 each of DSP Black Rock FMP Series 104 12 Month-Growth	1,800.00	1,800.00
10,000,000 (Previous year 10,000,000) units of ₹ 10 each of IDFC Fixed Term Plan Series 24-Growth	1,000.00	1,000.00
15,000,000 (Previous year 15,000,000) units of ₹ 10 each of Birla Sun Life Interval Income Fund-Annual Plan IX (368 Days)-Growth	1,500.00	1,500.00

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

12. NON CURRENT INVESTMENTS (Contd.)

(Long Term Investment) (At Cost)

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
C Investments in Mutual Funds (Contd.)		
10,000,000 (Previous year 10,000,000) units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series HL (366 Days)- Growth	1,000.00	1,000.00
10,000,000 (Previous year 10,000,000) units of ₹ 10 each of HDFC FMP 370D August 2013 (3)-Growth	1,000.00	1,000.00
4,346,600 (Previous year 4,346,600) units of ₹ 10 each of HDFC FMP 371D November 2013 (2) - Growth	434.66	434.66
5,000,000 (Previous year 5,000,000) units of ₹ 10 each of HDFC FMP 370D November 2013 (1) - Growth	500.00	500.00
5,000,000 (Previous year 5,000,000) units of ₹ 10 each of HDFC FMP 370D February 2014 (1)-Growth	500.00	500.00
5,400,000 (Previous year 5,400,000) units of ₹ 10 each of DSP Black Rock FMP - Series 146 - 12M - Growth	540.00	540.00
5,000,000 (Previous year 5,000,000) units of ₹ 10 each of HDFC FMP 369D February 2014 (2)-Growth	500.00	500.00
5,000,000 (Previous year 5,000,000) units of ₹ 10 each of HDFC FMP 371D February 2014 (2)-Growth	500.00	500.00
5,000,000 (Previous year 5,000,000) units of ₹ 10 each of ICICI Prudential FMP Series 72-366 D-Plan-T-Growth	500.00	500.00
10,000,000 (Previous year 10,000,000) units of ₹ 10 each of HDFC FMP 370D March 2014 (1)-Growth	1,000.00	1,000.00
10,000,000 (Previous year 10,000,000) units of ₹ 10 each of ICICI Prudential FMP Series 73-366 D-Growth	1,000.00	1,000.00
5,467,550.001 (Previous year 5,467,550.001) units of ₹ 10 each of DSP Black Rock FMP - Series 151-12M - Growth	546.76	546.76
10,000,000 (Previous year 10,000,000) units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series KN (366 Days)- Growth	1,000.00	1,000.00
16,366,200 (Previous year 16,366,200) units of ₹ 10 each of IDFC Fixed Term Plan Series 85-369D Growth	1,636.62	1,636.62
10,000,000 (Previous year 10,000,000) units of ₹ 10 each of ICICI Prudential FMP Series 73-368 D-Plan M Growth	1,000.00	1,000.00
5,500,000 (Previous year 5,500,000) units of ₹ 10 each of DSP Black Rock FMP Series 161-12 Month-Growth	550.00	550.00
Total (C)	18,208.04	18,208.04
Total (A + B+ C)	31,815.05	23,106.82
Less : Provision for diminution in the value of Investments	35.25	35.25
Total	31,779.80	23,071.57

Particulars	As at March 31, 2016	As at March 31, 2015
Aggregate amount of unquoted investments	31,815.05	23,106.82
Aggregate amount of provision for diminution in the value of investments	35.25	35.25

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

13. LONG TERM LOANS & ADVANCES

(Unsecured, Considered good)

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
a) Capital Advances	1,755.99	1,196.62
b) Security Deposits #	503.19	453.02
c) Other loans and advances		
Advances to Employees	60.26	99.36
Other Advances	19.60	12.91
Total	2,339.04	1,761.91

includes an amount of ₹ 1.34 lakhs (Previous year ₹ 1.34 lakhs) each placed with J.B. Mody Enterprises LLP, Dinesh Mody Ventures LLP and Shirish Mody Enterprises LLP in which certain directors are partners, while aggregate amount of ₹ 63.39 lakhs (Previous year ₹ 63.39 lakhs) has been placed with other related parties as security deposit for license to use their premises for business of the Company.

14. OTHER NON CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade Receivables		
Unsecured Considered Doubtful	10.04	244.30
Less: Provision for Doubtful Debts	10.04	244.30
Total	-	-

15. CURRENT INVESTMENTS

(At lower of cost or market value)

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Investments in Mutual Funds		
Unquoted :		
14,905,323.290 (Previous year 33,728,297.052) units of ₹ 10 each of Birla Sun Life Dynamic Bond Fund-Retail-Growth	3,245.61	6,538.05
Nil (Previous year 7,660,630.319) units of ₹ 10 each of HDFC High Interest Fund Short Term Plan - Growth	-	1,665.29
Nil (Previous year 13,021,055.072) units of ₹ 10 each of ICICI Prudential Short Term Plan - Growth	-	3,000.00
10,277,332.185 (Previous year 10,277,332.185) units of ₹ 10 each of Birla Sun life Short Term Fund-Growth	4,267.00	4,267.00
12,196,280.245 (Previous year 20,476,362.088) units of ₹ 10 each of HDFC Short Term Opportunities Fund-Growth	1,489.07	2,500.00
Nil (Previous year 9,710,086.366) units of ₹ 10 each of HDFC Floating Rate Fund Income Fund Short Term Plan-Growth	-	2,186.76
24,033,329.985 (Previous year 24,033,329.985) units of ₹ 10 each of IDFC Dynamic Bond Fund-Plan B-Growth	3,267.29	3,267.29
147,118.682 (Previous year 123,134.423) units of ₹ 1,000 each of DSP Black Rock Strategic Bond-Institutional Plan-Growth	2,081.00	1,681.00

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

15. CURRENT INVESTMENTS (Contd.)

(At lower of cost or market value)

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Nil (Previous year 1,029,804.264) units of ₹ 10 each of Birla Sunlife Savings Fund -Growth	-	2,740.00
Nil (Previous year 558,466.741) units of ₹ 10 each of Birla Sun Life Cash Plus Growth	-	1,185.38
Nil (Previous year 1,426,975.95) units of ₹ 10 each of ICICI Prudential Liquid Plan-Growth	-	2,892.14
14,960,414.311 (Previous year 14,960,414.311) units of ₹ 10 each of HDFC Medium Term Opportunities Fund Post Growth	2,000.00	2,000.00
Nil (Previous year 5,000,000) units of ₹ 10 each of Bank of India AXA Fixed Maturity Plan-Series 14 (366 Days)-Growth	-	500.00
1,258,152.830 (Previous year 1,258,152.830) units of ₹ 10 each of Birla Sun Life Treasury Optimiser Plan Growth	2,000.00	2,000.00
Nil (Previous year 4320.429) units of ₹ 1,000 each of DSP Black Rock Liquidity Fund Institutional Plan Growth	-	75.46
Nil (Previous year 587,704.023) units of ₹ 10 each of HDFC Floating Rate Income Fund LTP Growth	-	128.94
Nil (Previous year 222,181.321) units of ₹ 10 each of HDFC Floating Rate Income Fund STP Wholesale Option Growth	-	50.86
288,684.703 (Previous year Nil) units of ₹ 10 each of HDFC Balanced Fund Growth	300.00	-
256,915.235 (Previous year Nil) units of ₹ 10 each of ICICI Prudential Balanced Fund Growth	225.00	-
402,765.883 (Previous year Nil) units of ₹ 10 each of Franklin India Balanced Fund Growth	350.00	-
185,664.255 (Previous year Nil) units of ₹ 10 each of Tata Balanced Fund Regular Growth	300.00	-
Aggregate amount of unquoted investments	19,524.97	36,678.17

16. INVENTORIES

(at lower of cost or net realisable value)

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Raw materials (stock in transit ₹ 71.05 , Previous year Nil)	4,151.98	4,852.43
Packing Materials	2,351.50	1,804.18
Work-in-progress	1,626.94	1,245.27
Finished goods (stock in transit ₹ 219.36, Previous year ₹ 260.94)	4,515.64	4,159.48
Stock-in-trade	657.42	758.75
Fuel	25.83	27.29
Total	13,329.31	12,847.40

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

17. TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Outstanding for a period exceeding six months		
Considered Good	1,141.22	1,207.91
Considered Doubtful	430.71	–
	1,571.93	1,207.91
Less: Provision for Doubtful Debts	430.71	–
	A 1,141.22	1,207.91
Others		
Considered Good	B 25,661.10	23,641.14
Total A+B	26,802.32	24,849.05

18. CASH & CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Balances with banks in current account	696.14	502.20
Unclaimed Dividend accounts	288.08	156.21
Fixed Deposits with maturity of more than 12 months		
– Held as security against Bank Guarantee	7.60	12.50
– Others	1.85	33.99
Other Fixed Deposits	61.13	173.12
Cash on hand	24.63	26.90
Post Office Saving Account	0.60	0.60
Total	1,080.03	905.52

The fixed deposits can be withdrawn at any time without any penalty on the principal for early withdrawal.

19. SHORT TERM LOANS & ADVANCES

(Unsecured, considered good)

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Advances to Suppliers	274.38	378.23
Advances to Employees	56.51	20.20
Security Deposits	100.11	77.72
Intercorporate Deposits	50.00	225.00
Other Advances	8,491.38	7,678.02
Taxes Paid (Net of Provisions)	922.82	738.49
Balance with Excise Authorities	4.20	2.75
Accrued interest on Deposits and others	17.01	37.91
Total	9,916.41	9,158.32

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

20. REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	2015-2016	2014-2015
Sales of Products		
Sale of Pharmaceuticals Products	111,620.42	103,337.33
Export of Product Development Service	527.37	441.21
Add: Exchange Rate difference on realisation of sales	1,505.03	1,491.76
	113,652.82	105,270.30
Other Operating Revenues :		
Manufacturing Charges	65.72	36.98
Export Incentives	2,383.01	1,762.63
Dividend From Subsidiary Company	-	20.49
Sale of Scrap	297.66	398.01
Insurance Claims	10.47	11.87
Others	66.67	98.53
	2,823.53	2,328.51
Total	116,476.35	107,598.81

21. OTHER INCOME

(₹ in lakhs)

Particulars	2015-2016	2014-2015
Interest Income:		
- Bank Deposit	17.74	18.92
- Interest from Debtors	1.83	1.97
- Others	62.88	77.89
Dividend From Current Investment	587.02	-
Dividend From Long Term Investment	40.00	20.50
Exchange Gain realised on Liquidation of Foreign Subsidiary	1,211.13	-
Profit on redemption of Current Investment	3,371.79	921.60
Total	5,292.39	1,040.88

22. COST OF MATERIAL CONSUMED

(₹ in lakhs)

Particulars	2015-2016	2014-2015
Opening Inventories	6,656.61	4,975.18
Purchases	37,154.71	35,840.16
	43,811.32	40,815.34
Less: Closing Inventories	6,503.48	6,656.61
Total	37,307.84	34,158.73

22a. COST OF RAW MATERIAL CONSUMED COMPRISES OF :

(₹ in lakhs)

Particulars	2015-2016	2014-2015
Active Pharmaceutical Ingredients	17,074.23	16,265.22
Chemicals	2,397.95	2,528.61
Excipients	5,441.29	4,150.15
Packing Materials	12,394.37	11,214.75
Total	37,307.84	34,158.73

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

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

(₹ in lakhs)

Particulars	2015-2016	2014-2015
Inventories at the beginning		
Finished Goods	4,159.48	3,896.26
Work-in-process	1,245.27	1,349.46
Stock in Trade	758.75	827.83
	6,163.50	6,073.55
Less: Inventories at the end		
Finished Goods	4,515.64	4,159.48
Work-in-process	1,626.94	1,245.27
Stock in Trade	657.42	758.75
	6,800.00	6,163.50
Total	(636.50)	(89.95)

23a. CLOSING WORK-IN-PROGRESS COMPRISES OF:

(₹ in lakhs)

Particulars	2015-2016	2014-2015
Formulation	1,332.37	786.83
API	294.57	458.44
Total	1,626.94	1,245.27

24. EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

Particulars	2015-2016	2014-2015
Salaries and Other Benefits	15,026.16	12,966.67
Contribution to Provident Fund and Other Funds	1,061.68	999.92
Employee Compensation Expense	-	(4.44)
Gratuity	311.90	412.61
Staff Welfare	350.82	307.05
Total	16,750.56	14,681.81

25. FINANCE COST

(₹ in lakhs)

Particulars	2015-2016	2014-2015
Interest Expenses :		
Interest on Working capital borrowings	186.30	226.78
Interest on Fixed Loans	-	103.24
	(A)	330.02
Other Borrowing Cost :		
Loan Processing Charges	21.60	15.00
Guarantee Charges	32.42	28.97
Applicable Exchange fluctuation on foreign currency borrowing	681.95	291.02
	(B)	334.99
Total (A+B)	922.27	665.01

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

26. OTHER EXPENSES

(₹ in lakhs)

Particulars	2015-2016	2014-2015
Manufacturing charges	790.22	906.03
Stores and spares	834.05	660.94
Power and fuel	5,528.34	5,301.64
Excise duty	461.98	405.68
Compensation rent	396.09	420.34
Rates and taxes	156.18	135.56
Insurance	234.77	208.07
Freight and transport charges	3,731.98	4,290.82
<u>Repairs to :-</u>		
Building	294.23	327.23
Machinery	660.96	539.91
Others	867.66	733.73
Loss on sale/discard of assets (Net)	0.04	5.10
Sales promotion and publicity	2,524.20	2,341.21
Selling commission	2,288.66	2,397.57
Travelling and conveyance	2,285.86	2,151.59
Labour Hire Charges	1,941.65	1,312.64
Laboratory Expenses	1,786.18	1,348.14
Directors' fees	62.58	27.30
Royalty	1,000.33	996.26
<u>Payment to Auditors</u>		
Audit fees	30.00	27.00
Tax Audit fees	12.00	9.00
Other Taxation matters	15.00	6.50
Certification matters	6.50	6.50
CSR Activity Expenses	243.58	210.28
Donations	11.35	15.81
Exchange fluctuation (net) on foreign currency transactions	352.91	432.02
Bad debts	-	8.40
Provision for doubtful debts	430.71	-
Provision of Diminution in value of Investment	-	34.45
Loss on Liquidation of Foreign Subsidiary	72.60	-
Miscellaneous expenses	3,786.89	3,805.90
Total	30,807.50	29,065.62

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

27. The contingent liabilities, capital and other commitment (to the extent not provided for) :

(₹ in lakhs)

	As at March 31, 2016	As at March 31, 2015
27.1 Letter of Credit opened by Banks	940.81	3,035.18
27.2 Guarantee issued by the Bank on behalf of the Company	2,004.13	1,605.16
27.3 Corporate guarantee (Given by Company to a bank in respect of loan taken by a subsidiary company).	2,650.00	2,500.00
27.4 Central Excise and Service Tax Demand / show cause notice (against which the Company has made pre-deposit of ₹ 6.55 lakhs, Previous year ₹ 2.15 lakhs)	529.51	554.04
27.5 Income Tax demand being disputed in appeal (against which the Company has made pre-deposit of ₹ 28.61 lakhs, Previous year ₹ 20.98 lakhs)	71.79	20.98
27.6 Sales Tax Demand being disputed in appeal (against which the Company has made pre-deposit of ₹ 0.43 lakhs, Previous year ₹ 3.55 lakhs and given a bank guarantee ₹ Nil, Previous year ₹ 0.74 lakhs)	4.12	11.82

27.7 The Company had acquired fixed assets under the "Export Promotion Capital Goods" (EPCG) in the year 2013-14, 2014-15 and 2015-16 that has resulted in the saving of duty of ₹ 808.14 lakhs. As per the terms of the authorization granted under the Scheme, the Company has undertaken to achieve export commitment of ₹ 4,835.50 lakhs over the export obligation period of 6 years from the date of issuing the license. In the event of Company being unable to execute its export obligation by this period, the Company shall be liable to pay Custom duty for unfulfilled export obligation along with interest after expiry of the export obligation period. Further, during the year 2014-15, consequent to the debonding of two export oriented units, Company has undertaken to fulfill the export obligation of ₹ 2,784.98 lakhs.

27.8 The Pharmaceutical Division of Unique Pharmaceutical Laboratories Ltd. (UPLL) which was acquired by the Company on a going concern basis, has received demand notices from Dept. of Chemicals & Fertilizers, Govt. of India, New Delhi demanding a sum of ₹ 461.47 lakhs in respect of the bulk drug Metronidazole and a further sum of ₹ 591.05 lakhs in respect of the bulk drug Oxyphenbutazone. These amounts were claimed on hypothetical basis in 1996, under para 7(2) of DPCO 79 read with para 14 of DPCO 87 and para 12 of DPCO 95, long after repeal of DPCO 79 and DPCO 87 and gains allegedly notionally made by it by procuring the bulk drugs at alleged lower cost. UPLL has filed review petition against each of these claims disputing

the jurisdiction, power and legal or rational basis for making such demands, particularly in view of the repeal of DPCO 79 and DPCO 87. The Company has filed writ petitions bearing no. 446 of 2008 in respect of demand for Oxyphenbutazone & writ petition no. 2623 of 2007 in respect of demand for Metronidazole in Bombay High Court. These writ petitions have been admitted and the Hon'ble 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 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.

27.9 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 2,991.32 lakhs (Previous year ₹ 3,618.56 lakhs)

27.10 Surrender of 0% EPGC licenses or Status Holder Incentive Scrip (SHIS) amounting to ₹ 44.50 lakhs with applicable interest and levy of penalty of ₹ 133.49 lakhs ordered by Dy. Director General of Foreign Trade, being disputed in appeal.

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

29. Details of Research & Development Expenditure incurred during the year at the following R&D Centers:

(₹ in lakhs)

Particulars	Thane		Panoli-API		Panoli-Formulation & Development		Daman	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Revenue Expenditure:								
Staff Cost	778.05	630.52	28.05	19.34	147.72	122.17	46.43	45.74
Power & Fuel	76.93	61.69	-	-	-	-	7.89	4.76
Travelling & Conveyance	33.25	23.89	-	-	-	0.19	-	-
R & D Raw Materials	34.40	255.47	19.67	-	285.49	0.36	22.99	15.41
Product Registration & Other Fees	0.64	0.24	-	-	-	-	-	-
Clinical Trial & Bioequivalence Studies	4.31	57.68	-	-	-	-	-	-
Laboratory Expenses	165.41	92.60	7.75	2.89	247.10	136.01	1.03	-
Others	234.86	350.23	0.49	0.36	16.50	19.28	0.22	-
Fees	20.27	26.34	-	-	-	-	-	0.47
Repairs & Maintenance-Bldg.	37.47	71.39	0.15	-	-	4.81	-	-
Total Revenue Expenditure	1,385.59	1,570.03	56.11	22.60	696.81	282.82	78.56	66.38
Capital Expenditure:								
Buildings	-	-	-	-	-	54.62	-	-
Plant & Machinery	-	2.06	-	-	7.59	10.58	-	-
Handling Equipment	-	3.73	-	-	-	-	-	-
Electrical Equipments	-	20.63	-	-	2.25	9.49	-	-
R & D Equipments	146.77	158.84	-	11.30	94.11	94.60	23.29	-
Laboratory Equipments	-	1.87	-	-	-	7.51	-	-
EDP Equipments	3.41	1.49	-	-	0.78	0.44	-	0.28
Office Equipments	2.02	1.00	-	-	-	-	-	-
Furniture & Fixtures	0.51	0.15	-	-	5.37	-	-	-
Airconditioners	0.67	0.34	-	-	9.84	22.46	-	-
Total Capital Expenditure	153.38	190.11	-	11.30	119.94	199.70	23.29	0.28
TOTAL	1,538.97	1,760.14	56.11	33.90	816.75	482.52	101.85	66.66

30. The amount of Excise Duty disclosed as deduction from turnover is the Excise duty for the year, except the excise duty related to the difference between the closing stock and opening stock and excise duty paid but not recovered, which has been disclosed in the (increase)/decrease in stock and other expenses respectively. (Increase)/ Decrease in stocks includes excise duty on finished goods lying at plants (net) ₹ 56.33 lakhs, (Previous year ₹ 35.11 lakhs).

31. EMPLOYEE BENEFITS:

The disclosures as required as per the revised AS 15 are as under:

a) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

(₹ in lakhs)

Particulars	2015-16	2014-15
Employer's Contribution to Provident Fund & Family Pension Fund	789.73	701.06
Employer's Contribution to Superannuation Fund	185.17	153.92
Employer's Contribution to Employees' State Insurance Scheme	13.23	18.26

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

b) **Defined Benefit Plan**

Reconciliation of opening and closing balances of Defined Benefit obligation

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2015-16	2014-15
Defined Benefit obligation at the beginning of the year	2,909.80	2,565.81
Current Service Cost	157.31	125.54
Interest Cost	231.04	218.15
Actuarial (gain)/loss	56.43	90.28
Benefits Paid	(112.80)	(89.98)
Defined Benefit obligation at year end	3,241.78	2,909.80

Reconciliation of opening and closing balances of fair value of plan Assets

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2015-16	2014-15
Fair value of plan assets at the beginning of the year	1,559.51	1,178.81
Expected return on plan assets	123.83	102.56
Actuarial gain/(loss)	9.05	(77.91)
Employer contribution	508.27	446.03
Benefits Paid	(112.80)	(89.98)
Fair value of plan assets at the end of the year	2,087.86	1,559.51

Actual Return on Plan Assets

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2015-16	2014-15
Expected return on plan assets	123.83	102.56
Actuarial gain/(loss) on plan assets	9.05	(77.91)
Actual return on plan assets	132.87	24.65

Reconciliation of fair value of plan assets and benefit obligations

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2015-16	2014-15
Fair value of assets as at 31 st March, 2016	2,087.86	1,559.51
Present value of obligation as at 31 st March, 2016	3,241.78	2,909.80
Amount recognised in Balance Sheet	1,153.91	1,350.28

Expense recognised during the year

(Under the head "Employee Benefit Expenses"-Refer Note 24)

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2015-16	2014-15
Current Service Cost	157.31	125.54
Interest Cost	231.04	218.16
Expected return on Plan Assets	(123.83)	(102.56)
Actuarial (gain)/loss	47.37	171.47
Expense Recognised in Profit and Loss Account	311.90	412.61

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

Investment details

The Company made annual contributions 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 plan assets by investment type.

Actuarial Assumptions

Particulars	Gratuity (Funded)	
	2015-16	2014-15
Discount Rate (per annum)	8.07%	7.94%
Expected Rate of Return on Plan Assets (per annum)	8.07%	7.94%
Salary Escalation (per annum)	4.00%	4.00%

Net asset/liability recognized in the Balance Sheet (including experience adjustment impact)

(₹ in lakhs)

Gratuity	2016	2015	2014	2013	2012
Defined benefit obligation	3,241.78	2,909.80	2,565.81	2,404.63	2,102.52
Plan assets	2,087.86	1,559.51	1,178.81	891.67	798.46
Deficit / (Surplus)	1,153.91	1,350.29	1,387.00	1,512.96	1,304.06
Experience adjustments on plan liabilities	85.83	51.07	264.36	119.51	117.92
Experience adjustments on plan assets	9.05	(77.91)	4.19	22.44	(17.02)

32. SEGMENT REPORTING:

The Company has one segment of activity namely 'Pharmaceuticals'.

33. RELATED PARTY DISCLOSURE

Related party disclosure as required by AS-18, 'Related Party Disclosures' notified under Section 133 of the Companies Act, 2013, are given below:

Names and Relationships of the Related Parties:

i) Subsidiary Companies:

- a. OOO Unique Pharmaceutical Laboratories
- b. J.B. Healthcare Pvt. Ltd. (Liquidated on 02.03.2016)
- c. LLC Unique Pharmaceutical Laboratories
- d. Unique Pharmaceutical Laboratories FZE
- e. Biotech Laboratories (Pty.) Ltd. (Through Unique Pharmaceutical Laboratories FZE) (w.e.f. 18.12.2015 pursuant to purchase of shares of joint venture partner)

ii) Associate Concerns/Trusts/Companies/Joint Venture:

- | | |
|---|--|
| a. Mody Trading Company | l. Bharati Mody Ventures LLP |
| b. Mody Brothers | m. Synit Drugs Pvt. Ltd. |
| c. Jyotindra Family Trust | n. Unique Pharmaceutical Laboratories Ltd. |
| d. Dinesh Family Trust | o. Ifiunik Pharmaceuticals Ltd. |
| e. Shirish Family Trust | p. Namplas Chemicals Pvt. Ltd. |
| f. Biotech Laboratories (Pty.) Ltd. (Upto 17.12.2015) | q. Gemma Jewellery Pvt. Ltd |
| g. J. B. Mody Enterprises LLP | r. Lekar Pharma Ltd. |
| h. Ansuya Mody Enterprises LLP | s. Jyotindra Mody Ventures LLP |
| i. Dinesh Mody Ventures LLP | t. D. B. Mody Enterprises LLP |
| j. Kumud Mody Ventures LLP | u. Shirish Mody Property LLP |
| k. Shirish Mody Enterprises LLP | |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

- iii) Key Management Personnel:
- Shri Jyotindra B. Mody
 - Shri Dinesh B. Mody
 - Shri Shirish B. Mody
- iv) Relative of Key Management Personnel:
- Mr. Pranabh D. Mody
 - Mrs. Kumud D. Mody
 - Mrs. Bharati S. Mody
 - Mrs. Pallavi B. Mehta
 - Mrs. Purvi U. Asher
 - Mrs. Deepali A. Jasani
 - Mrs. Priti R. Shah
 - Mr. Nirav S. Mody
 - Mrs. K. V. Gosalia
 - D. B. Mody-HUF
 - S. B. Mody-HUF

Transactions With the related parties during the year :

(₹ in lakhs)

Name of Related Party	Nature of Transaction	2015-16	2014-15
(I) Subsidiary Companies :			
a. OOO Unique Pharmaceutical Laboratories	Sale of Goods	-	(69.88)
	Equity Contribution	1,691.37	-
	Reimbursement of Expenses	-	21.55
b. J.B. Healthcare Pvt. Ltd.	Equity Contribution	-	6.17
	Return of Capital on Liquidation	3,469.23	-
	Dividend Received	-	20.49
c. Unique Pharmaceuticals Laboratories LLC	Equity Contribution	-	6.08
d. Unique Pharmaceutical Laboratoires FZE	Sale of Goods	4,791.55	5,659.57
	Guarantee Commission Received	13.27	2.46
	Equity Contribution	9,354.84	59.92
	Advance Given	-	2.00
	Loan Repaid	-	37.93
	Outstanding Receivable	1,942.73	3,468.60
	Corporate Guarantee given to bank for loan taken by subsidiary	2,650.00	2,500.00
e. Biotech Laboratories (Pty.) Ltd.	Sale of Goods	1,015.24	-
	Reimbursement of Expenses	0.23	-
	Outstanding Receivable	1,993.18	-
	Outstanding Payable	2.21	-
(II) Associate Concern/Trusts/Companies/Joint Venture			
a. Mody Brothers	Payment of Rent	9.50	9.50
b. Jyotindra Family Trust	Payment of Rent	117.85	116.40
	Rent Deposit	21.13	21.13
c. Dinesh Family Trust	Payment of Rent	59.76	59.07
	Rent Deposit	8.49	8.49
d. Shirish Family Trust	Payment of Rent	71.18	70.34
	Rent Deposit	8.49	8.49

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

Name of Related Party	Nature of Transaction	2015-16	2014-15
e. J. B. Mody Enterprises LLP	Payment of Rent	6.17	6.17
	Rent Deposit	1.34	1.34
f. Dinesh Mody Ventures LLP	Payment of Rent	6.17	6.17
	Rent Deposit	1.34	1.34
g. Shirish Mody Enterprises LLP	Payment of Rent	6.17	6.17
	Rent Deposit	1.34	1.34
h. Synit Drugs Pvt. Ltd.	Interest on Deposits	4.00	4.00
	ICD Payable	40.00	40.00
i. Biotech Laboratories (Pty.) Ltd.	Sale of Goods	2,742.33	2,794.39
	Outstanding Receivable	-	1,469.14
	Outstanding Payable	-	1.81
	Reimbursement of Expenses	0.05	(0.74)
j. Unique Pharmaceutical Laboratories Ltd.	Royalty Paid	1,132.12	1,112.85
	Outstanding Payable	-	72.29
k. Ifunik Pharmaceuticals Ltd.	Interest on Deposits	6.50	6.50
	ICD Payable	65.00	65.00
l. Namplas Chemicals Pvt. Ltd.	Processing Charges Paid	76.08	89.38
	Outstanding Payable	9.50	6.59
m. Lekar Pharma Ltd.	Sale of Goods	117.56	72.57
	Purchases of Stock in Trade	3,960.56	3,885.37
	Manufacturing Charges Received	65.72	36.69
	Outstanding Receivable	36.69	-
	Outstanding Payable	278.11	145.61
(III) Key Management Personnel :			
a. Mr. Jyotindra B. Mody	Remuneration	516.92	338.73
	Retirement benefit expenses	62.32	40.36
	Interest on Deposits	-	8.96
	Fixed Deposit Repayment	-	82.50
b. Mr. Dinesh B. Mody	Remuneration	516.92	338.73
	Retirement benefit expenses	62.32	40.36
	Interest on Deposits	-	2.22
	Fixed Deposit Repayment	-	22.50
c. Mr. Shirish B. Mody	Remuneration	516.92	338.73
	Retirement benefit expenses	62.32	40.36
	Fixed Deposit Repayment	-	0.50
(IV) Relative of Key Management Personnel :			
a. Mr. Pranabh D. Mody	Remuneration	195.68	173.93
	Retirement benefit expenses	26.01	23.48
b. Mrs. Kumud D. Mody	Interest on Deposits	-	5.48
	Fixed Deposit Repayment	-	50.00
c. Mrs. Bharati S. Mody	Interest on Deposits	-	5.32
	Fixed Deposit Repayment	-	46.70

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

Name of Related Party	Nature of Transaction	2015-16	2014-15
d. Mrs. Purvi U. Asher	Interest on Deposits	-	0.22
	Fixed Deposit Repayment	-	1.90
e. Mrs. Deepali A. Jasani	Interest on Deposits	-	12.70
	Fixed Deposit Repayment	-	111.00
f. Mr. Nirav S. Mody	Remuneration	110.57	98.29
	Retirement benefit expenses	14.77	13.27
g. Mrs. K. V. Gosalia	Interest on Deposits	-	2.85
	Fixed Deposit Repayment	-	27.10
h. D. B. Mody - HUF	Payment of Rent	37.19	36.71
	Interest on Deposits	-	23.15
	Fixed Deposit Repayment	-	30.00
	Rent Deposit	12.64	12.64
i. S. B. Mody - HUF	Payment of Rent	37.33	36.85
	Interest on Deposits	-	5.70
	Fixed Deposit Repayment	-	50.00
	Rent Deposit	12.64	12.64

34. Disclosures as required by Accounting Standard 19, "Leases", notified under Section 133 of the Companies Act, 2013, are given below:

- The Company has taken certain residential and office premises on operating lease / leave and license agreements on cancellable terms and are renewable by mutual consent on mutually agreeable terms.
- Lease payment in respect of non cancellable lease amounts to ₹ Nil (Previous year ₹ 44.96 lakhs) is included under the head Compensation Rent in Note "26".

The minimum future lease rentals payable in respect of non cancellable lease are as follows.

(₹ in lakhs)

Particulars	2015-16	2014-15
Not later than one year	-	28.34
Later than one year but not later than five years	-	20.29
Later than five years	-	-

35. EARNINGS PER SHARE:

Earnings Per Share (EPS) is calculated in accordance with Accounting Standard 20 as under:

Particulars	2015-16	2014-15
Net Profit attributable to Equity Shareholders (₹ in lakhs)	17,638.85	11,358.25
<u>Weighted Average No. of Equity shares (Nos)</u>		
Basic	8,48,16,002	8,47,84,873
<u>Effect of Dilutive equity shares equivalent</u>		
Stock Options outstanding	Nil	19,289
Diluted	8,48,16,002	8,48,04,162
Nominal value of equity shares (₹)	2.00	2.00
<u>Earnings per share (₹)</u>		
Basic	20.80	13.40
Diluted	20.80	13.39

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

36. FINANCIAL AND DERIVATIVE INSTRUMENTS

a) Derivative Instruments:

The Company has entered into forward contracts to offset foreign currency risks arising from the amounts denominated in currencies other than the Indian rupee. The counter party to such forward contract is a bank. These contracts are entered to the hedge the foreign currency risks. Details of forward contracts outstanding as at the year end:

Currency	Exposure to buy/sell	As at March 31, 2016		As at March 31, 2015	
		Foreign Currency	(₹ in lakhs)	Foreign Currency	(₹ in lakhs)
USD	Sell	21,000,000.00	13,912.50	56,151,352.00	35,094.60
RUB	Sell	48,000,000.00	470.40	-	-

b) Foreign currency exposure at the year end not hedged by derivative instruments.

Particulars	As at March 31, 2016		As at March 31, 2015	
	Foreign Currency	(₹ in lakhs)	Foreign Currency	(₹ in lakhs)
Receivable against export of goods:				
USD	5,381,235.61	3,565.07	-	-
EURO	4,399,382.78	3,317.97	4,057,091.65	2,725.96
AUD	1,857,281.60	947.46	1,576,086.26	749.11
GBP	46,865.50	44.78	14,688.80	13.58
AED	1,764,162.40	317.85	-	-
RUB	26,831,062.00	262.94	-	-
Payable against Bank Borrowing				
US Dollars	25,250,000.00	16,728.13	12,500,000.00	7,812.50
Payable against Import of goods & services :				
USD	1,010,264.62	669.30	1,587,219.55	992.01
AUD	85,065.93	43.39	36,657.67	17.42
JPY	822,000.00	4.84	-	-
SGD	-	-	9,505.00	4.32

37. CSR EXPENDITURE

Gross amount required to be spent during the year ₹ 274.78 lakhs

Amount spent during the year ₹ 243.58 lakhs as detailed hereunder:

(₹ in lakhs)

Nature of activity	2015-16	2014-15
Promoting Healthcare including preventive healthcare	164.28	110.28
Promotion of Education	76.00	75.00
Eradication of Poverty and malnutrition	3.30	15.00
Setting up of old age home	-	10.00

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

38. As required under section 186(4) of the Companies Act, 2013, the particulars of loans and guarantees and investments made during the year and which are outstanding as at the year-end are as follows

(₹ in lakhs unless otherwise stated)

Name of entity	Nature of transaction and material terms	Purpose for which loan / guarantee proposed to be utilized by the recipient	2015-16	2014-15
Unique Pharmaceuticals Laboratories FZE, a wholly owned subsidiary	Subscription to equity capital	–	9,354.84	59.92
OOO Unique Pharmaceutical Laboratories, a wholly owned subsidiary	Subscription to equity capital	–	1,691.37	940.25
Unique Pharmaceutical Laboratories LLC, a wholly owned subsidiary	Subscription to equity capital	–	–	6.08
J. B. Healthcare Pvt. Ltd., a wholly owned Subsidiary	Subscription to equity capital	–	–	6.17
Unique Pharmaceutical Laboratories FZE, a wholly owned subsidiary	Corporate guarantee. Guarantee commission charged @ 0.50 %.	Guarantee given to facilitate borrowing from bank by the subsidiary for meeting working capital needs.	USD 4 million	USD 4 million
Mukand Ltd.	Inter-corporate deposit @ 16.25 % p.a. for a period of 90 days.	For meeting temporary working capital needs.	50.00	100.00
Hikal Ltd.	Inter-corporate deposit @ 15 % p.a. for a period of 181 days.	For meeting temporary working capital needs.	–	100.00
Vadilal Industries Ltd.	Inter-corporate deposit @ 14 % p.a. for a period of 90 days.	For meeting temporary working capital needs.	–	25.00

39. DETAILS OF PURCHASES IN RESPECT OF GOODS TRADED.

(₹ in lakhs)

Particulars	2015-16	2014-15
Ointments	1,886.09	1,723.89
Liquids	44.51	1,427.78
Capsules	96.81	70.42
Tablets	2,823.31	3,106.30
Powder	–	23.36
Ampoules	2,079.55	2,551.22
Others	1,277.06	128.40
Total	8,207.33	9,031.37

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

40. DETAILS OF FINISHED GOODS MANUFACTURED AND TRADED

(₹ in lakhs)

Particulars	Sales Value		Closing Inventory		Opening Inventory	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Manufactured Goods						
Ointments	2,816.67	2,883.34	45.06	29.63	29.63	43.01
Liquids	6,767.76	5,821.74	538.05	377.16	377.16	274.72
Capsules	961.18	1,095.64	12.20	13.98	13.98	36.67
Powder	2,203.41	851.44	29.17	6.30	6.30	92.84
Tablets	56,101.12	47,920.17	2,338.56	1,912.05	1,912.05	2,151.43
Ampoules/Vials	16,910.82	17,471.74	962.18	1,172.89	1,172.89	904.29
Bulk/API	10,066.53	10,394.58	590.43	647.47	647.47	393.30
Others	210.86	223.44	-	-	-	-
Total	96,038.35	86,662.09	4,515.64	4,159.48	4,159.48	3,896.26
Traded Goods						
Ointments	2,379.41	2,061.08	15.98	9.43	9.43	10.04
Liquids	1,517.30	2,000.48	47.90	46.42	46.42	72.62
Capsules	165.95	119.84	20.09	14.77	14.77	10.53
Tablets	8,023.05	7,356.05	411.37	495.61	495.61	518.55
Powder	10.30	15.97	1.98	19.88	19.88	6.73
Ampoules	3,172.04	4,930.44	160.10	150.92	150.92	170.36
Others	314.02	191.38	-	21.72	21.72	-
Total	15,582.07	16,675.24	657.42	758.75	758.75	827.83

41. Value of consumption of Imported and Indigenously obtained raw materials, spare parts and components and the percentage of each to the total.

Sr. No.	Particulars	2015-16		2014-15	
		(₹ in lakhs)	%	(₹ in lakhs)	%
	Raw Material				
1	Imported	7,590.45	23.35	7,035.65	30.66
2	Indigenously obtained	17,323.02	76.65	15,908.34	69.34
Total		24,913.47	100.00	22,943.99	100.00
	Spare parts & Components				
1	Imported	235.92	22.05	116.85	17.68
2	Indigenously obtained	598.13	77.95	544.09	82.32
Total		834.05	100.00	660.94	100.00

42. VALUE OF IMPORTS (C.I.F. VALUE)

(₹ in lakhs)

Sr. No.	Particulars	2015-16	2014-15
1	Raw Materials	6,534.66	7,892.03
2	Component Stores & Spare parts	235.92	116.85
3	Capital Goods	2,116.21	1,019.95
Total		8,886.79	10,056.11

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

43. EARNINGS IN FOREIGN CURRENCY

(₹ in lakhs)

Sr. No	Particulars	2015-16	2014-15
1	Export of Goods (At F.O.B)	61,149.36	57,867.29
2	Export of Service	527.37	441.21
3	Dividend	-	20.49
4	Corporate Guarantee Commission	13.27	2.46

44. EXPENDITURE IN FOREIGN CURRENCY

(₹ in lakhs)

Sr. No	Particulars	2015-16	2014-15
1	Legal & Professional Fees	89.61	75.21
2	Interest	107.68	85.48
3	Other Expenditure	3,767.12	3,662.99

45. AMOUNT REMITTED IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

Particulars	2015-16	2014-15
Number of Non-Resident Shareholders	4	4
Dividend (₹ in lakhs)	76.00	12.32
Number of Shares	410,812	410,812
Dividend relates to financial year	Final Dividend 2014-15 & Interim Dividend 2015-16	Final Dividend 2013-14

46. PROPOSED DIVIDEND

Particulars	2015-16	2014-15
Amount of Dividend proposed to be distributed to the equity shareholders (₹ in lakhs)	424.10	11,873.15
Dividend per share of face value of ₹ 2/-	₹ 0.50	₹ 14.00

47. Figures of previous year have been re-grouped, rearranged and recast, wherever considered necessary. Figures of previous year include figures of amalgamating companies & are, therefore, strictly not comparable with those of current year.

48. Figures in brackets indicate corresponding figures of previous year.

As per our report of even date

For J. K. Shah & Co.
Chartered Accountants
Firm Registration No. 109606W

J. K. Shah

Partner
Membership No. 03662

Place : Mumbai
Date : May 20, 2016

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

S. B. Mody

Whole time Director (Marketing)

Place : Mumbai
Date : May 20, 2016

D. B. Mody
Whole time Director (Administration)

Vijay D. Bhatt

Chief Financial Officer

M. C. Mehta
Company Secretary

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of J. B. Chemicals & Pharmaceuticals Limited ("the Holding Company"), its subsidiaries and joint venture (collectively referred to as the "Company" or "the JBCPL Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the JBCPL Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act or otherwise for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls and checks relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the principles and procedures followed, accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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 sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the JBCPL Group, as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements / financial information of certain subsidiaries, whose financial statements / financial information reflect total assets of ₹ 18,305.29 Lacs as at 31st March, 2016, total revenues of ₹ 12,677.50 Lacs and net cash outflows amounting to ₹ 461.13 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been prepared in accordance with accounting policies generally accepted in their respective countries and audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, to the extent applicable or considered as applicable, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
- (b) We did not audit the financial statements / financial information of a joint venture, whose financial statements /

financial information reflect total assets of ₹ 8,444.31 Lacs as at 31st March, 2016, total revenues of ₹ 10,366.12 Lacs and net cash outflows amounting to ₹ 571.90 Lacs for the year ended on that date to the extent of the share of Holding Company, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and 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 this joint venture and our report in terms of sub-section (3) of Section 143 of the Act to the extent applicable or considered as applicable in so far as it relates to the aforesaid joint venture is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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 made so far as it appears from our examination of those books.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account relevant for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the applicable Accounting Standards specified

under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable.

- e. On the basis of written representations received from the directors of the Holding Company as on 31st March, 2016 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company incorporated in India is disqualified as on 31st March, 2016 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 JBCPL group and operating effectiveness of such controls, refer to our report on the internal financial controls over financial reporting given in Annexure B to the Independent Auditors' Report on Standalone Financial Statement as same is applicable to the Companies incorporated in India and J. B. Chemicals & Pharmaceuticals Limited being the only company in the JBCPL group incorporated in India, and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, 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 JBCPL Group, Refer Note 27 to the consolidated financial statements.
 - ii. The JBCPL 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 Holding Company incorporated in India.

for J. K. Shah & Co.

Chartered Accountants

Firm's registration number : 109606W

J. K. Shah

Partner

Place : Mumbai

Date : 20th May, 2016

Membership Number : 03662

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2016		As at March 31, 2015	
EQUITY AND LIABILITIES					
Shareholders' funds					
(a) Share capital	3	1,696.40		1,696.16	
(b) Reserves and surplus	4	1,07,676.77	1,09,373.17	97,791.26	99,487.42
Minority Interest			159.60		–
Non-current liabilities					
(a) Long-term borrowings	5	–		40.00	
(b) Deferred tax liabilities (Net)	6	1,582.40		2,019.76	
(c) Long-term provisions	7	1,043.29	2,625.69	1,202.60	3,262.36
Current liabilities					
(a) Short-term borrowings	8	19,302.37		12,687.95	
(b) Trade payables	9				
A) Dues to Micro and Small enterprises		116.17		88.55	
B) Dues to Other Creditors		8,968.92		7,662.84	
Total Trade Payables		9,085.09		7,751.39	
(c) Other current liabilities	10	13,482.57		10,373.86	
(d) Short-term provisions	11	1,709.92	43,579.95	15,161.72	45,974.92
TOTAL			1,55,738.41		1,48,724.70
ASSETS					
Non-current assets					
(a) Fixed assets					
(i) Tangible assets	12	37,137.40		30,388.57	
(ii) Intangible assets	12	6,866.73		2,467.73	
(iii) Capital work-in-progress		13,052.33		5,464.69	
(iv) Intangible assets under development		70.48		52.44	
(b) Non-current investments	13	18,483.12		18,483.24	
(c) Long-term loans and advances	14	2,352.69		1,774.44	
(d) Other non-current assets	15	–	77,962.75	–	58,631.11
Current assets					
(a) Current investments	16	19,524.97		36,678.17	
(b) Inventories	17	18,798.33		15,027.33	
(c) Trade receivables	18	27,518.79		26,234.82	
(d) Cash and Cash equivalents	19	1,495.67		2,518.76	
(e) Short-term loans and advances	20	10,437.90	77,775.66	9,634.51	90,093.59
TOTAL			1,55,738.41		1,48,724.70
Significant Accounting Policies and Notes on Financial Statements 1 to 37					

As per our report of even date**For J. K. Shah & Co.**

Chartered Accountants
Firm Registration No. 109606W

J. K. Shah

Partner
Membership No. 03662

Place : Mumbai

Date : May 20, 2016

For and on behalf of the Board of Directors**J. B. Mody**

Chairman & Managing Director

S. B. Mody

Whole time Director (Marketing)

Place : Mumbai

Date : May 20, 2016

D. B. Mody

Whole time Director (Administration)

Vijay D. Bhatt

Chief Financial Officer

M. C. Mehta

Company Secretary

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2016

(₹ in lakhs)

Particulars	Note No.	2015-2016	2014-2015
Income:			
Revenue from Operations (Gross)	21	1,27,173.97	1,15,878.17
Less: Excise Duty		1,659.58	1,456.69
Revenue from operations (Net)		1,25,514.39	1,14,421.48
Other income	22	5,415.84	1,089.34
Total Revenue		1,30,930.23	1,15,510.82
Expenses:			
Cost of materials consumed	23	37,307.84	34,158.73
Purchases of Stock-in-Trade		14,532.13	12,421.01
Changes in inventories of finished goods, work-in-progress and stock-in-trade		(2,479.30)	(1,630.64)
Employee benefits expense	24	18,411.99	15,955.63
Finance costs	25	957.38	682.42
Depreciation and amortization expense	12	4,123.62	3,864.12
Other expenses	26	37,194.12	35,504.74
Total expenses		1,10,047.78	1,00,956.01
Profit before tax		20,882.45	14,554.81
Tax expense:			
(1) Current tax		5,126.31	4,291.57
(2) Deferred tax		(435.38)	222.73
Profit for the year before Minority Interest		16,191.52	10,040.51
Less: Share of Minority Interest		3.50	–
Profit for the year		16,188.02	10,040.51
Earnings per equity share			
(1) Basic		19.09	11.84
(2) Diluted		19.09	11.84
Significant Accounting Policies and Notes on Financial Statements	1 to 37		

As per our report of even date

For J. K. Shah & Co.
Chartered Accountants
Firm Registration No. 109606W

J. K. Shah
Partner
Membership No. 03662

Place : Mumbai
Date : May 20, 2016

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

S. B. Mody
Whole time Director (Marketing)

Place : Mumbai
Date : May 20, 2016

D. B. Mody
Whole time Director (Administration)

Vijay D. Bhatt
Chief Financial Officer

M. C. Mehta
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2016

(₹ in lakhs)

Particulars	2015-2016		2014-2015	
A. Cash Flow from Operating Activities				
Net Profit before Tax and Extraordinary items		20,882.45		14,554.81
Adjustment For				
Depreciation	4,123.62		3,864.12	
Foreign Exchange (Net)	(505.14)		646.99	
Interest Paid	221.41		335.22	
(Profit)/ Loss on Sale/Discard of Assets	3.33		12.90	
(Profit)/ Loss on Sale of Investments (Net)	(3,371.79)		(921.60)	
Bad Debt	-		8.40	
Interest Received	(110.30)		(133.14)	
Dividend Received	(627.02)		(20.50)	
Reversal of Deferred Employee Compensation	-		(4.44)	
Provision for doubtful debts	430.71		-	
Adjustment due to amalgamation	-		62.69	
		164.82		3,850.64
Operating Profit Before Working Capital Changes		21,047.27		18,405.45
Adjustment For				
Trade And Other Receivables	(1,325.97)		(3,534.27)	
Inventories	(1,795.31)		(1,587.31)	
Trade Payable	1,387.95		3,169.55	
		(1,733.33)		(1,952.03)
Cash Generated From Operations		19,313.94		16,453.42
Direct Taxes Paid (Net)		(5,347.37)		(3,786.99)
Net Cash from Operating Activities		13,966.57		12,666.43
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	(19,946.08)		(7,118.61)	
Sale/Discard of Fixed Assets	689.42		32.72	
Purchase of Investment	(19,930.28)		(24,607.60)	
Investment in Subsidiary	(5,229.93)		-	
Sale of Investment	40,455.38		20,368.84	
Interest Received	131.20		115.07	
Dividend Received	627.02		20.50	
Net Cash used in Investing Activities		(3,203.27)		(11,189.09)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2016

(₹ in lakhs)

Particulars	2015-2016		2014-2015	
C. Cash Flow from Financing Activities				
Proceeds from issue of Shares under ESOP (including Securities Premium)	11.16		71.13	
Proceeds from issue of Shares to Minority (including Securities Premium)	137.22		-	
Proceeds/(Repayment) from/of Short Term Borrowing (Net)	6,877.24		3,182.93	
Proceeds/(Repayment) from/of Long Term Borrowing (Net)	(8.83)		(12.93)	
Interest Paid	(220.60)		(408.20)	
Dividend Paid (Including Dividend Tax)	(18,754.12)		(2,972.08)	
Net Cash Used in Financing Activities		(11,957.93)		(139.15)
Net Increase in Cash and Cash Equivalents		(1,194.63)		1,338.20
Cash And Cash Equivalents as at 01.04.15	2,518.76		1,180.56	
Add: Cash acquired on conversion of Joint Venture into Subsidiary Company	171.54		-	
Cash And Cash Equivalents as at 31.03.16	1,495.67	(1,194.63)	2,518.76	1,338.20

Notes :

- 1) The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 on "Cash Flow Statement".
- 2) Balance with Banks include ₹ 7.60 lakhs (Previous year ₹ 12.50 lakhs) being deposits under lien.
- 3) Previous years' figures are regrouped / reclassified wherever necessary in order to conform to current years' groupings and classifications.

As per our report of even date

For J. K. Shah & Co.
Chartered Accountants
Firm Registration No. 109606W

J. K. Shah
Partner
Membership No. 03662

Place : Mumbai
Date : May 20, 2016

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

S. B. Mody
Whole time Director (Marketing)

Place : Mumbai
Date : May 20, 2016

D. B. Mody
Whole time Director (Administration)

Vijay D. Bhatt
Chief Financial Officer

M. C. Mehta
Company Secretary

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016

1. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). These relate to J. B. Chemicals and Pharmaceuticals Ltd. ("the Company"), its subsidiaries and its interest in joint venture ("the Group"). The consolidated financial statements have been prepared on the following basis:

i. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements".

The difference between the Company's 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.

In case of foreign subsidiaries, being non-integral foreign operations, revenue items are converted at the average rates prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the "Foreign Currency Translation Reserve".

ii. Interest in jointly controlled entities is accounted for using proportionate consolidation in accordance with Accounting Standard 27 on "Financial reporting of interests in Joint Ventures". The Company's share in each of the assets, liabilities, income and expenses of jointly controlled entities are reported as a separate item. The difference between costs of the Company's interest in jointly controlled entities over its share of net assets in the jointly controlled entities, at the date on which interest is acquired, is recognized in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.

iii. Goodwill recognized in the consolidated financial Statements is not amortized.

iv. The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements except otherwise stated elsewhere in this note.

a. No adjustments have been made to the financial statements of the Subsidiaries and Joint Venture Company on account of diverse accounting policies as the same, being incorporated in Russia, Jersey, Ukraine, Dubai and South Africa have been prepared under the laws and regulations applicable to their country of incorporation and hence not practicable to do so.

b. Notes of these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the group. Recognizing this purpose, the Company has disclosed only such Notes from the individual financial statements, which fairly present the needed disclosures. Practical considerations made it desirable to exclude Notes to Financial Statements, which in the opinion of the management, could be better viewed, when referred from the individual financial statements of the Companies.

c. 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
J. B. Healthcare Pvt. Ltd. (*)	Jersey, Channel Island	100%	31 st March
OOO Unique Pharmaceutical Laboratories (#)	Russia	100%	31 st December
LLC Unique Pharmaceutical Laboratories (a)	Ukraine	100%	31 st December
Unique Pharmaceutical Laboratories FZE (#)	Dubai	100%	31 st March
Biotech Laboratories (Pty.) Ltd. [Through Unique Pharmaceutical Laboratories FZE, from 18 th December, 2015 (aa)]	South Africa	95.24%	31 st August

* Liquidated as on 02/03/2016 and accounts certified by the management are considered up to the date of Liquidation.

(#) Audited accounts as of 31/03/2016 are taken into Consideration for Consolidated Financial Statement

(a) The Company has applied with relevant authorities for dissolution, the management certified accounts are considered for Consolidated Financial Statements.

(aa) Unaudited Financial Statement from 18th December, 2015 to 31st March 2016 as certified by management is considered for the purpose of Consolidated Financial Statements.

d. The Significant Joint Venture company considered in the consolidated financial statements is

Name of the Company	Relationship	Country of Incorporation	Proportion of ownership interest	Accounting year ending on
Biotech Laboratories (Pty.) Ltd. *	Joint Venture	South Africa	49 %	31st August**

* Through J. B. Healthcare Pvt. Ltd, Jersey up to 6th December, 2015 and through Unique Pharmaceutical Laboratories FZE from 7th December 2015 to 17th December 2015.

** Unaudited accounts upto 17th December, 2015 are taken into consideration for consolidated financial statements.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1 BASIS OF ACCOUNTING

The Financial statements are prepared on mercantile basis under the historical cost convention in accordance with the generally accepted accounting principles in India, Accounting Standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the other relevant provisions of the Companies Act, 2013.

2.2 REVENUE RECOGNITION

All revenue and expenses are accounted for on accrual basis. Revenue is recognized when no significant uncertainties exist in relation to the amount of eventual receipt.

2.3 FIXED ASSETS

Parent Company

Fixed Assets are stated at cost of acquisition and includes other direct / indirect and incidental expenses incurred to put them into use but excludes CENVAT availed on such assets. Whenever, the costs of the fixed asset are met under the specific contract by third party, the same is reduced from the cost of the respective fixed asset.

All indirect expenses incurred during project implementation and on trial run are treated as incidental expenditure during construction and capitalized.

Subsidiary-OOO Unique Pharmaceutical Laboratories, Russia

Assets which have value below 40,000 Rubles are written off within the group of material and production stock.

Subsidiary-Unique Pharmaceutical Laboratories FZE, Dubai

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent cost are included in the asset's carrying amount or recognized as a separate asset as appropriate only when it is probable that future economic benefits associated with the expenditure will flow to the establishment and such cost can be measured reliably. Such cost includes cost of replacing part of the property, plant and equipment. When significant parts of the property, plant and equipment are required to be replaced at intervals, the establishment recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognized.

All other repairs and maintenances costs are charged to profit or loss during the financial period in which they are incurred.

2.4 DEPRECIATION

Parent Company

Depreciation is provided based on the useful life specified in Schedule II to the Companies Act, 2013.

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

Subsidiary-OOO Unique Pharmaceutical Laboratories, Russia

Linear method of calculation of fixed assets depreciation is established for the period of shelf life. Revaluation of fixed assets is not performed.

Subsidiary-Unique Pharmaceutical Laboratories FZE, Dubai

The cost less estimated residual value, where material, is depreciated from the date the asset is available for use until it is derecognized, using the straight-line method over the estimated useful lives of the assets as follow:

Leasehold Improvements: 4 years

Furniture, fixtures and office equipments: 4 years

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Joint Venture / Subsidiary-Biotech Laboratories (Pty.) Ltd

Depreciation is calculated on the Straight Line Method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The depreciation rates applicable to each category of property, plant and equipment are as follows:

• Furniture and Fittings	16.67%
• Computer related equipment	33.33%
• Computer Software	50.00%
• Leasehold Improvements	20.00%

2.5 INTANGIBLES

Parent Company

Intangible assets are stated at costs less accumulated amortization.

Intangible assets are amortized over a period of 3 years.

Subsidiary-Unique Pharmaceutical Laboratories FZE, Dubai

Computer software is stated at cost less accumulated amortization and impairment losses. The amount paid for the computer software is amortised using the straight line method over its estimated useful lives over 4 years.

An assessment of amortisation method and useful lives is undertaken at each reporting date and where material, if there is a change in estimate, an appropriate adjustment is made to the amortization charge.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

Joint Venture / Subsidiary / Biotech Laboratories (Pty.) Ltd.

An intangible asset is recognized when:

- It is probable that the expected future economic benefit that are attributable to the asset will flow to the entity; and
- The cost of the asset can be measured reliably.

Intangible assets are carried at cost, less any accumulated amortization and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortization is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortization is provided on a straight line basis over their useful life.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the Asset is tested for impairment and the remaining carrying amount is amortized over its useful life.

2.6 IMPAIRMENT OF ASSETS

Where there is an indication that an asset is impaired, the recoverable amount, if any, is estimated and the impairment loss is recognized to the extent carrying amount exceeds recoverable amount.

2.7 PROVISIONS AND CONTINGENCIES

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or present obligation that probably will not require an outflow of resources or where reliable estimate of the amount of the obligation cannot be made.

2.8 INVENTORIES

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

2.9 INVESTMENTS

Parent Company

Investments, which are long term in nature are stated at cost of acquisition with provision where necessary for diminution, other than temporary, in the value of investments. Current investments are carried at lower of cost or market value and quoted/fair price, computed category wise.

Subsidiary-J. B. Healthcare Pvt. Ltd.

Unlisted investments that are not publicly traded and whose fair value cannot otherwise be reliably measured are stated at cost less accumulated impairment losses. Any realized gain or losses are included in the income and expenditure account.

Subsidiary-Unique Pharmaceutical Laboratories FZE, Dubai

The investment in subsidiaries is accounted for at cost less impairment losses, if any

2.10 EMPLOYEE BENEFIT

Parent Company

i. Short Term Employee Benefits

Short term employee benefits are recognized in the period during which the services have been rendered.

ii. Long Term Employee Benefits:

a. Provident Fund, Family pension Fund & Employees' State Insurance Scheme

As per the Employees Provident Funds and Miscellaneous Provisions Act, 1952 all employees of the Company are entitled to receive benefits under the provident fund & family pension fund which is a defined contribution plan. These contributions are made to the fund administered and managed by Government of India. In addition, some employees of the Company are covered under Employees' State Insurance Scheme Act 1948, which are also defined contribution schemes recognized and administered by Government of India.

The Company's contributions to these schemes are recognized as expense in profit and loss account during the period in which the employee renders the related service. The Company has no further obligation under these plans beyond its monthly contributions.

b. Superannuation Plan:

Some employees of the Company are entitled to superannuation, a defined contribution plan which is administered through Life Insurance Corporation of India ("LIC"). Superannuation benefits are recognized in the profit and loss account.

c. Leave Encashment:

The Company has provided for the liability at year end on account of unavailed earned leave as per the actuarial valuation.

d. Gratuity:

The Company provides for gratuity obligations through a Defined benefits Retirement plan

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

('The Gratuity Plan') covering all employees. The present value of the obligation under such Defined benefits plan is determined based on actuarial valuation using the Project Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up final obligation. The obligation is measured at the present value of the estimated cash flows. The discount rate used for determining the present value of the defined obligation under defined benefit plan, is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized in Profit and Loss Account as and when determined.

The Company makes annual contribution to LIC for the gratuity plan in respect of all the employees liability on the basis of actuarial valuation done by the LIC at the beginning of the year.

Subsidiary-OOO Unique Pharmaceutical Laboratories, Russia

The Company makes defined contribution to the government authority as a social security benefit, which is recognized in the profit and loss account on accrual basis.

Subsidiary-Unique Pharmaceutical Laboratories FZE, Dubai

Provision is made for end of service benefits payable to non-UAE national employees at the reporting date in accordance with the local labour laws.

2.11 FOREIGN CURRENCY TRANSACTION

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities at the Balance Sheet date are translated at the exchange rate prevailing on the date of Balance Sheet. Exchange rate differences resulting from foreign exchange transactions settled during the period including year-end translation of assets and liabilities are recognized in the profit and loss account.

In case of forward exchange contracts or any other financial instruments that is in substance a forward exchange contract to hedge the foreign currency risk which is on account of firm commitment and/or is a highly probable forecast transaction, the premium or discount arising at the inception of the contract is amortized as expense or income over the life of contract.

Gain/Loss on settlement of transaction arising on cancellation or renewal of such a Forward exchange contract is recognized as income or as expense for the period.

2.12 LEASES

Parent Company

Leases wherein a significant portion of the risks and reward of ownership are retained by the lessor are classified as Operating Leases. Lease rentals in respect of such leases are charged to the profit and loss account.

Joint Venture/ Subsidiary-Biotech Laboratories (Pty) Ltd. and Subsidiary-Unique Pharmaceutical Laboratories FZE, Dubai

Operating Lease payments are charged against income on straight line basis over the period of the lease. The difference between the amounts recognized as expense and the contracted payments are recognized as an operating lease asset. This liability is not discounted.

2.13 RESEARCH AND DEVELOPMENT

Revenue expenditure on Research and Development is charged to the profits of the year in which it is incurred.

Capital expenditure on Research and Development is treated as fixed assets.

2.14 BORROWING COST

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

2.15 INCOME TAX

Parent Company

- a. Tax expenses comprise of current and deferred tax.
- b. Provision for current income tax is made on the basis of relevant provisions of the Income Tax Act, 1961 as applicable to the financial year.
- c. Deferred Tax is recognized subject to the consideration of prudence on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- d. Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

Subsidiaries and Joint Venture Company

Tax expenses have been accounted for on the basis of tax laws prevailing in respective countries.

2.16 EMPLOYEE STOCK OPTION PLAN

The accounting value of stock options representing the excess of the market price over the exercise price of the shares granted under "Employees Stock Option Scheme" of the Company is amortized on straight line basis over the vesting period as "Deferred Employees Compensation".

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

3. SHARE CAPITAL

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Authorised :		
101,500,000 (Previous year 101,500,000) Equity Shares of ₹ 2/- each	2,030.00	2,030.00
Issued, Subscribed & Paid up		
84,819,975 (Previous year 84,808,225) Equity Shares of ₹ 2/- each fully paid	1,696.40	1,696.16
Less: Share Capital Cancelled on Amalgamation	-	866.85
Add: Share Capital Pending Allotment	-	866.85
Total	1,696.40	1,696.16

3.1 Reconciliation of the shares outstanding and amount of Share Capital

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	(₹ in lakhs)	Number	(₹ in lakhs)
Shares outstanding at the beginning of the year	8,48,08,225	1,696.16	8,47,31,625	1,694.63
Shares Issued during the year pursuant to Employees Stock Options Scheme	11,750	0.24	76,600	1.53
Shares outstanding at the end of the year	8,48,19,975	1,696.40	8,48,08,225	1,696.16

3.2 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.

3.3 Details of Shareholders holding more than 5% shares.

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jyotindra B. Mody	53,71,905	6.33	4,73,490	0.56
Dinesh Bhagwanlal Mody	47,38,932	5.59	300	-
Shirish Bhagwanlal Mody	50,56,312	5.96	2,27,550	0.27
Kumud Dinesh Mody	48,39,944	5.71	1,04,865	0.12
Bharati S. Mody	49,63,002	5.85	1,53,655	0.19
Pallavi Bharat Mehta	52,01,207	6.13	3,10,890	0.37
Pranabh Dinesh Mody	49,40,172	5.82	1,77,325	0.21
Nirav Shirish Mody	49,84,979	5.88	2,18,500	0.26
Jyotindra Mody Holdings Pvt. Ltd.	-	-	74,66,242	8.80
Dinesh Mody Securities Pvt. Ltd.	-	-	70,55,326	8.32
Shirish B. Mody Investments Pvt. Ltd.	-	-	65,30,601	7.70
Ansuya Mody Securities Pvt. Ltd.	-	-	72,34,882	8.53
Kumud Mody Securities Pvt. Ltd.	-	-	71,81,232	8.47
Bharati S. Mody Investments Pvt. Ltd.	-	-	78,73,987	9.28
Ashish Dhawan	51,93,530	6.12	81,79,608	9.64

3.4 Shares reserved for issue under ESOP

In the year 2004, the Company has instituted the Employees Stock Option Scheme, under which 2,500,000 equity shares of ₹ 2 each have been reserved. Under the Scheme, the options are granted at an amount equal to ninety five percent of the average daily closing price of the shares of the Company's share quoted on National Stock Exchange of India Ltd. during the period of twelve weeks preceding the date of grant. These options vest in four equal instalments and subject to other provisions of the Scheme, are exercisable within a period of five years from the respective date of vesting.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

The activity in the said ESOP Scheme during the year was as under:

Particulars	As at March 31, 2016	As at March 31, 2015
Options outstanding at the beginning of the year	35,875	1,67,350
Less: Exercised	11,750	76,600
Lapsed	24,125	54,875
Options outstanding at the end of the year	-	35,875

On exercise of options during the year, the Company received aggregate exercise price of ₹ 11.16 lakhs (Previous year ₹ 71.13 lakhs).

4. RESERVES & SURPLUS

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
a. Capital Reserves (transferred from amalgamating company)		
Investment allowance Reserve (utilised)	34.86	34.86
Capital Reserve	63.53	63.53
Cash Subsidy	1.98	1.98
	100.37	100.37
b. Capital Reserve	4.21	4.21
c. Cash Subsidy	85.66	85.66
d. Contingency Reserve	2,020.00	2,020.00
e. Securities Premium Reserve		
Opening Balance	5,651.36	5,581.76
Add: Securities premium credited on Shares issued under ESOP	10.92	69.60
Add: Securities Premium credited on issue of shares to Minority	137.21	-
Less: Transfer on account of Acquisition of shares by Minority	6.54	-
Less: Adjustment pursuant to conversion of Joint Venture into subsidiary company	716.13	-
Closing Balance	5,076.82	5,651.36
f. Share Options Outstanding Account		
Opening Balance	-	4.44
Less: Amortised during the year	-	4.44
Closing Balance	-	-
g. Capital Redemption Reserve		
Opening Balance		
Add: Transfer pursuant to the Scheme of Amalgamation	-	15.05
Less: Utilised pursuant to the Scheme of Amalgamation	-	15.05
Closing Balance	-	-
h. Statutory Reserve		
Opening Balance	267.49	-
Add: Transfer pursuant to the Scheme of Amalgamation	-	267.49
Less: Transfer to General Reserve	267.49	-
Closing Balance	-	267.49

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
i. General Reserve		
Opening Balance	46,959.77	46,959.77
Add: Transfer pursuant to the Scheme of Amalgamation	–	133.72
Less: Utilised pursuant to the Scheme of Amalgamation	–	133.72
Add: Transfer from Statutory Reserve	267.49	–
Closing Balance	47,227.26	46,959.77
j. Surplus in the Statement of Profit & Loss		
Opening balance	43,122.88	47,924.81
Less: Adjustment pursuant to the Scheme of Amalgamation	–	204.80
Less: Residual value representing Expired Useful Life of Assets as per Schedule II	–	347.40
Add : Net Profit for the current year	16,188.02	10,040.51
Less : Adjustment on account of shares issued to Minority	147.85	–
Less : Interim Dividend	3,816.90	–
Less : Tax on Interim Dividend	777.04	–
Less : Proposed Dividend #	425.60	11,873.15
Less: Tax on Proposed dividend #	86.65	2,417.09
Closing Balance	54,056.86	43,122.88
k. Foreign Currency Translation Reserve	(894.41)	(420.48)
Total	1,07,676.77	97,791.26

includes dividend of ₹ 1.50 lakhs and tax thereon ₹ 0.31 lakhs on shares issued under ESOP before annual general meeting held on 19-08-15.

5. LONG TERM BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured		
Inter Corporate Deposit	–	40.00
Total	–	40.00

6. DEFERRED TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred Tax Assets		
Retirement Benefits	568.54	619.06
Others	1,031.12	264.20
	1,599.66	883.26
Deferred Tax Liability		
Depreciation	3,182.06	2,902.47
	3,182.06	2,902.47
Share of Joint Venture	–	0.55
Total	1,582.40	2,019.76

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

7. LONG TERM PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for employee Benefits		
Gratuity	649.33	850.21
Leave Encashment	393.96	352.39
Total	1,043.29	1,202.60

8. SHORT TERM BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured		
Working Capital Loans from Banks #		
Foreign currency loans	9,662.18	7,579.80
	9,662.18	7,579.80
Unsecured		
(a) Foreign currency loans from Bank	8,928.13	2,412.50
(b) Rupee Loans	347.81	2,308.72
(c) Deposit from Distributors / Customers	259.25	246.75
(d) Inter Corporate Deposits from related parties	105.00	105.00
(e) Share of Joint venture	-	35.18
	9,640.19	5,108.15
Total	19,302.37	12,687.95

Secured working capital borrowing comprises of following:

- 1) ₹ 7,800.00 lakhs (Previous year ₹ 5,400.00 lakhs) borrowed by parent is secured by first pari passu charge on stock and book debts of the parent company.
- 2) ₹ 1,862.18 lakhs (Previous year ₹ 2,179.80 lakhs) borrowed by Unique Pharmaceutical Laboratories FZE (subsidiary company) against corporate guarantee from parent company.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

9. TRADE PAYABLES

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Payable to Micro, Small and Medium Enterprises	116.17	88.55
Payable to Others	8,968.92	7,030.20
Share of Joint venture	-	632.64
Total	9,085.09	7,751.39

- 9a. The details of amount outstanding to Micro, Small and Medium Enterprise based on available information with the Company is as under:

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
(i) Principal	116.17	88.55
(ii) Interest due thereon	-	-
(b) (i) The amount of interest paid by the buyer in terms of S. 16 of Micro and Small and Medium Enterprise Development Act, 2006.	-	-
(ii) The amount of payment made to supplier beyond the appointed day during the each accounting year *	788.04	730.43
(c) (i) 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.	-	-
(d) (i) The amount of interest accrued and remaining unpaid at the end of each accounting year	84.83	70.43
(e) (i) The amount of further interest remaining due and payable even in the succeeding years, until such date when interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under S. 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	14.40	16.12

The above information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

* The delayed payment has been computed having regard to specified credit period of 45 days under Micro, Small and Medium Enterprise Development Act, 2006. However, there is no delay in terms of agreed credit terms with these suppliers.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

10. OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Current maturities of long-term debt		
Vehicle Loan (Secured)*	–	8.83
Inter corporate Deposit from a related party**	40.00	–
(b) Interest accrued but not due on borrowings	6.04	5.23
(c) Unclaimed Dividends #	288.08	156.21
(d) Advance from Customers	63.59	24.33
(e) Other Payable	10,925.42	7,605.30
(f) Creditors for capital expenditure	2,159.34	603.45
(g) Outstanding Purchase Consideration (Undischarged liabilities of vendors)	0.10	0.10
(h) Share of Joint venture	–	1,970.41
Total	13,482.57	10,373.86

Nature of Security and Terms of Repayment

* Vehicle loans were secured by hypothecation of vehicles and same was repayable in sixty equated monthly instalment inclusive of interest on reducing balance.

** Inter corporate Deposit bears interest @ 11% p.a. payable at quarterly rests.

There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

11. SHORT TERM PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Provision for employee benefits		
Gratuity	527.76	510.86
Leave Encashment	284.03	339.78
Other benefits	387.69	–
(b) Others		
Proposed Dividend	424.10	11,873.15
Tax on Proposed Dividend	86.34	2,417.09
(c) Share of Joint venture	–	20.84
Total	1,709.92	15,161.72

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

Fixed Assets	Gross Block					Accumulated Depreciation					Net Block	
	As at 1 st April 2015	Additions	Adjustments Note 4	Disposals	As at 31 st March 2016	As at 1 st April 2015	Excess of Carrying amount over Residual value	Depreciation charge for the year	Adjustments Note 4	On disposals	As at 31 st March 2016	As at 31 st March 2015
Tangible :												
Land (Freehold)	59.34	-	-	-	59.34	-	-	-	-	-	59.34	59.34
Land (Leasehold)	830.16	-	-	-	830.16	94.20	7.98	-	-	102.18	727.98	735.96
Factory Buildings	12,099.21	1,360.24	-	-	13,459.45	3,702.93	371.17	-	-	4,074.10	9,385.35	8,396.28
Buildings (Note 1 & 2)	669.04	4,803.49	-	-	5,472.53	174.63	60.93	-	-	235.56	5,236.97	494.41
Plant & Equipment	35,220.86	3,864.85	-	6.48	39,079.23	17,986.24	2,958.22	-	1.92	20,942.54	18,136.69	17,234.62
Furniture & Fixtures	1,187.80	21.51	23.78	4.82	1,228.27	871.30	97.00	7.50	4.47	971.33	256.94	316.50
Vehicles	1,637.76	130.28	-	99.23	1,668.81	684.75	180.25	-	77.07	787.93	880.88	953.01
Office Equipments	2,092.16	322.71	-	10.08	2,404.79	1,752.99	160.00	10.00	9.65	1,913.34	491.45	339.17
Airconditioners	3,223.78	291.96	-	-	3,515.74	1,368.52	185.42	-	-	1,553.94	1,961.80	1,855.26
Share of Joint Venture	14.74	0.79	-	15.53	-	10.70	1.45	-	12.15	-	-	4.02
Total	57,034.85	10,795.83	23.78	136.14	67,718.32	26,646.26	4,022.42	17.50	105.26	30,580.92	37,137.40	30,388.57
Intangible :												
Goodwill	1,690.23	3,623.77	-	-	5,314.00	-	-	-	-	-	5,314.00	1,690.23
Trade Marks	3.67	-	-	-	3.67	3.66	-	-	-	3.66	0.01	0.01
Acquired Software	782.69	125.69	9.33	-	917.71	655.47	100.95	8.42	-	764.84	152.87	127.22
Registration & Dossier	-	9.89	1,389.95	-	1,399.84	-	-	-	-	-	1,399.84	-
Share of Joint Venture	655.50	11.85	-	667.35	-	5.23	0.25	-	5.48	-	-	650.27
Total	3,132.09	3,771.20	1,399.28	667.35	7,635.22	664.36	101.20	8.42	5.48	768.50	6,866.73	2,467.73
Current year's Total	60,166.94	14,567.03	1,423.06	803.49	75,353.54	27,310.62	4,123.62	25.92	110.74	31,349.42	44,004.12	32,856.30
Previous year's Total	54,053.86	6,237.26	-	124.19	60,166.94	22,998.81	3,864.12	-	78.57	27,310.62	32,856.30	31,056.90

Note :

- 1) Value of buildings includes a sum of ₹ 3,000/- being the cost of shares in the societies.
- 2) Registration formalities for one of the office premise having cost of ₹ 2.64 lakhs is pending.
- 3) No depreciation has been claimed on assets to the extent of CENVAT claimed.
- 4) Adjustment pursuant to conversion of Joint Venture into Subsidiary Company.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

13. NON CURRENT INVESTMENTS

(Long Term Investment) (At Cost)

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
A Trade Investments (At cost)		
Equity Shares (Unquoted)		
In Other Companies :		
5,866 (Previous year 5,866) Equity Shares of ₹ 10/- each of Bharuch Enviro Infrastructure Ltd.	0.59	0.59
612,032 (Previous year 612,032) Equity Shares of ₹ 10/- each of Narmada Clean Tech Limited	61.20	61.20
20,000 (Previous year 20,000) Equity Shares of Enviro Technology Ltd. of ₹ 10/- each	2.00	2.00
60,000 (Previous year 60,000) Equity Shares of Panoli Enviro Technology Ltd. of ₹ 10/- each	6.00	6.00
50,000 (Previous year 50,000) Equity Shares of ₹ 10/- each of Ankleshwar Research & Analytical Infrastructure Limited	5.00	5.00
Total (A)	74.79	74.79
B Other Investments		
(a) Equity Shares (Unquoted)		
In Other Companies :		
8,036 (Previous year 8,036) Equity Shares of ₹ 10/- each of J. B. Life Science Overseas Ltd.	0.80	0.80
2,000,000 (Previous year 2,000,000) Equity Shares of ₹ 10/- each of Asian Heart Institute & Research Centre Pvt. Ltd.	200.00	200.00
(b) In Government Securities		
National Saving Certificates (Pledged with Government Authorities)	0.29	0.41
Total (B)	201.09	201.21
C Investments in Mutual Funds		
Unquoted :		
17,000,000 (Previous year 17,000,000) units of ₹ 10 each of HDFC FMP 371 D July 2013(1) Growth	1,700.00	1,700.00
18,000,000 (Previous year 18,000,000) units of ₹ 10 each of DSP Black Rock FMP Series 104-12 Month - Growth	1,800.00	1,800.00
10,000,000 (Previous year 10,000,000) units of ₹ 10 each of IDFC Fixed Term Plan Series 24 - Growth	1,000.00	1,000.00
15,000,000 (Previous year 15,000,000) units of ₹ 10 each of Birla Sun Life Interval Income Fund-Annual Plan IX (368 Days) - Growth	1,500.00	1,500.00
10,000,000 (Previous year 10,000,000) units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series HL (366 Days) - Growth	1,000.00	1,000.00
10,000,000 (Previous year 10,000,000) units of ₹ 10 each of HDFC FMP 370D August 2013 (3) - Growth	1,000.00	1,000.00
4,346,600 (Previous year 4,346,600) units of ₹ 10 each of HDFC FMP 371D November 2013 (2) - Growth	434.66	434.66
5,000,000 (Previous year 5,000,000) units of ₹ 10 each of HDFC FMP 370D November 2013 (1) - Growth	500.00	500.00
5,000,000 (Previous year 5,000,000) units of ₹ 10 each of HDFC FMP 370D February 2014 (1) - Growth	500.00	500.00
5,400,000 (Previous year 5,400,000) units of ₹ 10 each of DSP Black Rock FMP - Series 146 - 12M - Growth	540.00	540.00

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

13. NON CURRENT INVESTMENTS (CONTD.)

(Long Term Investment) (At Cost)

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
5,000,000 (Previous year 5,000,000) units of ₹ 10 each of HDFC FMP 369D February 2014 (2) - Growth	500.00	500.00
5,000,000 (Previous year 5,000,000) units of ₹ 10 each of HDFC FMP 371D February 2014 (2) - Growth	500.00	500.00
5,000,000 (Previous year 5,000,000) units of ₹ 10 each of ICICI Prudential FMP Series 72-366 D-Plan-T-Growth	500.00	500.00
10,000,000 (Previous year 10,000,000) units of ₹ 10 each of HDFC FMP 370D March 2014 (1) - Growth	1,000.00	1,000.00
10,000,000 (Previous year 10,000,000) units of ₹ 10 each of ICICI Prudential FMP Series 73-366 D - Growth	1,000.00	1,000.00
5,467,550.001 (Previous year 5,467,550.001) units of ₹ 10 each of DSP Black Rock FMP - Series 151-12M - Growth	546.76	546.76
10,000,000 (Previous year 10,000,000) units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series KN (366 Days) - Growth	1,000.00	1,000.00
16,366,200 (Previous year 16,366,200) units of ₹ 10 each of IDFC Fixed Term Plan Series 85-369D Growth	1,636.62	1,636.62
10,000,000 (Previous year 10,000,000) units of ₹ 10 each of ICICI Prudential FMP Series 73-368 D-Plan M Growth	1,000.00	1,000.00
5,500,000 (Previous year 5,500,000) units of ₹ 10 each of DSP Black Rock FMP Series 161-12 Month-Growth	550.00	550.00
Total (C)	18,208.04	18,208.04
Total (A + B+ C)	18,483.92	18,484.04
Less : Provision for diminution in the value of Investments	0.80	0.80
Total	18,483.12	18,483.24

Particulars	As at March 31, 2016	As at March 31, 2015
Aggregate amount of unquoted investments	18,483.92	18,484.04
Aggregate amount of provision for diminution in the value of investments	0.80	0.80

14. LONG TERM LOANS & ADVANCES

(Unsecured, Considered Good)

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Capital Advances	1,755.99	1,196.62
Security Deposits #	503.19	457.76
Other loans and advances		
(i) Advances to Employees	60.26	99.36
(ii) Other Advances	33.25	12.91
Share of Joint venture	-	7.79
Total	2,352.69	1,774.44

includes an amount of ₹ 1.34 lakhs (Previous year ₹ 1.34 lakhs) each placed with J.B. Mody Enterprises LLP, Dinesh Mody Ventures LLP and Shirish Mody Enterprises LLP in which certain directors are partners, while aggregate amount of ₹ 63.39 lakhs (Previous year ₹ 63.39 lakhs) has been placed with other related parties as security deposit for license to use their premises for the business of the Company.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

15. OTHER NON CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade Receivables		
Unsecured Considered Doubtful	10.04	244.30
Less: Provision for Doubtful Debts	10.04	244.30
Total	-	-

16. CURRENT INVESTMENTS

(At lower of cost or market value)

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Investments in Mutual Funds		
Unquoted :		
14,905,323.290 (Previous year 33,728,297.052) units of ₹ 10 each of Birla Sun Life Dynamic Bond Fund-Retail-Growth	3,245.61	6,538.05
Nil (Previous year 7,660,630.319) units of ₹ 10 each of HDFC High Interest Fund Short Term Plan - Growth	-	1,665.29
Nil (Previous year 13,021,055.072) units of ₹ 10 each of ICICI Prudential Short Term Plan - Growth	-	3,000.00
10,277,332.185 (Previous year 10,277,332.185) units of ₹ 10 each of Birla Sun life Short Term Fund-Growth	4,267.00	4,267.00
12,196,280.245 (Previous year 20,476,362.088) units of ₹ 10 each of HDFC Short Term Opportunities Fund-Growth	1,489.07	2,500.00
Nil (Previous year 9,710,086.366) units of ₹ 10 each of HDFC Floating Rate Fund Income Fund Short Term Plan-Growth	-	2,186.76
24,033,329.985 (Previous year 24,033,329.985) units of ₹ 10 each of IDFC Dynamic Bond Fund-Plan B-Growth	3,267.29	3,267.29
147,118.682 (Previous year 123,134.423) units of ₹ 1,000 each of DSP Black Rock Strategic bond-Institutional Plan-Growth	2,081.00	1,681.00
Nil (Previous year 1,029,804.264) units of ₹ 10 each of Birla Sunlife Savings Fund-Growth	-	2,740.00
Nil (Previous year 558,466.741) units of ₹ 10 each of Birla Sun Life Cash Plus-Growth	-	1,185.38
Nil (Previous year 1,426,975.95) units of ₹ 10 each of ICICI Prudential Liquid Plan-Growth	-	2,892.14
14,960,414.311 (Previous year 14,960,414.311) units of ₹ 10 each of HDFC Medium Term Opportunities Fund Post-Growth	2,000.00	2,000.00
Nil (Previous year 5,000,000) units of ₹ 10 each of Bank of India AXA Fixed Maturity Plan-Series 14 (366 Days)-Growth	-	500.00
1,258,152.830 (Previous year 1,258,152.830) units of ₹ 10 each of Birla Sun Life Treasury Optimiser Plan-Growth	2,000.00	2,000.00
Nil (Previous year 4320.429) units of ₹ 1,000 each of DSP Black Rock Liquidity Fund Institutional Plan-Growth	-	75.46
Nil (Previous year 587,704.023) units of ₹ 10 each of HDFC Floating Rate Income Fund LTP-Growth	-	128.94
Nil (Previous year 222,181.321) units of ₹ 10 each of HDFC Floating Rate Income Fund STP Wholesale Option Growth	-	50.86
288,684.703 (Previous year Nil) units of ₹ 10 each of HDFC Balanced Fund Growth	300.00	-
256,915.235 (Previous year Nil) units of ₹ 10 each of ICICI Prudential Balanced Fund Growth	225.00	-
402,765.883 (Previous year Nil) units of ₹ 10 each of Franklin India Balanced Fund Growth	350.00	-
185,664.255 (Previous year Nil) units of ₹ 10 each of Tata Balanced Fund Regular Growth	300.00	-
Aggregate amount of unquoted investments	19,524.97	36,678.17

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

17. INVENTORIES

(at lower of cost or net realisable value)

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Raw materials (Stock-in-Transit ₹ 71.05, Previous year Nil)	4,151.98	4,852.43
Packing Materials	2,351.50	1,804.18
Work-in-progress	1,626.94	1,245.27
Finished goods (Stock-in-Transit ₹ 282.53, Previous year ₹ 575.39)	4,515.64	4,159.48
Stock-in-trade	6,126.44	1,902.46
Fuel	25.83	27.29
Share of Joint Venture	–	1,036.22
Total	18,798.33	15,027.33

18. TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Outstanding for a period exceeding six months		
Considered Good	1,158.80	1,295.73
Considered Doubtful	430.71	–
	1,589.51	1,295.73
Less: Provision for Doubtful Debts	430.71	–
	1,158.80	1,295.73
Others		
Considered Good	26,359.99	23,184.12
Share of Joint Venture	–	1,754.97
Total	27,518.79	26,234.82

19. CASH & CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Balances with banks in current accounts	915.41	1,085.14
Unclaimed Dividend accounts	288.08	156.21
Fixed Deposits with maturity of more than 12 months		
- Held as security against Bank guarantee	7.60	12.50
- Others	197.85	33.99
Other Fixed Deposits	61.13	494.12
Cash on hand	25.00	26.96
Post Office Saving Account	0.60	0.60
Share of Joint venture	–	709.24
Total	1,495.67	2,518.76

The fixed deposits can be withdrawn at any time without any penalty on the principal for early withdrawal.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

20. SHORT TERM LOANS & ADVANCES

(Unsecured, considered good)

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Advances to Suppliers	347.01	424.95
Advances to Employees	74.64	39.03
Security Deposits	105.15	77.72
Intercorporate Deposits	50.00	225.00
Other Advances	8,642.52	7,882.58
Taxes Paid (Net of Provisions)	1,197.37	976.31
Balance with Excise Authorities	4.20	2.75
Accrued interest on Deposits and others	17.01	37.91
Share of Joint Venture	-	(31.74)
Total	10,437.90	9,634.51

21. REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	2015-16	2014-15
Sales of Products :		
Sale of Pharmaceuticals Products	1,18,258.14	1,06,119.28
Export of Product Development Service	527.37	441.21
Add: Exchange Rate Difference on realisation of sales	1,505.03	1,491.76
Share of Joint Venture	4,032.88	5,470.35
	1,24,323.42	1,13,522.60
Other Operating Revenues :		
Manufacturing Charges	65.72	36.98
Export Incentives	2,383.01	1,762.63
Sale of Scrap	297.66	398.01
Insurance Claims	14.41	17.43
Others	89.75	140.52
	2,850.55	2,355.57
Total	1,27,173.97	1,15,878.17

22. OTHER INCOME

(₹ in lakhs)

Particulars	2015-16	2014-15
Interest Income :		
- Bank Deposit	58.86	52.72
- Interest from Debtors	1.83	1.97
- Others	49.61	78.45
Dividend From Current Investment	587.02	-
Dividend From Long Term Investment	40.00	20.50
Exchange Gain realised on Liquidation of Foreign Subsidiary	1,211.13	-
Profit on redemption of Current Investment	3,371.79	921.60
Other Miscellaneous Income	69.91	-
Share of Joint Venture	25.69	14.10
Total	5,415.84	1,089.34

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

23. COST OF MATERIALS CONSUMED

(₹ in lakhs)

Particulars	2015-16	2014-15
Opening Inventories	6,656.61	4,975.18
Purchases	37,154.71	35,840.16
	43,811.32	40,815.34
Less: Closing Inventories	6,503.48	6,656.61
Total	37,307.84	34,158.73

23a COST OF RAW MATERIAL CONSUMED COMPRISES OF :

(₹ in lakhs)

Particulars	2015-16	2014-15
Active Pharmaceutical Ingredients	17,074.23	16,265.22
Chemicals	2,397.95	2,528.61
Excipients	5,441.29	4,150.15
Packing Materials	12,394.37	11,214.75
Total	37,307.84	34,158.73

24. EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

Particulars	2015-16	2014-15
Salaries and Other Benefits	15,918.38	13,482.29
Contribution to Provident Fund and Other Funds	1,089.39	1,031.92
Employee Compensation Expense	-	(4.44)
Gratuity	323.28	423.19
Staff Welfare	354.22	310.73
Share of Joint Venture	726.72	711.94
Total	18,411.99	15,955.63

25. FINANCE COST

(₹ in lakhs)

Particulars	2015-16	2014-15
Interest Expenses :		
Interest on Working capital borrowings	221.41	231.98
Interest on Fixed Loans	-	103.24
	(A) 221.41	335.22
Other Borrowing Cost :		
Loan Processing Charges	21.60	27.21
Guarantee Charges	32.42	28.97
Applicable exchange fluctuation on foreign currency borrowing	681.95	291.02
	(B) 735.97	347.20
Total (A+B)	957.38	682.42

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

26. OTHER EXPENSES

(₹ in lakhs)

Particulars	2015-16	2014-15
Manufacturing charges	790.22	906.03
Stores and spares	834.05	660.94
Power and fuel	5,528.34	5,301.64
Excise duty	461.98	405.68
Compensation rent	609.89	641.05
Rates and taxes	156.18	135.56
Insurance	248.93	221.76
Freight and transport charges	3,743.70	4,305.44
Repairs to :-		
Building	294.23	327.23
Machinery	660.96	539.91
Others	867.66	741.63
Loss on sale/discard of assets (Net)	3.33	12.90
Sales promotion and publicity	4,560.40	4,601.85
Selling commission	2,711.81	2,910.88
Travelling and conveyance	2,311.48	2,152.43
Labour Hire Charges	1,941.65	1,312.64
Laboratory Expenses	1,786.18	1,348.14
Directors' fees	62.58	29.97
Royalty	1,000.33	996.26
Payment to Auditors		
Audit fees	51.10	42.28
Tax Audit fees	12.00	9.00
Other Taxation matters	15.00	6.50
Certification matters	7.91	6.99
CSR Activity Expenses	243.58	210.28
Donations	11.35	15.81
Exchange fluctuation (Net) on foreign currency transactions	2,305.02	2,496.21
Bad debts	–	8.40
Provision for doubtful debts	430.71	–
Miscellaneous expenses	4,696.28	3,905.98
Share of Joint Venture	847.27	1,251.35
Total	37,194.12	35,504.74

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

27. CONTINGENT LIABILITIES

The contingent liabilities not provided for / capital and other commitment :

(₹ in lakhs)

	As at March, 2016	As at March, 2015
27.1 Letter of Credit opened by Banks	940.81	3,035.18
27.2 Guarantee issued by the Bank on behalf of the Company	2,004.13	1,605.16
27.3 Corporate guarantee (Given by Company to a bank in respect of loan taken by a subsidiary company).	2,650.00	2,500.00
27.4 Central Excise and Service Tax Demand / show cause notice (against which the Company has made pre-deposit of ₹ 6.55 lakhs, Previous year ₹ 2.15 lakhs)	529.51	554.04
27.5 Income Tax demand being disputed in appeal (against which the Company has made pre-deposit of ₹ 28.61 lakhs, Previous year ₹ 20.98 lakhs)	71.79	20.98
27.6 Sales Tax Demand being disputed in appeal (against which the Company has made pre-deposit of ₹ 0.43 lakhs, Previous year ₹ 3.55 lakhs and given a bank guarantee ₹ Nil, Previous year ₹ 0.74 lakhs)	4.12	11.82

27.7 The Company had acquired fixed assets under the "Export Promotion Capital Goods" (EPCG) in the year 2013-14, 2014-15 and 2015-16 that has resulted in the saving of duty of ₹ 808.14 lakhs. As per the terms of the authorization granted under the Scheme, the Company has undertaken to achieve export commitment of ₹ 4,835.50 lakhs over the export obligation period of 6 years from the date of issuing the license. In the event of Company being unable to execute its export obligation by this period, the Company shall be liable to pay Custom duty for unfulfilled export obligation along with interest after expiry of the export obligation period. Further, during the year 2014-15, consequent to the debonding of two export oriented units, Company has undertaken to fulfill the export obligation of ₹ 2,784.98 lakhs.

27.8 The Pharmaceutical Division of Unique Pharmaceutical Laboratories Ltd. (UPLL) which was acquired by the Company on a going concern basis has received demand notices from Dept. of Chemicals & Fertilizers, Govt. of India, New Delhi demanding a sum of ₹ 461.47 lakhs in respect of the bulk drug Metronidazole and a further sum of ₹ 591.05 lakhs in respect of the bulk drug Oxyphenbutazone. These amounts were claimed on hypothetical basis in 1996, under para 7(2) of DPCO 79 read with para 14 of DPCO 87 and para 12 of DPCO 95, long after repeal of DPCO 79 and DPCO 87 and gains allegedly notionally made by it by procuring

the bulk drugs at alleged lower cost. UPLL has filed review petition against each of these claims disputing the jurisdiction, power and legal or rational basis for making such demands, particularly in view of the repeal of DPCO 79 and DPCO 87. The Company has filed writ petitions bearing No. 446 of 2008 in respect of demand for Oxyphenbutazone & writ petition No. 2623 of 2007 in respect of demand for Metronidazole in Bombay High Court. These writ petitions have been admitted and the Hon'ble 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 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.

27.9 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 2,991.32 lakhs (Previous year ₹ 3,618.56 lakhs)

27.10 Surrender of 0% EPGC licences or Status Holder Incentive Scrip (SHIS) amounting to ₹ 44.50 lakhs with applicable interest and levy of penalty of ₹ 133.49 lakhs ordered by Dy. Director General of Foreign Trade, being disputed in appeal.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

28. EMPLOYEE BENEFITS:

The disclosures as required as per the revised AS 15 are as under:

Parent Company:

a) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under

(₹ in lakhs)

Particulars	2015-16	
	2015-16	2014-15
Employer's Contribution to Provident Fund & Family Pension Fund	789.73	701.06
Employer's Contribution to Superannuation Fund	185.17	153.92
Employer's Contribution to Employees' State Insurance Scheme	13.23	18.26

b) Defined Benefit Plan

Reconciliation of opening and closing balances of Defined Benefit obligation

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2015-16	2014-15
Defined Benefit obligation at the beginning of the year	2,909.80	2,565.81
Current Service Cost	157.31	125.54
Interest Cost	231.04	218.15
Actuarial (gain)/loss	56.43	90.28
Benefits Paid	(112.80)	(89.98)
Defined Benefit obligation at year end	3,241.78	2,909.80

Reconciliation of opening and closing balances of fair value of plan assets

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2015-16	2014-15
Fair value of plan assets at the beginning of the year	1,559.51	1,178.81
Expected return on plan assets	123.83	102.56
Actuarial gain/(loss)	9.05	(77.91)
Employer contribution	508.27	446.03
Benefits Paid	(112.80)	(89.98)
Fair value of plan assets at the end of the year	2,087.86	1,559.51

Actual Return on Plan Assets

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2015-16	2014-15
Expected return on plan assets	123.83	102.56
Actuarial gain/(loss) on plan assets	9.05	(77.91)
Actual return on plan assets	132.87	24.65

Reconciliation of fair value of plan assets and benefit obligations

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2015-16	2014-15
Fair value of assets as at 31 st March, 2016	2,087.86	1,559.51
Present value of obligation as at 31 st March, 2016	3,241.78	2,909.80
Amount recognized in Balance Sheet	1,153.91	1,350.28

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

Expense recognized during the year (Under the head "Employee Cost"-Refer note 24)

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2015-16	2014-15
Current Service Cost	157.31	125.54
Interest Cost	231.04	218.16
Expected return on Plan Assets	(123.83)	(102.56)
Actuarial (gain)/loss	47.37	171.47
Expense Recognized in Profit and Loss Account	311.90	412.61

Investment details

The Company made annual contributions 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 plan assets by investment type.

Actuarial Assumptions

Particulars	Gratuity (Funded)	
	2015-16	2014-15
Discount Rate (per annum)	8.07%	7.94%
Expected Rate of Return on Plan Assets (per annum)	8.07%	7.94%
Salary Escalation (per annum)	4.00%	4.00%

Net asset/liability recognized in the Balance Sheet (including experience adjustment impact)

(₹ in lakhs)

Gratuity	2016	2015	2014	2013	2012
Defined benefit obligation	3,241.78	2,909.80	2,565.81	2,404.63	2,102.52
Plan assets	2,087.86	1,559.51	1,178.81	891.67	798.46
Deficit / (Surplus)	1,153.91	1,350.29	1,387.00	1,512.96	1,304.06
Experience adjustments on plan liabilities	85.83	51.07	264.36	119.51	117.92
Experience adjustments on plan assets	9.05	(77.91)	4.19	22.44	(17.02)

Subsidiary : OOO Unique Pharmaceutical Laboratories, Russia

Contribution to Defined Contribution Plan, recognized as expense for the year is as under:

(₹ in lakhs)

Particulars	2015-16	2014-15
Employer's Contribution under various Government Schemes.	27.71	32.00

Subsidiary : Biotech Laboratories (Pty.) Ltd.

Contribution to Defined Contribution Plan, recognized as expense for the year is as under:

(₹ in lakhs)

Particulars	2015-16	2014-15
Employer's Contribution under various Government Schemes.	38.12	Nil

Payments have been made under various pension fund and insurance scheme of the Government. The Company does not have any liability of making any payment to employee either on termination or retirement.

Joint Venture : Biotech Laboratories (Pty.) Ltd. (upto 17th December, 2015)

Contribution to Defined Contribution Plan, recognized as expense for the year is as under:

(₹ in lakhs)

Particulars	2015-16	2014-15
Employer's Contribution under various Government Schemes.	44.77	64.47

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

29. SEGMENT REPORTING:

The Group has one segment of activity namely 'Pharmaceuticals'.

30. Disclosures as required by Accounting Standard 19, "Leases", notified under section 133 of the Companies Act, 2013, are given below:

- i. The Company has taken certain residential and office premises on operating lease / leave and license agreements on cancellable terms and are renewable by mutual consent on mutually agreeable terms.
- ii. Lease payment in respect of non cancellable lease amounts to ₹ Nil (Previous year ₹ 60.36 lakhs) is included under the head Compensation Rent in Note "26".

The minimum future lease rentals payable in respect thereof are as follows:-

Particulars	2015-16	2014-15
Not later than one year	-	39.34
Later than one year but not later than five years	-	20.29
Later than five years	-	-

31. EARNINGS PER SHARE:

Group Earnings per Share (EPS) is calculated in accordance with Accounting Standard 20 (AS-20) is as under:

(₹ in lakhs)

Particulars	2015-16	2014-15
Net Profit attributable to Equity Shareholders (₹ in lakhs)	16,188.02	10,040.51
<u>Weighted Average No. of Equity shares (Nos.)</u>		
Basic	8,48,16,002	8,47,84,873
<u>Effect of Dilutive equity shares equivalent</u>		
Stock Options outstanding	-	19,289
Diluted	8,48,16,002	8,48,04,162
Nominal value of equity shares (₹)	2.00	2.00
<u>Earnings per share (₹)</u>		
Basic	19.09	11.84
Diluted	19.09	11.84

32. RELATED PARTY DISCLOSUREParent Company:

Related party disclosure as required by AS-18, 'Related Party Disclosures' notified by the Companies (Accounting Standard) Rules, 2006 are given below:

Names and Relationships of the Related Parties:

i) Associate Concerns / Trusts / Companies / Joint Venture

- | | |
|--|--|
| a. Mody Trading Company | l. Bharati Mody Ventures LLP |
| b. Mody Brothers | m. Synit Drugs Pvt. Ltd. |
| c. Jyotindra Family Trust | n. Unique Pharmaceutical Laboratories Ltd. |
| d. Dinesh Family Trust | o. Ifunik Pharmaceuticals Ltd. |
| e. Shirish Family Trust | p. Namplas Chemicals Pvt. Ltd. |
| f. Biotech Laboratories (Pty.) Ltd. (upto 17 th December, 2015) | q. Gemma Jewellery Pvt. Ltd. |
| g. J.B. Mody Enterprises LLP | r. Lekar Pharma Ltd. |
| h. Ansuya Mody Enterprises LLP | s. Jyotindra Mody Ventures LLP |
| i. Dinesh Mody Ventures LLP | t. D. B. Mody Enterprises LLP |
| j. Kumud Mody Ventures LLP | u. Shirish Mody Property LLP |
| k. Shirish Mody Enterprises LLP | |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

- ii) Key Management Personnel:
- Shri Jyotindra B. Mody
 - Shri Dinesh B. Mody
 - Shri Shirish B. Mody
 - Mr. Sandeep Nasa (in subsidiary company)
- iii) Relative of Key Management Personnel:
- Mr. Pranabh D. Mody
 - Mrs. Kumud D. Mody
 - Mrs. Bharati S. Mody
 - Mrs. Pallavi B. Mehta
 - Mrs. Purvi U. Asher
 - Mrs. Priti R. Shah
 - Mr. Nirav S. Mody
 - Mrs. K. V. Gosalia
 - Mrs. Deepali A. Jasani
 - D. B. Mody – HUF
 - S. B. Mody – HUF

Transactions With the Related parties during the year :

(₹ in lakhs)

Name of Related Party	Nature of Transaction	2015-16	2014-15
(I) Associate Concern / Trusts / Companies/Joint Venture			
a. Mody Brothers	Payment of Rent	9.50	9.50
b. Jyotindra Family Trust	Payment of Rent	117.85	116.40
	Rent Deposit	21.13	21.13
c. Dinesh Family Trust	Payment of Rent	59.76	59.07
	Rent Deposit	8.49	8.49
d. Shirish Family Trust	Payment of Rent	71.18	70.34
	Rent Deposit	8.49	8.49
e. J. B. Mody Enterprises LLP	Payment of Rent	6.17	6.17
	Rent Deposit	1.34	1.34
f. Dinesh Mody Ventures LLP	Payment of Rent	6.17	6.17
	Rent Deposit	1.34	1.34
g. Shirish Mody Enterprises LLP	Payment of Rent	6.17	6.17
	Rent Deposit	1.34	1.34
h. Synit Drugs Pvt. Ltd.	Interest on Deposits	4.00	4.00
	ICD Payable	40.00	40.00
i. Biotech Laboratories (Pty.) Ltd.	Sale of Goods	1,398.59	1,425.14
	Reimbursement of Expenses	0.02	(0.38)
	Outstanding Payable	-	0.93
	Outstanding Receivable	-	749.26
j. Unique Pharmaceutical Laboratories Ltd.	Royalty Paid	1,132.12	1,112.85
	Outstanding Payable	-	72.29
k. Ifunik Pharmaceuticals Ltd.	Interest on Deposits	6.50	6.50
	ICD Payable	65.00	65.00
l. Namplas Chemicals Pvt. Ltd.	Processing Charges paid	76.08	89.38
	Outstanding Payable	9.50	6.59

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

Transactions with the related parties during the year : (Contd.)

(₹ in lakhs)

Name of Related Party	Nature of Transaction	2015-16	2014-15
m. Lekar Pharma Ltd.	Sale of goods	117.56	72.57
	Purchases of Stock in Trade	3,960.56	3,885.37
	Manufacturing Charges Received	65.72	36.69
	Outstanding Receivable	36.69	-
	Outstanding Payable	278.11	145.61
(II) Key Management Personnel :			
a. Mr. Jyotindra B. Mody	Remuneration	516.92	338.73
	Retirement Benefit Expenses	62.32	40.36
	Interest on Deposits	-	8.96
	Fixed Deposit Repayment	-	82.50
b. Mr. Dinesh B. Mody	Remuneration	516.92	338.73
	Retirement Benefit Expenses	62.32	40.36
	Interest on Deposits	-	2.22
	Fixed Deposit Repayment	-	22.50
c. Mr. Shirish B. Mody	Remuneration	516.92	338.73
	Retirement Benefit Expenses	62.32	40.36
	Fixed Deposit Repayment	-	0.50
d. Mr. Sandeep Nasa	Remuneration	236.41	243.86
(III) Relative of Key Management Personnel			
a. Mr. Pranabh D. Mody	Remuneration	195.68	173.93
	Retirement Benefit Expenses	26.01	23.48
b. Mrs. Kumud D. Mody	Interest on Deposits	-	5.48
	Fixed Deposit Repayment	-	50.00
c. Mrs. Bharati S. Mody	Interest on Deposits	-	5.32
	Fixed Deposit Repayment	-	46.70
d. Mrs. Purvi U. Asher	Interest on Deposits	-	0.22
	Fixed Deposit Repayment	-	1.90
e. Mrs. Deepali A. Jasani	Interest on Deposits	-	12.70
	Fixed Deposit Repayment	-	111.00
f. Mr. Nirav S. Mody	Remuneration	110.57	98.29
	Retirement Benefit Expenses	14.77	13.27
g. Mrs. K. V. Gosalia	Interest on Deposits	-	2.85
	Fixed Deposit Repayment	-	27.10
h. D. B. Mody - HUF	Payment of Rent	37.19	36.71
	Interest on Deposits	-	23.15
	Fixed Deposit Repayment	-	30.00
	Rent Deposit	12.64	12.64
i. S. B. Mody - HUF	Payment of Rent	37.33	36.85
	Interest on Deposits	-	5.70
	Fixed Deposit Repayment	-	50.00
	Rent Deposit	12.64	12.64

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

33. Foreign Currency Exposure at the Year-End (Not Hedged By Derivative Instruments):

Parent Company

Particulars	As at March 31, 2016		As at March 31, 2015	
	Foreign Currency	(₹ in lakhs)	Foreign Currency	(₹ in lakhs)
Receivable against export of goods:				
USD	5,381,235.61	3,565.07	-	-
EURO	4,399,382.78	3,317.97	4,057,091.65	2,725.96
AUD	1,857,281.60	947.46	1,576,086.26	749.11
GBP	46,865.50	44.78	14,688.80	13.58
AED	1,764,162.40	317.85	-	-
RUB	26,831,062.00	262.94	-	-
Payable against bank borrowing:				
USD	25,250,000.00	16,728.13	12,500,000.00	7,812.50
Payable against import of goods & services :				
USD	1,010,264.62	669.30	1,587,219.55	992.01
AUD	85,065.93	43.39	36,657.67	17.42
JPY	822,000.00	4.84	-	-
SGD	-	-	9,505.00	4.32

Subsidiary : Unique Pharmaceutical Laboratories FZE

Particulars	As at March 31, 2016		As at March 31, 2015	
	Foreign Currency	(₹ in lakhs)	Foreign Currency	(₹ in lakhs)
Receivable against export of goods:				
USD	-	-	8,358,668.57	5,224.17
RUB	285,548,546.38	2,798.38	-	-
Payable against import of goods & services :				
USD	1,895,441.13	125.57	5,549,758.02	3,468.60
RUB	74,831,062.00	733.34	-	-

Subsidiary : OOO Unique Pharmaceutical Laboratories, Russia

Particulars	As at March 31, 2016		As at March 31, 2015	
	Foreign Currency	(₹ in lakhs)	Foreign Currency	(₹ in lakhs)
Payable against import of goods & services :				
USD	-	-	8,358,668.57	5,224.17

Subsidiary : Biotech Laboratories (Pty.) Ltd.

Particulars	As at March 31, 2016		As at March 31, 2015	
	Foreign Currency	(₹ in lakhs)	Foreign Currency	(₹ in lakhs)
Payable against import of goods & services :				
USD	3,182,438.50	2,108.37	-	-
EURO	300,718.20	226.79	-	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016 (CONTD.)

Joint Venture : Biotech Laboratories (Pty.) Ltd. (upto 18th December, 2015)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Foreign Currency	(₹ in lakhs)	Foreign Currency	(₹ in lakhs)
Payable against import of goods & services :				
US Dollars	-	-	718,210.57	448.88

34. CSR Expenditure – Parent Company

Gross amount required to be spent during the year ₹ 274.78 lakhs

Amount spent during the year ₹ 243.58 lakhs as detailed hereunder: (₹ in lakhs)

Nature of activity	2015-16	2014-15
Promoting Healthcare including preventive healthcare	164.28	110.28
Promotion of Education	76.00	75.00
Eradication of Poverty and malnutrition	3.30	15.00
Setting up of old age home	-	10.00

35. Additional Information to the Consolidated Financial Statements

Name of the Entity	2015-16				2014-15			
	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in lakhs)	As % of consolidated profit or loss	Amount (₹ in lakhs)	As % of consolidated net assets	Amount (₹ in lakhs)	As % of consolidated profit or loss	Amount (₹ in lakhs)
Parent company								
J. B. Chemicals & Pharmaceuticals Ltd.	104.24	114,174.97	108.96	17,638.85	102.15	101,631.15	113.12	11,358.25
Foreign Subsidiaries:								
J. B. Healthcare Pvt. Ltd.	-	-	0.13	21.78	3.17	3,152.56	0.29	29.42
Unique Pharmaceutical Laboratories LLC, Russia	1.45	1,585.49	(10.51)	(1,701.24)	1.37	1,365.06	(13.36)	(1,342.19)
Unique Pharmaceutical Laboratories LLC, Ukraine	-	0.01	(0.02)	(2.48)	0.01	2.59	0.09	9.50
Unique Pharmaceutical Laboratories FZE, Dubai	8.30	9,091.98	(1.98)	(320.87)	0.06	59.59	(0.02)	(1.91)
Biotech Laboratories (Pty.) Ltd. from 18-12-15	2.98	3,267.97	1.31	212.41	-	-	-	-
Joint Venture :								
Biotech Laboratories (Pty.) Ltd. upto 17-12-15	-	-	0.63	101.42	1.58	1,572.25	2.92	293.44
Minority Interest	0.15	159.60	(0.02)	(3.50)	-	-	-	-
Total Eliminations	(17.12)	(18,747.24)	1.49	241.65	(8.34)	(8,295.78)	(3.04)	(306.00)
Total	100.00	109,532.77	100.00	16,188.02	100.00	99,487.42	100.00	10,040.51

36. Figures of Previous year have been re-grouped, rearranged and recast, wherever considered necessary.**37.** Figures in brackets indicate corresponding figures of previous year.**As per our report of even date****For J. K. Shah & Co.**Chartered Accountants
Firm Registration No. 109606W**J. K. Shah**Partner
Membership No. 03662

Place : Mumbai

Date : May 20, 2016

For and on behalf of the Board of Directors**J. B. Mody**

Chairman & Managing Director

S. B. Mody

Whole time Director (Marketing)

Place : Mumbai

Date : May 20, 2016

D. B. Mody

Whole time Director (Administration)

Vijay D. Bhatt

Chief Financial Officer

M. C. Mehta

Company Secretary

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries / joint venture

Part "A" : Subsidiaries

(₹ in lakhs)

Name of the subsidiary	Unique Pharmaceutical Laboratories FZE, Dubai	Biotech Laboratories (Pty.) Ltd. South Africa	OOO Unique Pharmaceutical Laboratories, Russia	Unique Pharmaceutical Laboratories LLC, Ukraine*	J.B. Healthcare Pvt. Ltd., Jersey**
Reporting period for the subsidiary	01/04/2015 to 31/03/2016	01/04/2015 to 31/03/2016	01/04/2015 to 31/03/2016	01/04/2015 to 31/03/2016	01/04/2015 to 15/12/2015
Reporting currency	AED	ZAR	RUBLE	UAH	USD
Exchange rate to INR as on 31/03/2016	18.02	4.50	0.98	2.53	66.25
Share capital	8,804.88	0.29	3,881.92	16.69	2,668.12
Reserves and Surplus	214.36	3,402.86	(2,296.43)	(16.69)	699.96
Total Assets	13,171.05	9,340.91	5,134.23	-	3,389.94
Total Liabilities	13,171.05	9,340.91	5,134.23	-	3,389.94
Investments	8,434.60	-	-	-	-
Turnover #	7,079.17	4,989.50	5,598.33	-	-
Profit before taxation #	(320.87)	365.59	(2,211.23)	(2.51)	25.36
Profit after taxation #	(320.87)	241.26	(1,701.24)	(2.51)	25.36
Proposed Dividend	-	-	-	-	-
% shareholding	100	95.24	100	100	100

* Under dissolution.

** Liquidated on 02/03/2016

In respect of Biotech Laboratories (Pty.) Ltd. figures are for the period from 18/12/2015 to 31/03/2016 being the period when Biotech Laboratories (Pty.) Ltd. became subsidiary of the Company, post acquisition of stake of joint venture partner.

PART "B": Joint Venture

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint Venture

Name of Joint Venture	Biotech Laboratories (Pty.) Ltd. from 01/04/2015 to 17/12/2015
Latest audited Balance Sheet Date	August 31, 2015
Shares of the Joint Venture held by the Company on the year end*	
No.	Nil
Amount of Investment in Joint Venture	Nil
Extend of Holding %	Nil
Description of how there is significant influence	The Company exercised significant influence through board membership and participation in business decisions in terms of the Joint venture agreement.
Reason why the joint venture is not consolidated	Not applicable
Net-worth attributable to shareholding as per latest audited Balance Sheet #	₹ 1,558.54 lakhs

Profit for the year	
i. Considered in consolidation	₹ 101.42 lakhs (From 01/04/2015 to 17/12/2015)
ii. Not considered in consolidation	Nil

* The Company held stake in Biotech Laboratories (Pty.) Ltd. (Biotech) through its wholly owned subsidiary J. B. Healthcare Pvt. Ltd., Jersey, which was holding 2,107,990 ordinary shares of ZAR 0.001 and 1,75,591 non-redeemable convertible "A" preference shares of ZAR 0.001 aggregating to investment amount of USD 4,882,612. The investment in ordinary shares carrying voting rights represented 49% of the ordinary share capital of Biotech. These shares have subsequently been transferred to Company's wholly owned subsidiary, Unique Pharmaceutical Laboratories FZE.

Represents 49% of Biotech's net-worth as on 31/08/2015.

For and on behalf of the Board of Directors

J. B. Mody
Chairman & Managing Director

D. B. Mody
Whole time Director (Administration)

S.B. Mody
Whole time Director (Marketing)

Vijay D. Bhatt
Chief Financial Officer

M. C. Mehta
Company Secretary

Place : Mumbai
Date : May 20, 2016

TEN YEAR FINANCIAL SUMMARY

(₹ in lakhs)

Particulars	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16
Balance Sheet										
Share Capital	1,686.53	1,686.53	1,686.53	1,686.53	1,690.34	1,694.15	1,694.15	1,694.63	1,696.16	1,696.40
Share Application money	1.02	-	-	-	-	-	-	-	-	-
Reserves and Surplus	40,426.27	44,632.06	51,518.92	59,650.61	69,637.93	93,692.17	99,206.03	1,03,086.53	99,934.99	1,12,478.57
Loan Funds	17,391.43	19,552.00	17,068.81	13,622.45	16,856.32	6,997.90	4,960.91	9,278.06	10,521.80	17,480.19
Deferred Tax Liability (Net)	1,875.82	1,466.10	1,344.51	1,423.99	1,443.62	1,655.69	2,197.49	1,988.93	2,162.22	2,282.97
Total	61,381.07	67,336.69	71,618.77	76,383.58	89,628.21	104,039.91	108,058.58	116,048.15	114,315.17	133,938.13
Application of Funds										
Net Fixed Assets (Incl. Capital WIP)	22,233.17	23,352.95	22,747.69	21,807.85	22,894.44	28,000.53	29,917.34	32,852.81	35,604.09	50,040.35
Investments	3,353.74	4,290.55	4,559.44	6,246.43	12,328.84	33,771.16	43,365.78	53,611.41	59,749.74	51,304.77
Current Assets, Loans and Advances:										
Inventories	7,608.21	6,511.34	5,517.99	5,640.84	8,178.22	9,079.85	8,988.92	11,122.70	12,847.40	13,329.31
Sundry Debtors	31,762.72	32,804.08	37,449.92	40,727.14	38,545.42	13,120.82	19,464.31	24,805.15	24,849.05	26,802.32
Cash & Bank Balances	1,970.95	1,450.68	4,145.45	7,056.63	12,291.77	21,136.24	14,910.99	1,080.30	905.52	1,080.03
Loans and Advances	3,647.35	5,864.85	5,146.99	5,550.89	6,488.05	12,163.11	10,635.07	10,720.84	10,920.23	12,255.45
Total Currents Assets	44,989.23	46,630.95	52,260.35	58,975.50	65,503.46	55,500.02	53,999.29	47,728.99	49,522.20	53,467.11
Less: Current Liabilities and Provisions:										
Current Liabilities	7,545.76	5,432.94	5,846.39	7,318.30	7,688.67	10,700.43	14,457.71	13,467.30	14,481.85	18,720.86
Provisions	1,649.31	1,504.82	2,102.32	3,327.90	3,409.86	2,531.37	4,766.12	4,677.76	16,079.01	2,153.24
Net Current Assets	35,794.16	39,693.19	44,311.64	48,329.30	54,404.93	42,268.22	34,775.46	29,583.93	18,961.34	32,593.01
Total	61,381.07	67,336.69	71,618.77	76,383.58	89,628.21	104,039.91	108,058.58	116,048.15	114,315.17	133,938.13
Profit and Loss Statement										
Sales	53,145.92	54,809.43	72,315.53	67,006.45	78,757.94	63,577.48	79,446.05	93,443.47	103,813.61	111,993.24
Other income	1,069.78	1,380.19	1,496.57	1,725.34	2,499.40	7,915.84	4,792.27	5,963.69	3,369.39	8,115.92
Total Income	54,215.70	56,189.62	73,812.10	68,731.79	81,257.34	71,493.32	84,238.32	99,407.16	107,183.00	120,109.16
Total Expenses	46,238.41	51,278.86	64,634.02	56,637.37	67,162.00	66,630.42	73,463.85	83,558.38	91,272.58	97,399.56
Profit before extraordinary item and taxation	7,977.29	4,910.76	9,178.08	12,094.42	14,095.34	4,862.90	10,774.47	15,848.78	15,910.42	22,709.60
Profit after taxation	7,102.28	5,169.13	7,873.62	10,099.73	11,819.46	64,269.94	8,493.85	6,842.55	11,358.25	17,638.85
Ratios:										
Earning per share (₹)	8.43	6.13	9.34	11.98	14.00	75.95	10.03	8.08	13.40	20.80
Book Value per share (₹)	49.94	54.93	63.09	72.74	84.40	112.61	119.12	123.66	119.84	134.61
Debt Equity Ratio	0.41:1	0.42:1	0.32:1	0.22:1	0.24:1	0.07:1	0.05:1	0.09:1	0.10:1	0.15:1
Current Ratio	4.89:1	6.72:1	6.57:1	5.54:1	5.90:1	4.19:1	2.81:1	2.63:1	1.62:1	1.64:1
Dividend										
In ₹ per share	2.60	0.50	1.00	2.00	2.00	41.00	3.00	3.00	14.00	5.00
Percentage (%)	130	25	50	100	100	*2050	150	150	**700	250

* Includes special interim dividend of ₹ 40 (2000%) per share.

** Includes special dividend of ₹ 10 (500%) per share

Notes

A series of horizontal dotted lines for taking notes.





J. B. Chemicals & Pharmaceuticals Limited

www.jbcpl.com