



J. B. CHEMICALS & PHARMACEUTICALS LIMITED

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Corporate Identity Number (CIN): L24390MH1976PLC019380 | Tel. No.: +91-22-2439 5200 / 2439 5500 | Fax: +91-22-2431 5331 / 2431 5334 | E-mail: secretarial@jbcpl.com | Website: www.jbcpl.com | Contact Person: Mr. Mayur Mehta, Company Secretary & Compliance Officer

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS / BENEFICIAL OWNERS OF EQUITY SHARES OF J.B. CHEMICALS & PHARMACEUTICALS LIMITED ("COMPANY") FOR BUY-BACK OF EQUITY SHARES THROUGH THE TENDER OFFER ROUTE AS PRESCRIBED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 1998, AS AMENDED.

This Public Announcement (the "Public Announcement") is being made in accordance with the provisions of Regulation 8(1) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 ("Buy-back Regulations") and contains the disclosures as specified in Part A of Schedule II to the Buy-back Regulations for the time being in force, including any statutory modifications and amendments from time to time.

CASH OFFER FOR BUY-BACK UP TO 12,50,000 (TWELVE LAKHS FIFTY THOUSAND) FULLY PAID UP EQUITY SHARES OF THE COMPANY OF FACE VALUE OF ₹ 2 (RUPEES TWO ONLY) EACH AT A PRICE OF ₹ 400 (RUPEES FOUR HUNDRED ONLY) PER EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE "TENDER OFFER" ROUTE AS PRESCRIBED UNDER THE BUY-BACK REGULATIONS USING STOCK EXCHANGE MECHANISM.

1. DETAILS OF THE BUY-BACK OFFER AND OFFER PRICE

1.1 The Board of Directors of J.B. Chemicals & Pharmaceuticals Limited (hereinafter referred to as the "Board"), at their meeting held on May 23, 2017 (the "Board Meeting"), pursuant to the provisions of Article 190 of Articles of Association of the Company and Section 68, 69 and 70 and all other applicable provisions of the Companies Act, 2013 (the "Act") and applicable rules made thereunder and in compliance with the Buy-back Regulations and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board or any person authorised by the Board, approved the Buy-back of Equity Shares by the Company of its fully paid up Equity Shares of face value of ₹ 2 each ("Equity Shares") upto 12,50,000 (Twelve Lakhs Fifty Thousand) (representing up to about 1.47% of the number of Equity Shares of the Company) at a price of ₹ 400 (Rupees Four Hundred only) per Equity Share (the "Buy-back Price") payable in cash for an aggregate amount of up to ₹ 50,00,00,000 (Rupees Fifty Crores only) (the "Buy-back Size"), excluding costs such as fees, brokerage, securities transaction tax, service tax, stamp duty, etc., (the "Transaction Cost") which represents 3.85% of the fully paid-up equity share capital and free reserves (including securities premium account) as per the audited standalone financial statements of the Company as on March 31, 2017, on a proportionate basis through the tender offer route using stock exchange mechanism as prescribed under the Buy-back Regulations from all the equity shareholders / beneficial owners of the Equity Shares of the Company including Promoters, members of Promoter group and Persons Acting in Concert of the Company who hold Equity Shares as on the record date i.e. Friday, June 2, 2017 ("Record Date") ("Buy-back"). It is being understood that the "Promoter", "Promoter Group" and "Persons Acting in Concert" will be such persons as have been disclosed under the shareholding pattern filings made by the Company from time to time under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended. The Buy-back Size does not include any other expenses incurred or to be incurred for the Buy-back such as filing fees payable to Securities and Exchange Board of India ("SEBI"), fees and charges payable to Stock Exchanges, advisors fees, Public Announcement publication expenses, printing and dispatch expenses, and other incidental and related expenses.

1.2 The Equity Shares of Company are listed on the National Stock Exchange of India Limited ("NSE") with Scrip Symbol: JBCHEPHARM and the BSE Limited ("BSE") with Scrip Code: 506943 and Security ID: JBCHEPHARM (NSE and BSE are hereinafter together referred to as the "Stock Exchanges").

1.3 The Equity Shares are proposed to be bought back through Tender Offer at a price of ₹ 400 per Equity Share. The Buy-back Price represents a premium of 17.88% over the volume weighted average market price of the Equity Shares on the NSE (the Stock Exchange where the maximum volume of trading in the Equity Shares is recorded) for 3 (three) months preceding the date of the Board Meeting which was ₹ 339.33 and 16.05% over the volume weighted average market price of the Equity Shares on the NSE for 2 (two) weeks preceding the date of the Board Meeting which was ₹ 344.68. The closing market price of the Equity Shares as on the date of the Board Meeting was ₹ 343.65 on BSE and ₹ 344.25 on NSE.

1.4 In terms of Buy-back Regulations, under the Tender Offer route, Promoters, Promoter Group and Persons acting in Concert have an option to participate in the Buy-back. In this regard, the details of the Promoters, Promoter Group and Persons acting in Concert, who have expressed their intention to participate and details of their participation in the Buy-back have been given in para 7.3 hereinafter. The Promoters are already in control over the affairs of the Company and therefore any further increase in their voting rights, if any consequent to Buy-back of Equity Shares, will not result in any change in control over the Company and shall be in compliance with the provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

1.5 As per provision to section 68 (2) of the Act, the Board of directors of a company can authorize the buy-back of equity shares involving payment of consideration not exceeding 10% of the total paid up equity share capital and free reserves (including securities premium account) of the Company. Accordingly, the Company proposes to utilize an amount not exceeding ₹ 50,00,00,000 for the proposed Buy-back representing 3.85% of the total paid up equity share capital and free reserves (including securities premium account) as per the audited standalone financial statements of the Company as on March 31, 2017 which is within the power of the Board.

1.6 Further, under the Act, the number of Equity Shares that can be bought back during a financial year shall not exceed 25% of the number of equity shares of the Company. Accordingly, the number of Equity Shares that can be bought back during a financial year cannot exceed 2,12,04,993 Equity Shares, being 25% of the paid up Equity Shares of the Company, i.e., 8,48,19,975 Equity Shares. Since the Company proposes to Buy-back up to 12,50,000 Equity Shares, the same is within the aforesaid limit.

1.7 The Buy-back of Equity Shares may be subject to taxation in India and / or in the country of residence of the Eligible Shareholders (as defined hereinafter). In due course, Eligible Shareholders will receive a Letter of Offer, which will contain a more detailed note on taxation. However, in view of the particularized nature of tax consequences, Eligible Shareholders are required to consult their tax advisors for the applicable tax implications.

1.8 A copy of this Public Announcement will be available on SEBI's website (www.sebi.gov.in) as well as on Company's website (www.jbcpl.com).

2. NECESSITY FOR THE BUY-BACK

2.1 The Buy-back is being undertaken by the Company to return surplus funds to the equity shareholders of the Company. Additionally, the Buy-back is being undertaken for the following reasons:

- The Buy-back will help the Company to distribute surplus funds to its shareholders holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to the shareholders;
- The Buy-back, which is being implemented through the Tender Offer as prescribed under the Buy-back Regulations, would involve a reservation of 15% of the Buy-back Size for small shareholders. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as "Small Shareholders" as defined under Regulation 2(a) of the Buy-back Regulations;
- The Buy-back may help in improving financial ratios like earnings per share, return on assets and return on equity calculated on the basis of financial statements, by reducing the equity base of the Company; and
- The Buy-back gives an option to the Eligible Shareholders to either choose to participate in the Buy-back and receive cash in lieu of their Equity Shares which are accepted under the Buy-back or choose not to participate in the Buy-back and get a resultant increase in their percentage shareholding in the Company post the Buy-back, without additional investment.

3. MAXIMUM AMOUNT REQUIRED UNDER THE BUY-BACK

The maximum amount required under the Buy-back will not exceed ₹ 50,00,00,000 which is not exceeding 10% of the aggregate of the total equity paid up capital and free reserves of the Company (including securities premium account) as per the audited standalone financial statements of the Company as on March 31, 2017, excluding Transaction Costs.

4. BUY-BACK PRICE AND BASIS OF ARRIVING AT THE BUY-BACK PRICE

4.1 The Equity Shares are proposed to be bought back at a price of ₹ 400 (Rupees Four Hundred only) per Equity Share. The Buy-back Price has been arrived at after considering various factors, including but not limited to, the volume weighted average market price of the Equity Shares of the Company on NSE (where highest trading in the Equity Shares of the Company was recorded) during 3 (three) months and 2 (two) weeks preceding the date of the Board Meeting, closing market price on the date of Board Meeting and the impact on the net worth of the Company.

5. MAXIMUM NUMBER OF EQUITY SHARES THAT THE COMPANY PROPOSES TO BUY-BACK

The Company proposes to Buy-back up to 12,50,000 Equity Shares representing up to 1.47% of the total number of Equity Shares of the Company.

6. METHODOLOGY FOR BUY-BACK

6.1 As required under the Buy-back Regulations, Equity Shares to be bought back under Tender Offer are divided into two categories: (i) Reserved category for Small Shareholders (as defined hereinafter); and (ii) General category for all other shareholders. Please refer to para 11 of this Public Announcement for further details.

6.2 The Buy-back will be undertaken on a proportionate basis from the Equity Shareholders / beneficial owners of Equity Shares of the Company as on the Record Date ("Eligible Shareholders") through the tender offer process prescribed under Regulation 4(1)(a) of the Buy-back Regulations. Additionally, the Buy-back shall be, subject to applicable laws, implemented by tendering of Equity Shares by Eligible Shareholders and settlement of the same through the stock exchange mechanism as specified by SEBI in the circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 (the "SEBI Circulars") in terms of Regulation 9(3A) of the Buy-back Regulations.

7. DETAILS OF SHAREHOLDING OF PROMOTERS AND PERSONS IN CONTROL

7.1 The aggregate shareholding of the Promoters, Promoter Group and Persons acting in Concert ("Promoters and Promoter Group") as on the date of the Board Meeting i.e. May 23, 2017 is given below:

Category of Member	No. of Equity Shares Held	% of Existing Equity Share Capital
Promoters and Promoter Group	4,72,98,137	55.76
Total of Promoters and Promoter Group	4,72,98,137	55.76

7.2 The aggregate number of Equity Shares purchased or sold by persons mentioned in para 7.1 above during a period of six months preceding the date of the Board Meeting, being May 23, 2017, is as follows:

Name of Shareholder	Aggregate No. of Equity Shares purchased or sold	Nature of Transaction	Maximum Price (₹)	Date of Maximum Price	Minimum Price (₹)	Date of Minimum Price
Vibha A. Mehta	1,900	Sale	360.00	February 03, 2017	326.90	December 23, 2016

Except as disclosed above, the Promoters and Promoter Group have not purchased or sold any Equity Shares of the Company and there has been no change in their shareholdings for last six months prior to the date of the Board Meeting.

7.3 Intention of the Promoters and Promoter Group to tender Equity Shares for Buy-back

In terms of the Buy-back Regulations, under Tender Offer, the Promoters and Promoter Group have the option to participate in the Buy-back. In this regard, Promoters and Promoter Group have expressed their intention to participate in the Buy-back and tender up to an aggregate maximum number of 29,01,242 Equity Shares.

The maximum number of Equity Shares to be tendered by the Promoters and Promoter Group who have expressed their intention to tender Equity Shares in the Buy-back is as under:

Name of the Promoter and Promoter Group	Shares held on May 23, 2017	Maximum Number of Equity Shares which may be tendered
Jyotindra Bhagwanlal Mody	53,71,905	2,68,000
Dinesh Bhagwanlal Mody	47,38,932	2,37,000
Shirish Bhagwanlal Mody	50,56,312	2,53,000
Kumud Dinesh Mody	48,39,944	2,42,000
Bharati Shirish Mody	49,63,002	2,48,000
Pallavi Bharat Mehta	52,01,207	2,60,000
Pranabh Dinesh Mody	49,40,172	2,47,000
P D Mody (Held For P D Mody HUF)	7,000	350
Sejal Pranabh Mody	50,000	2,500
Nirav Shirish Mody	49,84,979	2,49,000
Jinali Pranabh Mody	3,000	150
Purvi Uday Asher	3,75,000	18,750
Jay Bharat Mehta	24,58,608	1,23,000
Uday Madhavdas Asher	1,35,000	1,35,000
Kantaben Vinaychandra Gosalia	25,880	360
Priti Rajen Shah	10,000	500
Bharat P Mehta	26,57,359	1,33,000
Vibha Anupam Mehta	6,800	6,800
Anupam Pravinchandra Mehta	5,000	5,000
Nisha Vinaychandra Gosalia	2,420	Nil
Rajinben Shashikant Zaveri	11,500	11,500
IL.A Dipak Parekh	9,800	Nil
Pallavi Bharat Mehta (Held For Mody Trading Co.)	53,485	2,675
Jyotindra B Mody (Held For Mody Bros.)	19,125	950
Nirav Shirish Mody (As A Trustee Of Priti Family Trust)	2,25,000	11,250
Nirav Shirish Mody (As A Trustee Of Deepali Family Trust)	2,25,000	11,250
Namplax Chemicals Pvt Ltd.	1,23,110	1,23,110

Boxcare Packagings Pvt. Ltd.	8,830	8,830
Synit Drugs Pvt Ltd	750	750
Nitin Doshi	2,61,115	2,61,115
Bharat K Doshi	25,402	15,402
Dinesh Bhagwanlal Mody (Held For D B Mody HUF)	5,02,500	25,000
TOTAL	4,72,98,137	29,01,242

7.4 Details of the date and price of acquisition of the Equity Shares that the Promoters and Promoter Group intend to tender are set-out below:

Note: On April 13, 2005 Equity Shares of face value of ₹ 10 each have been sub-divided into Equity Shares of face value of ₹ 2 each. All the shares shown below have been adjusted to face value of ₹ 2.

1) Jyotindra Bhagwanlal Mody

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue / Acquisition Price per Equity Share (₹)	Total Consideration (₹)
July 1, 1983	Allotment on acquisition of business of a partnership firm	26,500	2.00	Nil	Nil
July 1, 1989	Conversion of fully convertible debentures to equity shares	41,000	2.00	3.00	1,23,000
August 16, 1993	Market Purchase	22,500	2.00	55.08	12,39,350
December 1, 1993	Bonus issue	44,750	2.00	Nil	Nil
August 11, 1994	Market Purchase	5,000	2.00	54.66	2,73,312
June 27, 1995	Market Purchase	1,500	2.00	56.58	84,870
August 9, 1995	Market Purchase	1,500	2.00	43.43	65,145
January 5, 1996	Market Purchase	500	2.00	37.55	18,775
February 28, 1996	Market Purchase	500	2.00	37.55	18,775
July 13, 1998	Market Purchase	17,500	2.00	28.25	4,94,425
December 1, 1998	Bonus issue	1,06,750	2.00	Nil	Nil
Total		2,68,000			

2) Dinesh Bhagwanlal Mody

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue / Acquisition Price per Equity Share (₹)	Total Consideration (₹)
April 26, 1995	Market Purchase	300	2.00	55.49	16,647
May 7, 2015	Allotment of shares under the Scheme of Arrangement	2,36,700	2.00	Nil	Nil
Total		2,37,000			

3) Shirish Bhagwanlal Mody

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue / Acquisition Price per Equity Share (₹)	Total Consideration (₹)
December 1, 1998	Bonus issue	24,250	2.00	Nil	Nil
August 22, 2000	Market Purchase	15,000	2.00	21.86	3,27,900.00
August 25, 2000	Market Purchase	15,675	2.00	20.82	3,26,353.50
October 4, 2000	Market Purchase	18,565	2.00	20.22	3,75,384.30
October 10, 2000	Market Purchase	4,445	2.00	20.42	90,766.90
October 11, 2000	Market Purchase	4,000	2.00	20.42	81,680.00
October 12, 2000	Market Purchase	10,185	2.00	20.42	2,07,977.70
October 13, 2000	Market Purchase	1,500	2.00	20.42	30,630.00
October 17, 2000	Market Purchase	8,345	2.00	20.42	1,70,404.90
October 18, 2000	Market Purchase	4,200	2.00	20.42	85,764.00
October 19, 2000	Market Purchase	500	2.00	20.62	10,310.00
October 20, 2000	Market Purchase	1,250	2.00	20.62	25,775.00
October 24, 2000	Market Purchase	11,675	2.00	20.82	2,43,073.50
October 27, 2000	Market Purchase	1,000	2.00	22.21	22,207.01
October 31, 2000	Market Purchase	1,500	2.00	20.62	30,930.00
November 2, 2000	Market Purchase	7,185	2.00	22.37	1,60,728.45
November 3, 2000	Market Purchase	500	2.00	24.07	12,037.00
November 21, 2000	Market Purchase	1,650	2.00	25.02	41,289.60
December 15, 2000	Allotment of shares under the Scheme of Arrangement	94,125	2.00	Nil	Nil
November 15, 2002	Market Purchase	2,000	2.00	25.88	51,760.00
May 7, 2015	Allotment of shares under the Scheme of Arrangement	25,450	2.00	Nil	Nil
Total		2,53,000			

4) Kumud Dinesh Mody

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue / Acquisition Price per Equity Share (₹)	Total Consideration (₹)
July 1, 1983	Allotment on acquisition of business of a partnership firm	500	2.00	Nil	Nil
August 16, 1993	Market Purchase	5,500	2.00	48.40	2,66,200.00
December 1, 1993	Bonus issue	3,000	2.00	Nil	Nil
December 1, 1998	Bonus issue	9,000	2.00	Nil	Nil
November 7, 2000	Market Purchase	2,240	2.00	24.91	55,798.40
December 15, 2000	Allotment of shares under the Scheme of Arrangement	84,625	2.00	Nil	Nil
May 7, 2015	Allotment of shares under the Scheme of Arrangement	1,37,135	2.00	Nil	Nil
Total		2,42,000			

5) Bharati S Mody

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue / Acquisition Price per Equity Share (₹)	Total Consideration (₹)
July 1, 1983	Allotment on acquisition of business of a partnership firm	500	2.00	Nil	Nil
August 16, 1993	Market Purchase	5,500	2.00	55.21	3,03,650.00
December 1, 1993	Bonus issue	3,000	2.00	Nil	Nil
July 13, 1998	Market Purchase	12,500	2.00	28.25	3,53,075.00
December 1, 1998	Bonus issue	21,500	2.00	Nil	Nil
November 6, 2000	Market Purchase	2,055	2.00	24.27	49,874.85
November 7, 2000	Market Purchase	2,235	2.00	24.92	55,696.20
December 15, 2000	Allotment of shares under the Scheme of Arrangement	94,125	2.00	Nil	Nil
September 13, 2006	Gift received	7,020	2.00	Nil	Nil
June 25, 2009	Gift received	5,220	2.00	Nil	Nil
May 7, 2015	Allotment of shares under the Scheme of Arrangement	94,345	2.00	Nil	Nil
Total		2,48,000			

6) Pallavi Bharat Mehta

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue / Acquisition Price per Equity Share (₹)	Total Consideration (₹)
January 16, 1986	Subscription in IPO	500	2.00	2.00	1,000
December 1, 1993	Bonus issue	250	2.00	Nil	Nil
October 3, 1996	Rights issue	50,195	2.00	16.00	8,03,120
December 1, 1998	Bonus issue	50,945	2.00	Nil	Nil
December 15, 2000	Allotment of shares under the Scheme of Arrangement	1,58,110	2.00	Nil	Nil
Total		2,60,000			

7) Pranabh Dinesh Mody

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue / Acquisition Price per Equity Share (₹)	Total Consideration (₹)
June 1, 1989	Market Purchase	23,500	2.00	3.00	70,500
December 28, 1991	Market Purchase	250	2.00	30.00	7,500
December 1, 1993	Bonus issue	12,625	2.00	Nil	Nil
October 3, 1996	Rights issue	7,600	2.00	16.00	1,21,600
December 1, 1998	Bonus issue	45,475	2.00	Nil	Nil
December 15, 2000	Allotment of shares under the Scheme of Arrangement	81,875	2.00	Nil	Nil
April 30, 2001	Market Purchase	6,000	2.00	16.57	99,400
May 7, 2015	Allotment of shares under the Scheme of Arrangement	69,675	2.00	Nil	Nil
Total		2,47,000			

8) P D Mody (held for P D Mody HUF)

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue / Acquisition Price per Equity Share (₹)	Total Consideration (₹)
August 24, 1997	Market Purchase	350	2.00	22.50	7,875
Total		350			

9) Sejal Pranabh Mody

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue / Acquisition Price per Equity Share (₹)	Total Consideration (₹)
October 3, 1996	Rights				

30) Dinesh Bhagwanlal Mody (Held for D B Mody HUF)

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue / Acquisition Price per Equity Share (₹)	Total Consideration (₹)
July 1, 1983	Allotment on acquisition of business of a partnership firm	25,000	2.00	Nil	Nil
	Total	25,000			

8. NO DEFAULT

The Company confirms that there are no defaults subsisting in the repayment of deposits or interest thereon, redemption of debentures or preference shares or payment of dividend to any shareholder, or repayment of any term loan or interest payable thereon to any financial institution or banks.

9. THE BOARD HAS CONFIRMED THAT IT HAS MADE FULL ENQUIRY INTO THE AFFAIRS AND PROSPECTS OF THE COMPANY AND HAS FORMED THE OPINION THAT:

- Immediately following the date of the Board Meeting, there will be no grounds on which the Company could be found unable to pay its debts;
- As regards the Company's prospects for the year immediately following the date of the Board Meeting approving the Buy-back, and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting approving such Buy-back; and
- In forming its opinion as aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 2013 (including prospective and contingent liabilities)

10. REPORT ADDRESSED TO THE BOARD OF DIRECTORS BY THE COMPANY AUDITOR:

The text of the report dated May 24, 2017 received from J. K. Shah & Co. Chartered Accountants, the Statutory Auditors of the Company and the Statement of computation of permissible capital payments for the proposed Buy-back of Equity Shares of the Company, addressed to the Board of Directors of the Company is reproduced below.

Quote**Independent Auditor's Report on Buy-back of Equity Shares pursuant to the requirement of Schedule II to the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended:**

To,
The Board of Directors

J.B. Chemicals & Pharmaceuticals Limited

4th Floor, Neelam Centre, B Wing, Hind Cycle Road, Worli, Mumbai 400030. Maharashtra, India.

- This Report is issued in accordance with the terms of our service scope letter dated May 23, 2017 and master engagement agreement dated May 23, 2017 with J. B. Chemicals & Pharmaceuticals Limited.
- In connection with the proposal of J.B. Chemicals & Pharmaceuticals Limited ("Company") to Buy-back its Equity Shares in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended ("the Buy-back Regulations"), and in terms of the resolution passed by the Board of Directors of the Company in their meeting held on May 23, 2017, we have been engaged by the Company to perform a reasonable or limited assurance as applicable on the reporting criteria, specified in paragraph 5 of this report.

Board of Directors Responsibility

- The preparation of the Statement of determination of the permissible capital payment towards Buy-back of Equity Shares ("the Statement"), as set out in Annexure A hereto, to be initiated by us for identification purpose only, is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
- The Board of Directors are responsible to make a full inquiry into the affairs and prospectus of the Company and to form an opinion that the Company will not be rendered insolvent within a period of one year from the date of board meeting held to consider the proposal of Buy-back of Equity shares.

Auditor's Responsibility

- Pursuant to the requirements of the Buy-back Regulations, it is our responsibility to provide reasonable assurance on the following point (i) and to provide limited assurance on the following point (ii) and (iii) ("the Reporting Criteria")
 - Whether the amount of capital payment for the Buy-back is within the permissible limit computed in accordance with the provisions of Section 68 of the Act;
 - Whether the Board of Directors has formed the opinion, as specified in Clause (x) of Part A of Schedule II to the Buy-back Regulations, on a reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from the date of board meeting held to consider the proposal of Buy-back of Equity shares.
 - Whether we are aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.
- The financial statements for the financial year ended on March 31, 2017 had been audited by us, on which we had issued an unmodified audit opinion, vide our audit report dated May 23, 2017. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
- We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
- We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
- A reasonable or limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria mention in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:
 - We have inquired into the state of affairs of the Company in relation to its audited financial statements for the Financial year ended on March 31, 2017;
 - Examined authorization for Buy-back from the Articles of Association of the Company;
 - Examined that the amount of capital payment for the Buy-back as detailed in Annexure A is within permissible limit computed in accordance with section 68 of the Act;
 - Examined that the ratio of debt owned by the Company, if any, is not more than twice the capital and its free reserve after such Buy-back;
 - Examined that all Equity Shares for Buy-back are fully paid-up;
 - Examined resolutions passed in the meetings of the Board of Directors;
 - Examined Directors' declarations for the purpose of Buy-back and solvency of the Company;
 - Obtained necessary representations from the management of the Company.

Opinion

- Based on our examination as above and the information and explanations given to us, in our opinion, the amount of capital payment of Rs. 50 Crores for the Equity Shares in question does not exceed the permissible capital payment of Rs. 324.52 Crores, as determined in the Statement of determination of the permissible capital payment towards Buy-back of Equity Shares, as stated in Annexure A, is properly determined in accordance with Section 68 of the Act; and the Board of Directors, in their meeting held on May 23, 2017, have formed the opinion, as specified in clause (x) of Part A of Schedule II of the Buy-back Regulations, on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from that date and we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

Restriction on Use

- This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Regulations solely to enable them to include it (a) in the Public Announcement to be made to the Shareholders of the Company, (b) in the Draft Letter of Offer and Letter of Offer to be filed with the Securities and Exchange Board of India, the Stock Exchanges, the Registrar of Companies as required by the Buy-back Regulations, the National Securities Depository Limited and the Central Depository Securities (India) Limited, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For J. K. Shah & Co

Chartered Accountants
Firm Registration Number: 109606W

Sd/-

J.K. Shah
Partner
Membership Number: 03662

Place of Signature: Mumbai
Date: May 24, 2017

J.B. Chemicals & Pharmaceuticals Limited**Annexure- A****Statement of determination of the Permissible Capital Payment towards Buy-back of Equity Shares ("the Statement") in accordance with Section 68 (2) (b) and (c) of the Companies Act, 2013**

	Particulars	Amount ₹ In Crores	Amount ₹ In Crores
A	Paid Up Equity Share Capital and Free Reserves as at March 31, 2017, based on the Audited Standalone Financial Statements of the Company as at March 31, 2017		
	Paid Up Equity Share Capital	16.96	
	Free Reserves, comprising		
	- Securities Premium Account	49.46	
	- General Reserve	485.48	
	- Surplus in the Statement of Profit and Loss (Excluding unrealized gain (Net) of ₹ 71.56 Crores)	746.18	
	Total Paid Up Equity Share Capital and Free Reserves		1298.08
B	The Amount of Maximum Permissible Capital Payment towards the Buyback being lower of:		
	(a) Permissible Capital Payment towards Buy-back of Equity Shares in accordance with Section 68 (2) (b) and (c) of the Companies Act, 2013 (25% of paid up equity capital and free reserves)		324.52
	(b) Permissible Number of Equity Shares eligible for Buy-back in accordance with Section 68 (2) (b) and (c) of the Companies Act, 2013 (25% of number of paid up equity capital) (Nos.)		2,12,04,994
	(c) 10% of Total Paid Up Equity Share Capital and Free Reserves as at March 31, 2017, and		129.81
	(d) Amount approved by the Board of Directors at their meeting held on May 23, 2017.		50.00

For and on behalf of the Board of Directors of**J. B. Chemicals & Pharmaceuticals Limited****Sd/-**

Name: Pranabh D. Mody
Designation: President & Whole Time Director (Operations)

Place: Mumbai
Date: 24th May, 2017

For J. K. Shah & Co

Chartered Accountants
Firm Registration Number: 109606W

Sd/-

Partner
Membership Number: 03662

Unquote**11. RECORD DATE AND SHAREHOLDERS' ENTITLEMENT**

- The Board has fixed Friday, June 02, 2017 as the Record Date for the purpose of determining the entitlement and the names of the equity shareholders who are eligible to participate in the Buy-back ("Eligible Shareholders").
- Eligible Shareholders will receive a Letter of Offer along with a Tender/Offer Form indicating the entitlement of the equity shareholder for participating in the Buy-back.
- The Equity Shares to be bought back as part of the Buy-back are divided in two categories:
 - Reserved category for Small Shareholders (defined hereinafter); and
 - General category for all other Eligible Shareholders.
- As defined in the Buy-back Regulations, a "Small Shareholder" is a shareholder who holds Equity Shares having market value, on the basis of closing price on BSE or NSE, the highest trading volume is recorded in respect of Equity Shares on the Record Date, of not more than ₹ 2,00,000 (Rupees Two Lakhs).
- In accordance with Regulation 6 of the Buy-back Regulations, 15% of the number of Equity Shares which the Company proposes to Buy-back or number of Equity Shares entitled as per the shareholding of Small Shareholders, whichever is higher, shall be reserved for the Small Shareholders as part of this Buy-back.
- On the basis of the shareholding on the Record Date, the Company will determine the entitlement of each shareholder, including Small Shareholders, to tender their Equity Shares in the Buy-back. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder on the Record Date and the ratio of the Buy-back applicable in the category to which such shareholder belongs. The final number of Equity Shares that the Company will purchase from each Eligible Shareholders will be based on the total number of Equity Shares tendered. Accordingly, the Company may not purchase all of the Equity Shares tendered by Eligible Shareholders.
- After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back if any in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the Buy-back by shareholders in that category, and thereafter from shareholders who have tendered over and above their entitlement in other category.
- The participation of the Eligible Shareholders in the Buy-back is voluntary. Eligible Shareholders may also tender a part of their entitlement. Eligible Shareholders also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any. If the Buy-back entitlement for any shareholder is not a round number, then the fractional entitlement shall be ignored for computation of Buy-back entitlement to tender Equity Shares in the Buy-back.
- The maximum number of Equity Shares that can be tendered under the Buy-back by any Eligible Shareholder cannot exceed the number of Equity Shares held by the equity shareholder as on the Record Date.
- The Buy-back from non-resident members, Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs), and members of foreign nationality, if any, etc. shall be subject to such approvals as are required including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed there under, if any.
- Detailed instructions for participation in the Buy-back as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the Eligible Shareholders.

12. PROCESS AND METHODOLOGY FOR THE BUY-BACK

- The Buy-back is open to all Eligible Shareholders / beneficial owners of the Company, holding Equity Shares either in physical and / or electronic form as on the Record Date.
- The Buy-back will be implemented using the "Mechanism for acquisition of shares through Stock Exchange" devised pursuant to SEBI Circulars and following the procedure prescribed in the Act and the Buy-back Regulations, and as may be determined by the Board (including any person authorized by the Board to complete the formalities of the Buy-back) and on such terms and conditions as may be permitted by law from time to time. In this regard, the Company will request BSE to provide the Acquisition Window. **For the purpose of this Buy-back, BSE will be the Designated Stock Exchange.**
- For implementation of the Buy-back, the Company has appointed **FRR Shares and Securities Limited** as the registered broker to the Company (the "**Company's Broker**") who will facilitate the process of tendering Equity Shares through Stock Exchange Mechanism for the Buyback and through whom the purchases and settlement on account of the Buy-back would be made by the Company. The contact details of the Company's Broker are as follows:
Name: FRR Shares and Securities Limited
Address: 103/C, Mittal Tower, Nariman Point, Mumbai – 400 021.; **Tel.:** 022-43344221
Contact Person: Mr. Nitin Lakhota; **Tel.:** 022-65563031
E-mail: nitin.lakhota@frrshares.com; **Website:** www.frrshares.com
SEBI Registration Number: INB/INF011397230 (BSE)
Corporate Identity Number: U67100MH2010PLC204251

- The Buy-back will be implemented by a separate Acquisition Window provided by BSE to facilitate placing of sell orders by Eligible Shareholders who wish to tender Equity Shares in the Buy-back. The details of the platform will be as specified by the BSE from time to time.
- During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective stock brokers during normal trading hours of the secondary market. The stock brokers ("**Seller Member(s)**") can enter orders for demat shares as well as physical shares. In the tendering process, the Company's Broker may also process the orders received from the Eligible Shareholders.
- Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialised form:**
 - Eligible Shareholders who desire to tender their Equity Shares in the electronic form under Buy-back would have to do so through their respective Seller Member by giving the details of Equity Shares they intend to tender under the Buy-back.
 - The Seller Member would be required to transfer the tendered Equity Shares to a special account of the Indian Clearing Corporation Limited ("**Clearing Corporation**") specifically created for the purpose of Buy-back ("**Special Account**") by using settlement number through the early pay in mechanism of Depositories and the same shall be validated at the time of order entry. The details of settlement number and the Special Account shall be informed in the issue opening circular that will be issued by BSE or Clearing Corporation prior to placing bid by Seller Member.
 - For custodian participant orders for demat Equity Shares, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
 - Upon placing the order, the Selling Member shall provide Transaction Registration Slip ("**TRS**") generated by the exchange bidding system to the Eligible Seller. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, no. of Equity Shares tendered, etc.
 - The cumulative quantity tendered shall be made available on the website of BSE i.e., www.bseindia.com throughout the trading session and will be updated at specific intervals during the tendering period.

12.7. Procedure to be followed by Eligible Shareholders holding Equity Shares in the physical form:

- Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Buy-back will be required to approach their Seller Member along with the complete set of documents for verification procedures to be carried out including the (i) tender form duly signed (by all shareholders in case Equity Shares are held in joint names) in the same order in which they hold the Equity Shares; (ii) original share certificate(s), (iii) valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company, (iv) self-attested copy of the shareholder's PAN Card, and (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution / specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of the Eligible Seller has undergone a change from the address registered in the Register of Members of the Company, the Eligible Shareholders would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- Based on these documents, the concerned Seller Member shall place a bid on behalf of the shareholders holding Physical Shares and who wish to tender Equity Shares in the Buy-back, using the Acquisition Window of BSE. Upon placing the bid, the Seller Member shall provide a TRS generated by the stock exchange bidding system to the shareholder. TRS will contain the details of order submitted such as the folio no., certificate no., distinctive no., no. of Equity Shares tendered etc.
- The Seller Member/ Eligible Seller has to deliver the original share certificate(s) and documents (as mentioned in para 12.7.1 above) along with TRS generated by exchange bidding system upon placing of bid, either by registered post or courier or hand delivery to the Registrar to the Buy-back i.e. **Link Intime India Private Limited ("Registrar")** (at the address mentioned at para 15 below or the collection centre of the registrar details of which will be included in the Letter of Offer) within 2 (two) days of bidding by Seller Member. The envelope should be super scribed as "**J.B. Chemicals & Pharmaceuticals Limited Buy-back 2017**". One copy of the TRS will be retained by registrar and it will provide acknowledgement of the same to the Seller Member / Eligible Seller.
- Eligible Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents are submitted. Acceptance of the physical Equity Shares for the Buy-back shall be subject to verification as per the Buy-back Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time the BSE shall display such bids as 'unconfirmed physical bids'. Once the Registrar confirms the bids, it will be treated as 'Confirmed Bids'.
- Modification / cancellation of orders will be allowed during the tendering period of the Buy-back.
- The cumulative quantity tendered shall be made available on the website of BSE i.e., www.bseindia.com throughout the trading session and will be updated at specific intervals during the tendering period.

13. METHOD OF SETTLEMENT

- Upon finalization of the basis of Acceptance as per the Buy-back Regulations, the settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time.
- The Company will transfer the consideration pertaining to the Buy-back to the Clearing Corporation's bank account through the Company's Brokers as per the secondary market mechanism, as per the prescribed schedule. For demat Equity Shares accepted under the Buyback, the Clearing Corporation will make direct funds pay-out to the respective Eligible Shareholders. If bank account details of any Eligible Shareholder holding Equity Shares in dematerialized form are not available or if the fund transfer instruction is rejected by the Reserve Bank of India or relevant Bank, due to any reasons, then the amount payable to the Eligible Shareholders will be transferred to the concerned Seller Members' for onward transfer to the such Eligible Shareholder holding Equity Shares in dematerialized form.
- In case of certain client types viz. NRI, foreign clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account. For this purpose, the client type details would be collected from the Depositories, whereas funds payout pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the Designated Stock Exchange and the Clearing Corporation from time to time.
- For the Eligible Shareholders holding Equity Shares in physical form, the funds pay-out would be given to their respective Selling Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account.
- The Equity Shares bought back in the dematerialized form would be transferred directly to the escrow account of the Company ("**Company Demat Escrow Account**") provided it is indicated by the Company's Brokers or it will be transferred by the Company's Brokers to the Company Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Designated Stock Exchange.
- Excess Equity Shares or unaccepted Equity Shares, in dematerialised form, if any, tendered by the Eligible Shareholders would be transferred by the Clearing Corporation directly to the respective Eligible Shareholder's DP account. If the securities transfer instruction is rejected in the Depository system, due to any issue then such securities will be transferred to the Seller Member's depository pool account for onward transfer to the respective Eligible Shareholder.
- Any excess Equity Shares, in physical form, pursuant to proportionate acceptance / rejection will be returned back to the Eligible Shareholders directly by the Registrar. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback by Eligible Shareholders holding Equity Shares in the physical form.
- The Seller Member would issue contract note for the Equity Shares accepted under the Buy-back. The Company's Brokers would also issue a contract note to the Company for the Equity Shares accepted under the Buy-back.
- Equity Shareholders who intend to participate in the Buy-back should consult their respective Seller Member for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Seller Member for tendering Equity Shares in the Buy-back (secondary market transaction). The Manager to the Buy-back and the Company accept no responsibility to bear or pay any additional cost, applicable taxes, charges and expenses (including brokerage) levied by the Seller Member, and such costs will be incurred solely by the Eligible Shareholders.
- The Equity Shares lying to the credit of the Company Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

14. COMPLIANCE OFFICER

Investors may contact the Compliance Officer of the Company for any clarifications or to address their grievances, if any, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:

Compliance Officer:

Mr. Mayur Mehta

Company Secretary and Compliance Officer**J.B. Chemicals & Pharmaceuticals Limited**

Energy IT Park, Unit A2, 3rd floor, Appa Saheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India.
Phone: 91-22-2439 5200 / 2439 5500; **Fax:** 91-22-2431 5331 / 2431 5334
Email: secretarial@jbcpl.com; **Website:** www.jbcpl.com

15. REGISTRAR TO THE BUY-BACK / INVESTOR SERVICE CENTRE

In case of any queries, shareholders may also contact the Registrar to the Buy-back during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:

LINK Intime

Link Intime India Private Limited
C 101, 247 Park, L B S Marg, Vikhroli(West), Mumbai – 400 083, Maharashtra, India.

Tel. No.: +91 22 49186200; **Fax:** +91 22 49186195; **Website:** www.linkintime.co.in

Email: jbcchem.buyback@linkintime.co.in; **Contact Person:** Mr. Sumeet Deshpande

SEBI Registration Number: INR000004058; **Validity:** Permanent
CIN: U67190MH1999PTC118368

16. MANAGER TO THE BUY-BACK**VIVRO**

Vivro Financial Services Private Limited
607, 608 Marathon Icon, Opp. Peninsula Corporate Park, Off. Ganpatrao Kadam Marg, Veer Santaji Lane, Lower Parel, Mumbai – 400 013.
Contact Person: Mr. Harish Patel / Mr. Sagar Jatakiya
E-mail: investors@vivro.net, **Website:** www.vivro.net
Tel: +91 22 6666 8040 / 41 / 42; **Fax:** +91 22 6666 8047
SEBI Registration Number: INM000010122; **Validity:** Permanent; **CIN:** U67120GJ1996PTC029182

17. DIRECTORS' RESPONSIBILITY

As per Regulation 19(1)(a) of the Buy-back Regulations, the Board of Directors of the Company accepts responsibility for the information contained in this Public Announcement and confirms that such document contains true, factual and material information and does not contain any misleading information.

For and on behalf of the Board of Directors of J.B. Chemicals & Pharmaceuticals Limited

Sd/- Jyotindra B Mody Managing Director (DIN: 00034851)	Sd/- Pranabh Mody President & Whole Time Director (DIN: 00035505)	Sd/- Mayur Mehta Company Secretary & Compliance Officer (Membership Number: ACS 8854)
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Place: Mumbai

Date: May 24, 2017