

MOVING BEYOND HORIZON
ABOVE CONVENTIONAL



Delivering Excellence in Life Sciences

Annual Report 2018-2019

A decorative graphic on a yellow background. It features three diamond-shaped objects: a small white one on the left, a medium white one in the middle, and a large blue one on the right. A dotted line starts from the bottom right of the white diamonds and extends diagonally upwards towards the blue diamond.

MOVING BEYOND HORIZON BEYOND CONVENTIONAL

It's surprising when we look back at our own history. Over two decades ago, we started this journey, with nothing but a firm belief in our ideals and the drive to excel. The competition was tough then, as it is now. And yet, we have managed to weather every storm and come out stronger, better and more resilient than ever. Today Jenburkt is resolute and high spirited to forge ahead.

What has led us to this moment is an adherence to our vision, and a clear roadmap built with the future in mind. It has allowed us to identify our business goals and set benchmarks. And that in turn has helped us improvise and advance, making us often question convention in the process. What we have achieved over the years, as a consequence to this approach, is there for the world to see.

Our job isn't done. Our pursuit is by no means, over. Jenburkt continues to forge ahead, with a relentless drive that was set into motion over two decades ago. With the vision of our founders, the support of our partners, stakeholders and customers, and the strength of our institution and our people, we continue to move beyond horizons, and beyond the conventional. To create products and services for an ever-evolving medical community, and making a difference to the world at large. Come, discover what we have achieved so far, and what the future holds for us all.

Founders

Hemendra N. Bhuta
Uttam N. Bhuta

Board of Directors

Ashish U. Bhuta	Chairman and Managing Director
Dilip H. Bhuta	Whole Time Director & Chief Financial Officer
Bharat V. Bhate	Non-Executive and Independent Director
Rameshchandra J. Vora	Non-Executive and Independent Director
Arun R. Raskapurwala	Non-Executive and Independent Director
Anjali S. Dalvi	Non-Executive and Independent Director

Company Secretary

Ashish R. Shah

Auditors

D. R. Mehta & Associates
Chartered Accountants, Mumbai.

Bankers

Bank of Baroda

Registered Office

Nirmala Apartments, 93, Jayprakash Road, Andheri (W), Mumbai – 400 058.
CIN: L24230MH1985PLC036541
Tel. No.: +91-22-67603603 • Fax. No.: +91-22-66943127
E-mail: investor@jenburkt.com • Website: www.jenburkt.com

Plant

11-12, GIDC, Phase - I, Bhavnagar Road, Sihor, Gujarat - 364240.

Registrar & Transfer Agents

Bigshare Services Pvt. Ltd
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (E), Mumbai – 400 059.
Tel. No.: +91-22-62638200, 62638222/23 • E-mail:ujata@bigshareonline.com • Website: www.bigshareonline.com

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Notice

NOTICE is hereby given that the 34th Annual General Meeting of the Members of **Jenburkt Pharmaceuticals Limited** will be held on Tuesday, the 30th July, 2019 at 3.30 p.m. at the ISKCON Auditorium, Hare Krishna Land, Juhu, Mumbai - 400049 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company for the financial year ended on 31st March, 2019, together with the Board of Directors' and Auditors' report thereon.
2. To declare final dividend of ₹10.20 (102%) per equity share of ₹10/- each, for the financial year ended on 31st March, 2019.
3. To appoint Shri Ashish U. Bhuta, (DIN-00226479), director liable to retire by rotation and being eligible, offers himself for re-appointment as a director.

SPECIAL BUSINESS:

4. To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modifications or re-enactments thereof for the time being in force, the Cost Auditors' remuneration as approved by the Board of Directors of the Company, of ₹2,05,000/- (Rupees Two Lacs Five Thousand Only) to conduct the audit of cost records of the Company for the financial year 2019-20, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts and take appropriate steps as may be necessary and proper to give effect to this resolution.”

By order of the Board of Directors

Ashish R. Shah
Company Secretary

Mumbai, 28th May, 2019.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as a proxy on behalf of not exceeding fifty members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder. Duly completed proxy form, as enclosed, in order to be effective, must be received at the registered office of the Company, not less than 48 hours before the scheduled time of the annual general meeting (AGM).
2. Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of special business to be transacted at the AGM is annexed to this Notice.
3. The Company is providing facility for voting by electronic means. The business set out in the Notice may also be transacted through electronic voting system and the e-voting related instructions and other information including User ID and Password are given herein below.
4. Member / proxy should bring the filled-in attendance slip

to attend the AGM, along with the annual report to the venue. Notice of the 34th AGM is also available on the website of the Company viz. www.jenburkt.com and also at viz. www.evotingindia.com.

5. Corporate members intending to send their authorized representatives to attend the meeting are requested to send in advance, to the Company, a certified copy of the board resolution, authorizing their representatives to attend and vote on their behalf at the meeting.
6. Members who wish to seek any information on the financial statements and operations are requested to write to the Company, so as to reach the registered office of the Company at least one week before the date of the AGM, so that the information required can be made available at the AGM. All the information /clarification shall be provided only at the AGM.
7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Members who have not registered their bank details or have not yet registered their e-mail address are requested to provide the same to their depository participant, if shares are held in demat form OR with the Company/ Bigshare Services Pvt. Ltd. (RTA), if shares are held in physical certificate form and participate in green initiative by receiving dividends directly into registered bank account and all communication from the company viz.

- annual report, notices, circulars, etc., electronically.
9. Members holding shares in electronic (demat) form may note that bank particulars registered against their respective depository accounts will be used by the Company for the payment of dividend. The Company or its RTA cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the depository participant, by the member.
 10. Members holding shares in single name and in physical certificate form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from “Investors” section in the Company's website, www.jenburkt.com.
 11. The register of members and the share transfer books of the Company will remain closed from Wednesday, 24th July, 2019 to Tuesday, 30th July, 2019 (both days inclusive).
 12. The dividend on equity shares as recommended by the Board, if declared at the AGM, will be paid by NACH /NEFT or by dividend warrants which will be dispatched on or after 11th August, 2019.
 13. Non Resident Indian (NRI) members are requested to inform the RTA regarding (a) change in their residential status and (b) particulars of their bank accounts with complete details viz. name of the bank, branch address with pin code, account type, account number, MICR, IFSC, etc.
 14. During the current year, the Company will be transferring the unpaid or unclaimed amount of dividend pertaining to financial year 2011-12, to the Investors' Education and Protection Fund (IEPF) of the Central Government. Shareholders, who have not yet claimed their dividend for the financial year 2011-12 and thereafter, are requested to do so at the earliest. Shareholders' attention is invited to the IEPF rules, under which the Company shall transfer those equity shares to IEPF Authority, against which dividends are not claimed for seven consecutive years by the shareholders. The dividend amount and equity shares transferred to IEPF can be claimed back by the shareholders from the IEPF authority.
 15. The instructions for members for voting electronically are as under:-
 - i) The voting period begins on 9:00 a.m. on Saturday, 27th July, 2019 and ends on 05:00 p.m. on Monday, 29th July, 2019. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) on Tuesday, 23rd July, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - ii) Log on to the e-voting website www.evotingindia.com

- iii) Click on Shareholders
- iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker / postal ballot Form / mail) in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

- viii) After entering these details appropriately, click on “SUBMIT” tab.
- ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote,

provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii) If demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of

Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

In case of members receiving the physical copy:

- A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
 - B) The voting period begins on 9:00 a.m. on Saturday, 27th July, 2019 and ends on 05:00 p.m. on Monday, 29th July, 2019. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, 23rd July, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- 16 a) M/s. Nilesh Shah & Associates, Practicing Company Secretaries represented by Mr. Nilesh Shah, (Membership No. FCS 4554), or in his absence, Ms. Hetal Shah (Membership No. 8063) has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - b) The Scrutinizer after scrutinizing the votes cast at the Annual General Meeting and through remote e-voting will prepare a consolidated scrutinizer’s report, not later than three days of the conclusion of AGM and submit the same to the Chairman.
 - c) The results of the voting at AGM declared along with the scrutinizer’s report shall be placed on the Company’s website www.jenburkt.com and on the website of CDSL www.cdslindia.com.
 - d) The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company held by them as on Tuesday, 23rd July, 2019 (the cut-off date).

By order of the Board of Directors

Ashish R. Shah
Company Secretary

Mumbai, 28th May, 2019.

Annexure to the Notice

EXPLANATORY STATEMENT

Pursuant to Section 102(1) of the Companies Act, 2013 (the Act), setting out all material facts relating to the Special Business:

For item number 4 of the Notice:

In terms of the Section 148 (3) of the Act, read with Company (audit and auditors) Rules 2014, as amended, the cost accountants is to be appointed by the board and the approval of their remuneration need to be ratified by the members of the Company.

During their respective meetings held on 28th May, 2019, the audit committee recommended and the board approved the appointment and payment of remuneration to M/s. Jagdish R. Bhavsar, cost accountants, in practice having valid registered membership number: 8000, as the cost auditor of the Company to carry out the audit of the cost records of the Company, relating to its drug formulations, for the financial year 2019-20.

Consent of members is sought by passing a resolution as set out at the item no.4 of the Notice for ratifying the amount of remuneration mentioned therein, payable to the cost auditors of the Company for the financial year 2019-20.

Mr. Jagdish R. Bhavsar, the proprietor of M/s. Jagdish R. Bhavsar, cost accountants, is independent of the management of the company and does not hold any share of the Company, in his individual capacity.

None of the directors or key managerial personnels of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution at item number 4 of the Notice.

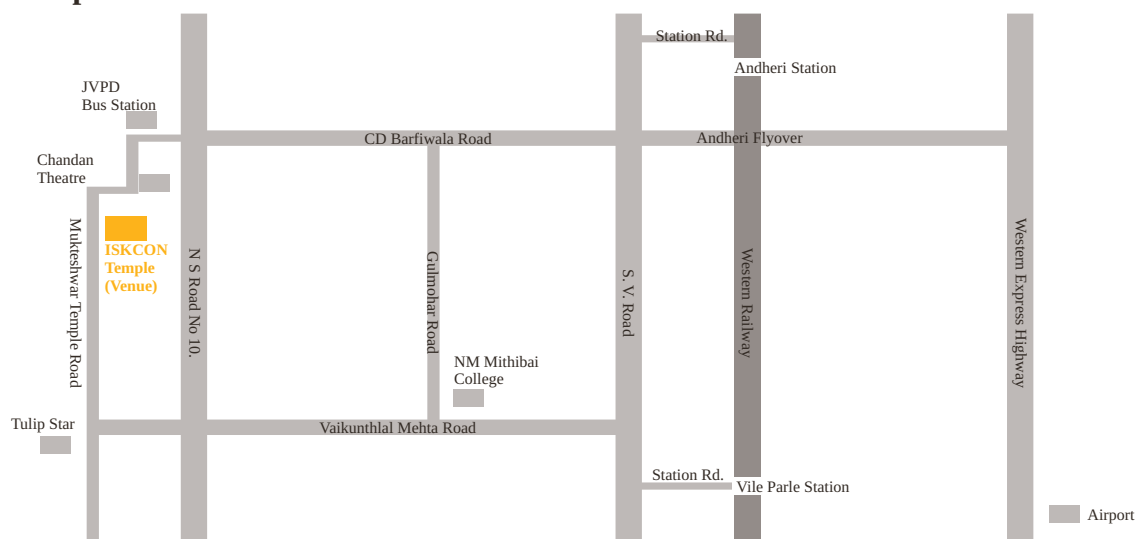
The board recommends the ordinary resolution as set out at item number 4 of the Notice, for the approval of the members.

By order of the Board of Directors

Ashish R. Shah
 Company Secretary

Mumbai, 28th May, 2019.

Route Map of AGM Venue



Directors' Report

Your directors, with pleasure, present their report on the business and operation of your Company ("the Company" or "Jenburkt") along with the audited financial statements of the Company and auditors' report thereon for the financial year ended on 31st March, 2019.

1. Summary of Financial Performance: (₹ in lac)

Particulars	Year ended 31 st March 2019	Year ended 31 st March 2018
Revenue from operations	12264.43	11467.43
Other income	340.97	339.40
Cost of sales	9942.06	9279.94
Profit before tax	2663.34	2526.89
Tax expenses	683.56	805.67
Profit after tax	1979.78	1721.22
Other comprehensive income	-27.29	-70.41
Total other comprehensive income, net of tax	1952.49	1650.80
Earnings per share (EPS)		
(Basic & Diluted in ₹)	43.14	37.50
Reserves and Surplus	7287.61	5667.09

The above financial figures for the financial year ended 31st March, 2018 and 2019 are in accordance to Indian Accounting Standards (IND-AS). Your Company has adopted IND-AS with effect from 1st April, 2017.

The total revenue from the operations of the Company stood at ₹12264.43 lac for the financial year 2018-19, as against ₹11467.43 lac, recorded for the financial year 2017-18, registering a growth of 6.95%.

The profit before tax stood at ₹2663.34 lac for the financial year 2018-19, as against ₹2526.89 lac recorded for the previous financial year 2017-18, registering a growth of 5.4%. The profit after tax stood at ₹1979.78 lac for the financial year 2018-19, as against ₹1721.22 lac recorded for the financial year 2017-18, registering a growth of 15.02%. The EPS of the Company for the financial year 2018-19, stood at ₹43.14 as compared to ₹37.50 recorded for the financial year 2017-18.

2. Dividend and Reserves:

Your Directors are pleased to recommend, based on the Company's financial performance for the year under review, a dividend of ₹10.20 (102%) on 4589378 equity shares of ₹10/- paid-up of the Company, subject to approval of the shareholders at the ensuing 34th Annual General Meeting (AGM).

The aggregate dividend for financial year 2018-19 amounting to ₹ 468.12 lac is equivalent to 23.64% of the net profit of the Company. The dividend distribution tax thereon amounts to ₹95.26 lac. The aggregate amount of dividend and tax thereon is ₹563.38 lac.

As on 31st March, 2019, the reserves and surplus amount stood at ₹7287.61 lac as compared to ₹5667.09 lac as on 31st March, 2018 a rise of 28.60%. No amount has been proposed to be transferred to reserves.

The aggregate dividend paid by your company for the financial year 2017-18 was ₹9.00 (90%) per equity share of ₹10/- each. ₹3.00 (30%) per equity shares was declared and paid as interim dividend and ₹6.00 (60%) per equity shares was declared and paid as the final dividend.

The register of members and share transfer books will remain closed from 24th July, 2019 to 30th July, 2019 for the purpose of dividend and 34th AGM. The AGM is scheduled on Tuesday, 30th July, 2019.

3. Management Discussion & Analysis Report:

a. Overview of Indian pharmaceutical industry structure, development and important changes:

Pharmaceutical industry is gearing up for the next level of growth driven by shift towards specialty products, customer centricity, focus on improving quality, operational efficiency and productivity and selective mergers & acquisitions. Even though growth has slowed down recently, we believe it will be in the top 10 global markets by 2020.

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level.

Indian pharmaceutical sector industry supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicines in UK.

The union cabinet has given its nod for the amendment of the existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100 per cent under the automatic route for manufacturing of medical devices subject to certain conditions, resultantly the industry attracted sizeable FDI inflows in the country.

Some of the recent developments/investments in the Indian pharmaceutical sector are as follows:

- The Indian pharmaceutical market grew by 10 per cent, year-on-year.
- Between Jul-Sep 2018, Indian pharma sector witnessed 39 PE investment deals worth US\$ 217 million.
- Investment (as % of sales) in research & development by Indian pharma companies increased

from 5.3 per cent in FY 12-13 to 8.5 per cent in FY 18-19.

- The exports of Indian pharmaceutical industry to the US will get a boost, as branded drugs worth US\$ 55 billion will become off-patent during 2017-2019.

Some of the initiatives taken by the government to promote the pharmaceutical sector in India are as follows:

- The allocation to the Ministry of Health and Family Welfare has increased by 13.1 per cent to ₹61,398 crore (US\$ 8.98 billion) in Union Budget 2019-20.
- In October 2018, the Uttar Pradesh Government announced that it will set up six pharma parks in the state and has received investment commitments of more than ₹5,000-6,000 crore (US\$ 712-855 million) for the same.
- The National Health Protection Scheme is largest government funded healthcare programme in the world, which is expected to benefit 100 million poor families in the country by providing a cover of up to ₹5 lakh (US\$ 7,723.2) per family per year for secondary and tertiary care hospitalisation. The programme was announced in Union Budget 2018-19.
- In March 2018, the Drug Controller General of India (DCGI) announced its plans to start a single-window facility to provide consents, approvals and other information, to give a push to the make in India initiative.
- The Government of India is planning to set up an electronic platform to regulate online pharmacies under a new policy, in order to stop any misuse due to easy availability.
- The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments.
- The government has mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of medicines.

Medicine spending in India is projected to grow 9-12 per cent over the next five years, leading India to become one of the top 10 countries in terms of medicine spending.

Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic diseases.

The Indian government has taken many steps to reduce costs and bring down healthcare expenses. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

b. Business performance, opportunities and outlook:

The industry performed better in 2018, in comparison, even after major changes in taxation by way of GST. The impact of the ban on 344 fixed-dose combination (FDC) drugs, too, was limited to about ₹1,040 crores, on the industry.

According to the data released by market research firm AIOCD-AWACS, the domestic pharmaceutical market showed a year-on-year growth of 9.8 per cent in December 2018 with the dermatology segment growing the fastest among therapy areas at 10.5 per cent.

Your company launched the alternatives to FDC banned products that have DCGI approval. Also the good market growth of Dermatology segment has helped your company with a significant contribution of 18% of Dermatology portfolio to total sales.

Your company has launched a new division named **"BRENZ"** with effect from April 1, 2019 in Mumbai, Thane, Panvel and Gujarat State with the estimated field strength of 60 sales people, to begin with the focus is on the "Zix" range of products.

This has offloaded the product burden of the existing division. This will help the existing division to focus more on the Company's other brands. Also **BRENZ** can fully exploit the market potential of the transferred products with focused approach both in terms of therapeutic segment and the target doctors. Your company has also generated additional jobs for the youth of India by way of **BRENZ**.

Your company has continued the good practices of:-

- Training and development of its field managers and medical representatives on a continuous basis.
- Participation in national, state and district level conferences of super specialties like Orthopedicians, Neurologists, Pediatricians, Consulting Physicians and Dermatologists.
- Conducting CME (Continuing Medical Education) programmes, and RTM (Round Table Meetings) of various specialties of doctors to build relationship with the local doctors.

Increase in the size of middle-class households coupled with the improvement in medical infrastructure and jump in the penetration of health insurance in the country are expected to boost domestic demand for pharmaceutical products. By 2020, India is anticipated to become the top three pharmaceutical markets by incremental growth and 6th largest market globally in absolute size. India's focus on providing complex and speciality products, customer centricity, regulatory compliance, quality improvement

and operational efficiency are expected to enhance exports.

The Indian pharmaceutical industry is well-positioned to reinforce its position as a global pharmaceutical provider. As per industry estimates, India's pharmaceutical industry is expected to expand at a CAGR of 12.89% over 2015–20 to reach USD 55 billion and by 2025 to grow to USD 100 billion.

With rising income levels, growing health awareness and better access to healthcare, emerging markets like the one in India offer significant growth potential for the pharmaceutical industry.

The African pharmaceutical industry is the fastest growing in the world. The market size is estimated to be worth USD 40-60 billion a year by 2020. The size of the Francophone (French-speaking) African pharmaceutical market was estimated at more than USD 2.5 billion and is anticipated to grow at close to 10% a year until 2022.

Africa is a crucial market and it has its set of challenges like macroeconomic landscape, political complexities, poverty, lack of health literacy and limited spending by governments for national healthcare due to weak economic growth and a high reliance on donor funding.

Company Overview

Your Company is a speciality pharmaceutical formulation Company engaged in the development, manufacture and marketing of quality finished dosages. Your Company is focused on the branded formulation in India, Asia and Africa. With revenue being generated from a wide range of products and more than 13 countries, the Company's business is well-diversified and de-risked.

Your Company's competitive edge is its strong focus on customised products for every market where it operates. This high level of innovation has been achieved on the foundation of research & development (R & D) with robust infrastructure, strong scientific knowledge base and latest technology.

Performance Highlights

Your Company's India business continued to perform well steered by strong focus on high growth speciality segments. Within the speciality segments that the Company operates in major products recorded higher than industry growth. Your Company continues to strengthen product portfolio through new launches. Apart from that many of the Company's existing products continue to grow their market share.

Your company has launched Oxicojen cream and lotion in Dermatology segment and Powergesic 2X Gel in the

Orthopedic segments towards the end of the financial year and has high sales expectations from the same.

c. Risk, Concerns & Threats:

The pharmaceutical product prices in India are regulated by National Pharmaceuticals Pricing Authority (NPPA). The NPPA vide its standing orders declare the ceiling price of the formulations mentioned in NLEM (National List of Essentials Medicines), beyond which the companies are restrained to fix their products' MRP. NPPA vide its notification dated 10th March 2017 has amended Schedule-I of DPCO, 2013 by substituting NLEM 2011 with NLEM 2015. As per this notification, few more products have been brought under price control, while removing few. However, the Company's products under price control contribute a very small amount to the total revenue.

Followings are the details of Company's legal matters pending at courts:

- NPPA had served a show cause notice to your Company alleging that a Company's product was violating a NPPA's standing order. However, after a personal hearing and detailed submission, NPPA passed a written order stating that your Company's product did not violate the standing order. Subsequently, NPPA reviewed its own order, without having any power to review, issued show cause notices and demand notice to your Company. Your Company subsequently filed a writ petition against the demand of NPPA, at the Hon'ble High Court of Bombay. The matter was settled in favor of your company. The NPPA after over a year filed a Special Leave Petition (SLP) (demanding ₹16.45 crore) at the Hon'ble Supreme Court. DPCO, 1995, explicitly debars NPPA to review its own order, the very reason cited by Hon'ble High Court of Bombay, while quashing the show cause notices and demand notice in their judgment dated 08th August, 2013 and 26th September, 2013. Your Company has been legally advised, that based on the facts and merits of the case, the demand raised by NPPA is not likely to crystallize.

The matter is pending at Supreme Court after being admitted for further hearing.

- The Ministry of Health and Family Welfare, Government of India, vide its notification dated 10th March, 2017, based on the recommendation of Kokate Committee banned 344 Fixed Dose Combinations (FDCs) with immediate effect. Your Company's seven products are affected by the said notifications which in terms of value and volume do not have substantial impact on the sales and profitability of the Company. Many Companies including your Company