

Ref. No. JPL/CS/1705/2021

Date : 02<sup>nd</sup> June, 2021.

To

BSE Ltd.

P.J. Towers, Dalal Street,

**Mumbai - 400 001.**Sub.: **Regulation 30 & 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.**Reg.: **Outcome of Board Meeting held today, i.e. 2<sup>nd</sup> June, 2021.**

Dear Sir,

A. The Board of directors at its meeting held today, on 2<sup>nd</sup> June, 2021, inter-alia have approved / recommended the followings:

1. The Audited Financial Statements for the quarter and financial year ended on 31<sup>st</sup> March, 2021, on the recommendation of Audit Committee, vide its meetings held on even date.
2. A dividend of Rs.10.20 (102%) per equity share of Rs.10/- each on 4589378 equity shares of the Company.
3. Appointment of Shri Ashish U. Bhuta (DIN: 00226479) as a director on the Board of the Company, on rotation basis.
4. Re-appointment of Shri Dilip H. Bhuta (DIN: 03157252) as the Whole Time Director of the Company for a period of five years and his terms of remuneration for a period of three years, from 1<sup>st</sup> April, 2022.
5. To acquire land(s) in the state of Gujarat, to set-up a modern pharmaceutical formulations manufacturing unit and authorizing directors to take necessary steps, in this regard.
6. To begin on pilot scale to sell certain Healthcare products via digital marketing.
7. To schedule the Company's 36<sup>th</sup> Annual General Meeting on Tuesday, 07<sup>th</sup> September, 2021.

B. We attach herewith:

1. Audited financial statements for the quarter and financial year ended on 31<sup>st</sup> March, 2021 under Regulation 33(4) of SEBI, along with statement of Assets and Liabilities and cash flow statement as at the financial year ended on 31<sup>st</sup> March, 2021.
2. The Auditors' Report with unmodified opinion for the Financial Year 2020-21.

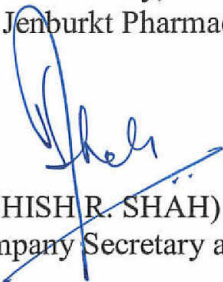
         **Science hai toh Hope hai Hope hai toh Health hai Health hai toh Happiness hai**

We herewith declare that the Auditors of the Company M/s. D. R. Mehta & Associates, Chartered Accountant (Regn. No. 106207W) have presented Auditors Report with unmodified opinion on the Company's standalone Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2021. Kindly treat this declaration as a submission under regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

The Board meeting was concluded at 06:30 p.m.

Kindly take on record the above and acknowledge.

Thanking you,  
Yours faithfully,  
For Jenburkt Pharmaceuticals Ltd.,



(ASHISH R. SHAH)  
Company Secretary and Compliance Officer



**Statement of Audited Standalone Financial Results for the Quarter & Year Ended on 31st March 2021**

Rs. In Lacs other than EPS


		Particulars	Quarter Ended		Year Ended	
			31-03-2021	31-03-2020	31-03-2021	31-03-2020
			Audited	Audited	Audited	Audited
I		Revenue from Operations	2955.95	3027.76	10929.42	11889.09
II		Other Income	125.98	128.70	430.85	421.83
III		<b>Total income (I + II)</b>	<b>3081.93</b>	<b>3156.46</b>	<b>11360.27</b>	<b>12310.92</b>
IV		<b>Expenses</b>				
	(a)	Cost of Materials Consumed	192.17	221.86	678.01	965.21
	(b)	Purchase of Stock-in-trade	327.25	427.45	2013.43	2390.22
	(c)	Changes in inventories of Finished Goods, Stock-in-trade and WIP	231.97	89.81	318.39	-48.74
	(d)	Employee benefit expenses	790.50	947.92	3237.71	3651.02
	(e)	Finance Costs	12.12	12.14	47.37	52.56
	(f)	Depreciation and Amortisation Expense	52.75	56.93	203.54	229.93
	(g)	Other expenses	911.33	711.43	2697.65	2956.94
		<b>Total Expenses (IV)</b>	<b>2518.09</b>	<b>2467.54</b>	<b>9196.10</b>	<b>10197.14</b>
V		<b>Profit before tax (III - IV)</b>	<b>563.84</b>	<b>688.92</b>	<b>2164.17</b>	<b>2113.78</b>
VI		<b>Tax Expense</b>				
	(i)	Current Tax	179.50	176.00	544.50	576.00
	(ii)	Income Tax for previous years	0.00	12.10	8.51	13.89
	(ii)	Deferred Tax	-3.33	39.17	-39.08	36.93
VII		<b>Profit after tax for the period (V-VI)</b>	<b>387.67</b>	<b>461.65</b>	<b>1650.24</b>	<b>1486.96</b>
VIII		<b>Other Comprehensive Income</b>				
	A	(i) Items that will not be reclassified to profit or loss	11.04	-234.29	219.54	-209.68
		(ii) Income Tax relating to Items that will not be reclassified to profit or loss	-59.07	-27.16	-23.58	-23.70
	B	(i) Items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00
		(ii) Income Tax relating to Items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00
IX		<b>Total Comprehensive Income for the period (VII - VIII)</b>	<b>339.64</b>	<b>200.20</b>	<b>1846.20</b>	<b>1253.58</b>
X		<b>Earnings Per Share (in Rs.) (F.V. Rs.10/-) Basic and Diluted</b>	<b>8.45</b>	<b>10.06</b>	<b>35.96</b>	<b>32.40</b>

**Notes:**

- The above statement of audited standalone financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meeting held on 2nd June 2021.
- The Company is dealing exclusively in Pharmaceuticals business segment, hence segment wise reporting is not applicable.
- The figures for the quarter ended on 31st March 2021 are the balancing figures between audited figures for the year ended on 31st March 2021 and published year to date figures upto the third quarter ended on 31st December 2020.
- The figures of the previous year/period have been regrouped/rearranged to render them comparable with figures of the current period.
- The Statement of assets & liabilities as on 31st March 2021 is as per annexure A
- Cashflow Statement as on 31st March 2021 is as per annexure B

 Place : Mumbai  
 Date : 2nd June 2021

 By order of the Board  
 For Jenburkt Pharmaceuticals Ltd.

  
 (ASHISH U BHUTA)  
 CHAIRMAN AND MANAGING DIRECTOR

Science hai toh Hope hai Hope hai toh Health hai Health hai toh Happiness hai



Annexure - A  
Statement of Standalone Assets & Liabilities



			Rs in Lacs	
	Particulars	Note	31/03/2021	31/03/2020
			Amount	Amount
	<b>ASSETS</b>			
(1)	<b>Non-current Assets</b>			
(a)	Property, Plants & Equipments	1	850.69	890.00
(b)	Right to Use Asset	2	156.22	198.51
(c)	Goodwill	2	0.14	0.14
(d)	Other Intangible assets	2	47.96	84.13
(e)	Capital Work In Progress	2	37.76	11.81
(f)	Financial Assets			
	(i) Investments	3	650.07	249.67
	(ii) Loans	4	8.14	6.98
	(iii) Other Financial Assets	5	2,285.78	-
(g)	Other Non-current Assets	6	9.10	35.28
(2)	<b>Current assets</b>			
(a)	Inventories	7	758.15	1,089.87
(b)	Financial Assets			
	(i) Investments	8	25.22	157.19
	(ii) Trade Receivables	9	1,400.07	1,782.98
	(iii) Cash and Cash Equivalents	10	249.37	253.40
	(iv) Bank Balance other than (iii)	11	5,401.31	5,515.73
	(v) Loans	12	11.15	21.86
	(vi) Other Financial Assets	13	29.95	27.96
(c)	Other Current Assets	14	116.92	105.28
	<b>Total Assets</b>		<b>12,038.00</b>	<b>10,430.79</b>
	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Equity</b>			
(a)	Equity Share Capital	15	458.94	458.94
(b)	Other Equity - Reserves & Surplus	16	9,387.69	7,541.49
	<b>LIABILITIES</b>			
(2)	<b>Non-current liabilities</b>			
(a)	Financial Liabilities			
	(i) Lease Liabilities	17	93.97	135.62
	(ii) Other Financial Liabilities	18	296.47	290.84
(b)	Deferred Tax Liability (Net)	19	8.32	23.82
(3)	<b>Current Liabilities</b>			
(a)	Financial Liabilities			
	(i) Lease Liabilities	20	41.66	38.46
	(ii) Borrowings	21	371.06	343.89
	(iii) Trade Payables			
	(A) Total Outstanding dues of Micro Enterprises and Small Enterprises; and	22	2.66	1.85
	(B) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises.	22	358.56	520.79
	(iv) Other Financial Liabilities	23	650.95	582.59
(b)	Other Current Liabilities	24	227.02	231.14
(c)	Provisions	25	127.29	217.31
(d)	Current Tax Liabilities (Net)	26	13.41	44.05
	<b>Total Equity and Liabilities</b>		<b>12,038.00</b>	<b>10,430.79</b>

By order of the Board  
For Jenburkt Pharmaceuticals Ltd.

(ASHISH U BHUTA)

CHAIRMAN AND MANAGING DIRECTOR

Place : Mumbai  
Date : 2nd June 2021

Annexure - B  
Cashflow Statement as on 31st March 2021



Rs in Lacs

		31-03-2021	31-03-2020
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
a	Net Profit After Tax	1,650.24	1,486.96
	Adjustments for :		
i	Depreciation and Amortisation Expense	203.54	229.93
ii	Profit on sale/written off of property, plant and equipment and intangible assets, net	(0.17)	-
iii	Tax Expense	513.93	626.82
iv	Finance Cost	47.37	52.56
v	Interest Income	(405.26)	(363.53)
vi	Dividend income	(1.82)	(4.86)
vii	Gain on sale of Investment (Short/Long Term Capital Gain)	(0.08)	-
viii	Provision/write off for doubtful trade receivables/advances	19.20	-
ix	Net unrealised foreign exchange gain	(22.21)	(36.52)
x	Others	(0.69)	-
	<b>Operating profit (Loss) before working capital changes</b>	<b>2,004.05</b>	<b>1,991.36</b>
<b>b</b>	<b>MOVEMENTS IN WORKING CAPITAL</b>		
i	Increase or (Decrease) in Inventories	331.72	(106.75)
ii	Increase or (Decrease) in Trade Receivables	363.70	506.51
iii	Increase or (Decrease) in Other (Current & Non Current) Assets	(11.11)	(9.79)
iv	Increase or (Decrease) in Trade Payables	(161.42)	(132.25)
v	Increase or (Decrease) in Bank Borrowings	27.17	(403.05)
vi	Increase or (Decrease) in Other (Current & Non Current) Liabilities	92.08	236.01
vii	Increase or (Decrease) in Provisions	(117.07)	(33.89)
<b>c</b>	<b>Cash used in operation</b>	<b>2,529.12</b>	<b>2,048.16</b>
i	Income Taxes paid (Net of Refund)	(583.65)	(546.47)
	<b>Net cash used in operating activities (A)</b>	<b>1,945.48</b>	<b>1,501.68</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
i	Payments for purchase of Property, Plant and Equipment (Including Capital Work in Progress, Intangible Assets and Intangible Assets in	(114.51)	(455.44)
ii	Proceeds from disposal of property, plant and equipment and intangible assets	2.97	99.10
iii	Purchase of Investments	(93.28)	(2,125.79)
iv	Proceeds from Sale / Redemption of Investments	72.06	2,256.65
v	Other Bank balances not considered as cash and cash equivalents		
	Bank Fixed Deposit made during the year	(10,909.16)	(5,172.48)
	Bank Fixed Deposit matured during the year	8,782.59	4,885.55
vi	Current & Non Current Financial Loans (Net employee loans given / recovered)	9.53	19.59
vii	Interest Received	369.88	200.40
ix	Dividend Received	1.82	4.86
	<b>Net cash generated by investing activities (B)</b>	<b>(1,878.10)</b>	<b>(287.57)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
i	Finance Cost	(34.83)	(52.56)
ii	Dividend paid	14.42	(858.19)
iii	Tax on Dividend paid	-	(172.64)
iv	Repayment of Lease Liabilities	(51.00)	-
	<b>Net cash used in financing activities (C)</b>	<b>(71.41)</b>	<b>(1,083.39)</b>
	<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENT (A+B+C)</b>	<b>(4.03)</b>	<b>130.72</b>
	Cash and cash equivalent at the beginning of the year (1st April, 2020)	253.40	122.68
	Cash and cash equivalent as at the end of the year (31st March, 2021)	249.37	253.40
		<b>(4.03)</b>	<b>130.72</b>

By order of the Board  
For Jenburkt Pharmaceuticals Ltd.

(ASHISH U BHUTA)

CHAIRMAN AND MANAGING DIRECTOR

Place : Mumbai

Date : 2nd June 2021



# **D.R.MEHTA & ASSOCIATES**

## **CHARTERED ACCOUNTANTS**

H-2, EVERESTBUILDING, 9<sup>TH</sup> FLOOR, TARDEO CIRCLE, MUMBAI 400034

TEL: 23513758 / 23520330 FAX: 66607263, 9322508373

Email : ashok@drmehta.in, vikram@drmehta.in

### **INDEPENDENT AUDITOR'S REPORT**

#### **To The Members of JENBURKT PHARMACEUTICALS LIMITED Report on the Audit of the Standalone Financial Statements**

##### **Opinion**

We have audited the accompanying standalone financial statements of **JENBURKT PHARMACEUTICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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

##### **Basis for Opinion**

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

##### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The following matters were identified as key audit matters in our audit.

Sr. No.	Key Audit Matter	Auditors Response
1	Revenue Recognition in accordance with IND AS 115 and recognition of government benefits from exports.	<p>Sales is recognized when the goods leave the factory/ godown premises on account of a definite contract of Sale with the customer</p> <p>The export benefits are recognized only when it is certain that the benefit is going to be received by the company</p> <p>Audit Procedure:</p> <p>We have assessed the companies process of revenue recognition, internal controls and various SOP's for recognition of sales, export benefits and other income.</p> <p>We have drawn samples of various types of sales based on systematic analysis of</p> <p>Local sales, Exports and Credit/ Debit notes. The same are verified.</p> <p>Export Sales made at the year end were verified for being air/sea borne as per the contract of sale.</p> <p>The export benefits applied for and received during the year were verified on test check basis</p>
2	Purchase Accounting and Internal Controls	<p>Purchases are made based on the periodic requirement of material/ goods as drawn by the manufacturing, sales and purchase department. The purchases are accounted for, when the goods are physically received at the factory/ godown premises.</p> <p>Audit Procedure:</p> <p>We verified the process of requisition and procurement of raw-materials, packing materials and traded goods. The internal controls systems and standard operating procedures of procurement, receipt and payments for purchases, implemented at factory and head office were reviewed.</p> <p>A systematic sample was drawn of purchases made from various vendors, documentation and accounting for the same were verified</p>
3.	Recoverability of receivable, stock and other current assets	<p>Due to Covid 19 there are various restrictions put by both the central and state government on travel, goods movement and transportation with the intention to control the spread of pandemic. This has effected the business of the company for the year 2020-21. The company is closely monitoring the impact of the pandemic on all aspects of the business. The company has analysed the outstanding and is reasonably certain of recovering the outstanding amounts. The company is also closely monitoring the market situation and has</p>

		<p>exercised due care in concluding significant accounting judgments and estimates with regard to recoverability of receivables, assessment of impairments of assets and investments.</p> <p>We have in consultation with the company send confirmation letter for outstanding balances, however due to lockdown still continuing during the course of conduct of audit due to COVID -19 pandemic replies are pending and the balances are subject to confirmation. We have conducted alternative procedures and our opinion is not modified in this respect. As per our assessment other than impairment recorded no significant effect on carrying amount of inventories, trade receivables and trade investments.</p>
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### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using



the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow 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 Indian Accounting Standards prescribed under section 133 of the Act.
- e) on the basis of the written representations received from the directors of the Company as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March 2021
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **D. R. Mehta & Associates**  
Chartered Accountants  
(Firm's Registration No. 106207W)

ASHOK  
DHIRAJLAL  
MEHTA

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ASHOK DHIRAJLAL  
MEHTA  
Date: 2021.06.02  
18:19:37 +05'30'

**(Ashok Dhirajlal Mehta)**  
Partner  
(Membership No.101746)  
UDIN: 21101746AAAAEN1434



Place: Mumbai,  
Date: 2<sup>nd</sup> June 2021



## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Jenburkt Pharmaceuticals Limited of even date)

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

We have audited the internal financial controls over financial reporting of **JENBURKT PHARMACEUTICALS LIMITED** (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **D. R. Mehta & Associates**  
Chartered Accountants  
(Firm's Registration No. 106207W)

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**(Ashok Dhirajlal Mehta)**  
Partner  
(Membership No.101746)  
UDIN: 21101746AAAAEN1434



Place: Mumbai,  
Date: 2<sup>nd</sup> June 2021

## **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of JENBURKT PHARMACEUTICALS LIMITED of even date)**

- i. In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings other than self-constructed immovable property, which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.
- ii. The physical verification of inventory excluding stocks with third parties, have been conducted at reasonable intervals by the management during the year. In respect of inventory lying with the third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under the section 189 of the Act. Therefore, the provisions of Clause (iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provision of Sections 186 in respect of grant of loans and making investments as applicable. The company has not provided any guarantees or security in respect of any loans to any party covered u/s 185 of the Act.
- v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.



- b) Details of undisputed amounts payable in respect Income Tax dues in arrears as at March 31, 2021 for a period of more than six months are listed in table below. There are no undisputed amounts in respect of Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

<i>Statute</i>	<i>Amount ( ) lacs</i>	<i>Period</i>
Income Tax Act	10.18	A.Y. 2010-11
Income Tax Act	0.18	A.Y. 2014-15
Income Tax Act	1.87	A.Y. 2017-18
Income Tax Act	0.05	Other Years

- c) Details of dues of Sales Tax, and Employees State Insurance which have not been deposited as at March 31, 2021 on account of dispute are given below:

<i>Statute</i>	<i>Nature of Dues</i>	<i>Amount ( ) lacs</i>	<i>Period</i>	<i>Forum where dispute is pending</i>
Central Sales Tax	CST	5.34	2005-06	Departmental Authorities
ESIC	Contribution	20.42 (amount deposited 10.21)	2013-14	Employee State Insurance Court

- viii. According to the records of the Company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to any financial institution or bank or government as at the Balance Sheet date.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The term loans were applied for the purposes for which those are raised.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **D. R. Mehta & Associates**  
Chartered Accountants  
(Firm's Registration No. 106207W)

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**(Ashok Dhirajlal Mehta)**  
Partner  
(Membership No.101746)  
UDIN: **21101746AAAAEN1434**



Place: Mumbai,  
Date: 2<sup>nd</sup> June 2021