

**35<sup>th</sup>**

**ANNUAL REPORT  
2015-2016**



**GUJARAT THEMIS  
BIOSYN LIMITED**



## Corporate Information

### Board Of Directors

**Dr. Dinesh S. Patel**  
Chairman (Non Executive & Promoter)

**Dr. Sachin D. Patel**  
Director (Non Executive & Promoter)

**Mr. Vijay Agarwal**  
Director (Non Executive & Independent)

**Ms. Dharmishta N. Raval**  
Director (Non Executive & Independent)

**Mr. J. H. Choi**  
Director (Non Executive Representative of Yuhan Corpn.)

**Mr. S. S. Lee**  
Director (Non Executive Representative of Yuhan Corpn.)

**Dr. Vikram D. Sanghvi**  
Director (Non Executive & Independent)

**Mr. Siddharth Y. Kusumgar**  
Director (Non Executive & Independent)

**Mr. Hinesh Doshi**  
Director (Non Executive Director)  
(Alternate to Mr. J. H. Choi)

**Mr. Tapas Guha**  
Chief Executive Officer

**Mr. Bharat Desai**  
Chief Financial Officer

**Mr. Vikas Tarekar**  
Company Secretary & Compliance Officer

### Audit Committee

**Mr. Vijay Agarwal**, Chairman  
**Ms. Dharmishtaben Raval**, Member  
**Dr. Sachin D. Patel**, Member  
**Dr. Siddharth Y. Kusumgar**, Member

### Nomination and Remuneration Committee

**Mr. Vijay Agarwal**, Chairman  
**Ms. Dharmishtaben Raval**, Member  
**Dr. Sachin D. Patel**, Member

### Stakeholders Relationship Committee

**Dr. Sachin D. Patel**, Chairman  
**Mr. Vijay Agarwal**, Member  
**Dr. Dinesh S. Patel**, Member

### Bankers

**Union Bank Of India**

### Registered Office and Works

Plot NO. 69-C, G.I.D.C.  
Industrial Estate, Vapi,  
Dist-Valsad,  
Gujarat - 396 195.

### Listing

BSE Limited (BSE)

### Statutory Auditors

M/S. Khandelwal Jain & Co.  
Chartered Accountants,  
Mumbai

### Internal Auditors

**R P Sardar & Co**  
Chartered Accountants,  
Mumbai

### Secretarial Auditors

**H V Gor & Co.**  
Practicing Company Secretaries

### Registrar and Share Transfer Agents

**Link Intime India Pvt Ltd.**  
C-13, Pannalal Silk Mills Compound,  
Lal Bahadur Shastri Marg,  
Bhandup West,  
Mumbai, MH 400078.

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## NOTICE TO THE MEMBERS

NOTICE is hereby given that the 35<sup>th</sup> Annual General Meeting of Gujarat Themis Biosyn Limited will be held on Wednesday, 14<sup>th</sup> September, 2016 at 12 Noon at the Registered Office of the Company at 69/C, GIDC Industrial Estate, Vapi-396 195, Dist. Valsad, Gujarat, to transact the following business :-

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2016 together with Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Sachin D. Patel, (DIN: 00033353) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Jae Hyok Choi, (DIN: 01933775) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and fix their remuneration and in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013 M/s. Khandelwal Jain & Co., Chartered Accountants (Firm Registration No. 105049W), be and is hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till conclusion of the next Annual General Meeting, at a remuneration decided by the Board of Directors of the Company.”

### SPECIAL BUSINESS:

5. To consider & if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to provisions of Section 188 of Companies Act, 2013, and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), the Companies (Meetings of Board and its Powers) Rules, 2014 and such other rules as may be applicable and amended from time to time as well as Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI (LODR) Regulations”) , consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into Related Party Transactions as defined under section 188 of the Companies Act, 2013 with related party as mentioned in explanatory statement annexed to the notice to be entered into by the Company;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and hereby authorized to determine and finalize the terms & conditions related thereto from time to time and all other matters arising out of the incidental to the transactions and generally to do all acts, deeds, matters and things including variation in amount that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this resolution.”

**Registered Office**  
69/C, GIDC Industrial Estate,  
Vapi- 396 195  
Dist. Valsad, Gujarat  
CIN : L24230GJ1981PLC004878

**By Order of the Board of Directors**

Place : Mumbai  
Date : 11<sup>th</sup> August, 2016

Sd/-  
**Dr. Dinesh S. Patel**  
Chairman  
DIN: 00033273

### NOTES:

**A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND, A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

1. The Instrument appointing the Proxy, duly completed, stamped and signed, should reach the Registered Office of the Company not less than forty-eight hours before the time of the Annual General Meeting. Members are requested to note that a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. In terms of Section 152 of the Companies Act, 2013, Dr. Sachin D. Patel and Mr. Jae Hyok Choi, Directors of the Company, retire by rotation at the Meeting and being eligible, offer them for re-appointment. The Board of Directors of the Company commends their re-appointment.

**Details of Directors seeking re-appointment in the 35<sup>th</sup> Annual General Meeting, in pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) 2015.**

Name of the Director	Dr. Sachin D. Patel	Mr. Jae Hyok Choi
Date of Birth	18/01/1975	18/04/1958
Date of appointment	25/10/2008	10/06/2003
Expertise in specific functional areas	Business Development	Planning & Co-ordination, Overseas Business
Qualifications	PH.D. CChem., University of Cambridge. (U.K.)	M.B.A
shareholding of non-executive directors	7100	NA

5. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Relevant documents referred to in the accompanying Notice and the Statements are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
9. The Company has notified closure of Register of Members and Share Transfer Books from 8<sup>th</sup> September, 2016 to 14<sup>th</sup> September, 2016 (both days inclusive).
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Link Intime. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
11. Instructions for shareholders voting electronically are as under:
  - (i) Pursuant to the provisions of Section 108 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, as amended and Regulation 44 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
  - (ii) The Board of Directors of the Company has appointed Mr. Shyam Purohit, a Practicing Chartered Accountant, Vapi as a Scrutinizer to scrutinize the Insta Poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
  - (iii) The voting period begins on Saturday, 10<sup>th</sup> September, 2016 (at 9.00 am) and ends on Tuesday, 13<sup>th</sup> September, 2016 (till 5.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date), i.e. 7<sup>th</sup> September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (x) After entering these details appropriately, click on “SUBMIT” tab.
- (xi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for the relevant to Gujarat Themis Biosyn Limited on which you choose to vote.
- (xiv) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xvi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xix) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xx) Note for Non – Individual Shareholders and Custodians

- a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- c) After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- d) The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- e) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

**In case of members receiving the physical copy:**

- A. The Ballot Form will be provided for the benefit of shareholders, who do not have access to E-voting facility.
- B. Pursuant to the applicable provisions of the Companies Act, 2013 & Listing Regulations, members who do not have access to E-voting facility, may exercise their right to vote on business to be transacted at the Annual General Meeting of the Company by submitting the Ballot Form.
- C. At the end of the discussion on the resolutions on which voting is to be held, the members who are present at the meeting but have not cast their votes by availing the e-voting facility will be allowed voting with the assistance of Scrutinizer by way of ballot /polling paper.
- D. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.gtbl.in](http://www.gtbl.in) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the BSE Limited and the National Stock Exchange of India Limited, where the shares of the Company are listed.

**Registered Office**  
69/C, GIDC Industrial Estate,  
Vapi- 396 195  
Dist. Valsad, Gujarat  
CIN : L24230GJ1981PLC004878

Place : Mumbai  
Date : 11<sup>th</sup> August, 2016

**By Order of the Board of Directors**

Sd/-  
**Dr. Dinesh S. Patel**  
Chairman  
DIN: 00033273

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**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”)**

**Item No. 5**

The provisions of Section 188(1) of the Companies Act, 2013 read with applicable rules and Regulation 23 of the SEBI (LODR) Regulations, 2015 that govern the related party transactions/material related party transactions require a company to obtain prior approval of the Audit Committee/Board of Directors and in case the transactions exceeds specified limits, the prior approval of shareholders by way of ordinary resolution.

Since the proposed related party contracts or arrangements or transactions which fall under the ambit of related party as per Section 2(76) of the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015, is between the Company and Themis Medicare Ltd for entering into related party contracts or arrangements or transactions/material related party contracts or arrangements or transactions by the Company whether by way of investment / providing any security(ies) / guarantee(s) in connection with loan(s) and/or any form of debt and/or provide inter corporate loan(s) or any sale/purchase/service contract transaction(s) or a combination thereof, up to an amount of ₹ 21 Crore (Rupees Twenty One Crore Only) with Themis Medicare Ltd, it would attract Section 188 of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and therefore require your approval.

The disclosures required to be provided under the provisions of the Companies Act, 2013, Regulation 23 of the SEBI (LODR) Regulations, 2015, and the Companies (Meeting of Board and its Powers) Rules, 2014 are given herein below for perusal of the members.

**Name of the related party and nature of relationship:** Themis Medicare Ltd, being a Public company in which director(s) of the Company are Directors and holds along with their relatives more than two percent of its paid up share capital.

**Name of the director or key managerial personnel who is related, if any:**

Except Dr. Sachin Patel and Dr. Dinesh Patel, none of the Directors or Key managerial personnel are related except to the extent of their shareholdings in Themis Medicare Ltd.

**Nature of relationship:** Themis Medicare Ltd, being a Public company in which director(s) of the Company are Directors and holds along with their relatives more than two percent of its paid up share capital.

**Nature, material terms, monetary value and particulars of the contract or arrangement:**

The proposed contracts/arrangements/transactions involving investment/providing any security(ies) / guarantee(s) in connection with loan(s) and/or any form of debt and/or provide inter corporate loan(s) or any sale/purchase/service contract transaction(s) or a combination thereof are as per Related Party Transaction Policy of the Company so the same may be decided by the Board of Directors at relevant time as mutually agreed between the Company and Themis Medicare Ltd within the overall limits approved by the members.

**Any other information relevant or important for the members to take a decision on the proposed resolution:**

All related party contracts/arrangements/transactions are generally carried out on arms-length basis in the ordinary course of business, sharing the material facts required u/s 102(1) of the Companies Act, 2013.

Moreover, in view of the compliance with Statutory requirements required under Section 188 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015` and in keeping with good corporate governance practices, prior approval of the members for entering into material related party transactions by the holding company as described above, is being sought by way of ordinary resolution via postal ballot / e-voting pursuant to Section 188 and all other applicable provisions, if any, of the Companies Act, 2013, (subject to any modification and re-enactment thereof), read with the applicable rules there under, Regulation 23 of the SEBI (LODR) Regulations, 2015 governing Related Party Transactions.

The above material related party contracts or arrangements or transaction(s) were approved by the Audit Committee and the Board of Directors of the Company in their meetings held on August 11, 2016, respectively. The Board recommends passing the resolution as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel and/or their relatives, except Dr. Sachin Patel and Dr. Dinesh Patel, is deemed to be concerned or interested in the resolution. In compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the related parties shall abstain from voting on the proposed resolution.

**Registered Office**  
69/C, GIDC Industrial Estate,  
Vapi- 396 195  
Dist. Valsad, Gujarat  
CIN : L24230GJ1981PLC004878

Place : Mumbai  
Date : 11<sup>th</sup> August, 2016

**By Order of the Board of Directors**

Sd/-  
**Dr. Dinesh S. Patel**  
Chairman  
DIN: 00033273



## DIRECTORS' REPORT

### The Members, Gujarat Themis Biosyn Limited

Your Directors have pleasure in presenting herewith the 35<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2016.

#### 1. FINANCIAL STATEMENTS & RESULTS:

##### a. FINANCIAL RESULTS:

The Company's performance during the year ended 31<sup>st</sup> March, 2016 as compared to the previous financial year, is summarized below:

(₹ in Lakhs)

PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2015
Revenue from Operation	3262.47	3144.02
Operating Profit / (Loss)	605.45	629.14
Other Income	17.00	8.88
Finance Cost	(37.75)	(38.72)
Profit / (Loss) before depreciation, prior period adjustments & tax	584.70	599.29
Depreciation and amortization expenses	(119.87)	(137.54)
Prior period adjustment	(1.90)	(2.35)
Profit after depreciation, exceptional item and prior period adjustments	462.93	459.41
Net Profit after tax	462.93	459.41
Impact on depreciation pursuant to transitional provision in Schedule II	-	(3.95)
Surplus/(Deficit) brought forward	(1037.05)	(1492.51)
Surplus / (Deficit) carried forward to Balance Sheet	(574.12)	(1037.05)

##### b. OPERATIONS:

Your Company's performance during the year was marginally better than the previous year, as the Company is doing Job Work for other Pharma Company with fixed contracted price. The production capacity was utilized to the maximum level during both the years. Your Company has generated profit during the year under review as well as in the previous year.

Your Company's major operations were from Job Work. During the period conversion charges recorded at ₹ 3262.47 Lacs (previous year ₹ 3144.02 Lacs). The operating Profit for the year is ₹ 605.45 Lacs as compared to operating Profit of ₹ 629.14 Lacs for the previous year. The Net Profit recorded by the Company for the year is ₹ 462.93 Lacs as compared to net profit of ₹ 459.41 Lacs in the previous year.

The Company proposes to carry the profit after tax of ₹ 462.93 Lacs for adjustment against brought forward losses.

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and as on the date of the report which affect the Balance Sheet.

##### c. BIFR

During the year Company's net worth turned positive and the Company has filed a petition to the Hon'ble BIFR for de-registration of the Company under Sick Industrial Companies (Special Provisions) Act, 1985.

Your Company performance for the year was far exceeding the Scheme approved by the BIFR order dated 12<sup>th</sup> January, 2012.

d. **SUBSIDIARIES**

The Company does not have any subsidiary.

e. **ASSOCIATES**

The Company has no associate Company.

f. **DIVIDEND:**

In view of carried forward losses, your Directors do not recommend any dividend for the year under consideration.

g. **TRANSFER TO RESERVES:**

Due to Carry forward losses, your Board has not recommended transfer of any amount of profit to reserves during the year under review.

h. **REVISION OF FINANCIAL STATEMENT:**

There was no revision of the financial statements for the year under review.

i. **FIXED DEPOSITS:**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 (the Act) and the Companies (Acceptance of Deposits) Rules, 2014.

2. **DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013:**

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

3. **STATEMENT ON DECLARATION UNDER SECTION 149(6) OF THE COMPANIES ACT, 2013:**

The Board has received declaration from the Independent Directors under section 149(6) of the Companies Act, 2013 that they are not otherwise disqualified to be Independent Directors. The Board further States that all the Independent Directors are persons of integrity and possesses relevant expertise and experience to discharge their duties and roles as Independent Directors of the Company.

4. **STATEMENT UNDER SECTION 178**

Your Company had Constituted Nomination and Remuneration Committee as well as Stakeholder Relation Committee as contemplated under section 178(1) of the Companies Act, 2013. The Nomination and Remuneration Committee consider that the Qualifications, Experience and positive attributes of the Directors on the Board of the Company are sufficient enough to discharge their duties as such.

During the financial year 2015-16, the Company has paid sitting fees to the Independent Directors only for attending Board and Audit Committee meetings.

5. **BOARD'S EXPLANATION ON AUDITORS' REPORTS:**

I. **Explanation on Statutory Auditors' Report**

Observations of Statutory Auditors on Accounts for the year ended 31<sup>st</sup> March, 2016: There are following qualifications made by the Statutory Auditors in respect of financial statement as on and for the year ended 31<sup>st</sup> March, 2016.

**Point No. 1: Determination and identification of significant components of fixed assets**

The Company is in the process of determining and identifying significant components of fixed assets as prescribed under the provisions of para 4(a) under the heading Notes after Part C in Schedule II of the Companies Act, 2013. The management expects that this would not have a material impact on depreciation for the quarter and year ended March 31, 2016.

**Point No. 2: Regarding confirmation of balances**

The Company does not foresee any major impact on the accounts of the Company due to non receipt of balance confirmation from the parties as stated in the auditor's report

II. **Explanation on Secretarial Auditors' Report**

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from Practicing Company Secretary. M/s. H. V. Gor & Co, Company Secretaries had been appointed to conduct Secretarial Audit and issue Report for the financial year 2015-16.

Secretarial Audit Report issued by M/s. H. V. Gor & Co, Company Secretaries in Form MR-3 for the financial year 2015-16 forms part to this report.

In respect of the observations made by in the Secretarial Audit report. Following are the explanations and comments offered by the Board.

1. As per the Factories Act, 1948 and the Rules made there under, though Safety Audit was carried out at the Company's Vapi Plant, necessary corrective measures were not taken up.
  - ⇒ The concerns about sufficient safety measure as per the report are under implementation in respect of Vapi factory.
2. The Company's Vapi Unit engages Contract Labour, however as informed to me the necessary annual compliances will be done during the current year.
  - ⇒ The above observation is self explanatory.
3. Redressal Mechanism under The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 is not set up at the Company's Vapi Unit.
  - ⇒ The Company is taking corrective action in respect of implementation of the redressal mechanism.

**6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The Company has not granted any loans or given guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The details of the investments made by company are given in the notes to the financial statements.

**7. PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES**

The details of transactions/contracts/arrangements entered by the Company with related parties as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review, are furnished in annual report.

All Related Party Transactions that were entered into during the financial year were at arm's length and were in the ordinary course of business. All Related Party Transactions were placed before the Audit Committee and the Board of Directors for their approval. The Audit Committee has granted omnibus approval for Related Party Transactions as per the provisions and restrictions contained in the Listing Agreement.

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.

The Company in the ordinary course of its business, enters into transactions for purchase and sale of goods, materials & services, other obligations from 'Related Parties' within the meaning of Section 2(76) of the Act and Regulation 23 of the SEBI (LODR), Regulations, 2015.

Thus, in terms of Regulation 23(4) of the SEBI (LODR), Regulations, 2015, these transactions do not require approval of the members by way of an Ordinary Resolution. The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board has been adopted by the Company and uploaded on the Company's website at the link: <http://www.gtbl.in/investors/policyonRelatedPartyTransactions> . The details of the transactions with related parties are provided in the accompanying financial statements.

The disclosure of particulars of contracts/arrangements entered into by the company with related parties for the financial year 2015-16 is given as Annexure II in Form No. AOC-2.

**8. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

**9. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL**

During the financial year 2015-16 no orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

**10. DISCLOSURE UNDER SECTION 43(a)(ii) OF THE COMPANIES ACT, 2013:**

The Company has not issued any shares with differential rights and hence no information is provided as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014.

**11. DISCLOSURE UNDER SECTION 54(1)(d) OF THE COMPANIES ACT, 2013**

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**12. DISCLOSURE UNDER SECTION 62(1)(b) OF THE COMPANIES ACT, 2013:**

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information is provided as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.

**13. DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013:**

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

**14. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**BOARD OF DIRECTORS**

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Dr. Sachin D. Patel (DIN: 00033353) & Mr. J.H. Choi (DIN: 01933775) Directors of the Company will retire by rotation at the forthcoming Annual General Meeting who being eligible, offer themselves for re-appointment. The Board recommends to the members the re-appointment of Dr. Sachin D. Patel & Mr. J.H. Choi as Director liable to retirement by rotation.

**BOARD MEETINGS:**

The Board of Directors met Six times during the financial year ended 31<sup>st</sup> March 2016 in accordance with the provisions of the Companies Act, 2013 and rules made there under.

The Meetings of the Board of Directors are held at regular intervals of not more than 120 days in Mumbai or at other places in India as per the convenience of the Directors. These are generally scheduled well in advance. The Board meets at least once a Quarter to review the Performance and Financial Results of the Company. All the major decisions are taken at the Board meeting wherein directors are provided with all material information. The Senior Executives of the Company are invited to attend the Board meeting and provide clarifications as and when required.

**Details of Directors seeking appointment / re-appointment in the 35<sup>th</sup> Annual General Meeting, in pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) 2015.**

<b>Name of the Director</b>	<b>Dr. Sachin D. Patel</b>	<b>Mr. Jae Hyok Choi</b>
<b>Date of Birth</b>	18/01/1975	18/04/1958
<b>Date of appointment</b>	25/10/2008	10/06/2003
<b>Expertise in specific functional areas</b>	Business Development	Planning & Co-ordination, Overseas Business
<b>Qualifications</b>	PH.D. CChem., University of Cambridge. (U.K.)	M.B.A
<b>Shareholding of non-executive directors</b>	7100	NA

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2016, the Board of Directors hereby confirms that:

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed and there is no material departures according to the accounting standards;
- ii) such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and of the profit of the Company for that year;

- iii) proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts of the Company have been prepared on a going concern basis;
- v) internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- vi) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

**NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee of Directors is constituted by the Board of Directors of the Company in accordance with the requirements of Section 178 of the Act.

The Nomination and Remuneration Committee consists of Mr. Vijay Agarwal Chairman, Ms. Dharmishta N. Raval and Dr. Sachin D. Patel as the Members of the Committee.

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

Major criteria defined in the policy framed for appointment and payment of remuneration to the Directors of the Company are of Minimum Qualification, Positive Attributes, Independence & Experience.

**AUDIT COMMITTEE:**

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section. The Audit Committee comprises of four directors and majority of the committee members are Independent directors.

Mr. Vijay Agarwal	-	Chairman
Ms. Dharmishta N Raval	-	Member
Mr. Siddharth Y. Kusumgar	-	Member
Dr. Sachin D. Patel	-	Member

The scope and terms of reference of the Audit Committee is in accordance with the Act and the Listing Agreement entered into with the Stock Exchange.

During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Company has constituted Stakeholders Relationship Committee under the provisions of Section 178 of the Companies Act, 2013. The Stakeholders Relationship Committee comprises of Dr. Sachin D. Patel, Dr. Dinesh S. Patel and Mr. Vijay Agarwal.

Dr. Sachin D Patel is the Chairman of the Stakeholders' Relationship Committee. The Company Secretary acts as the Secretary of the Stakeholders' Relationship Committee.

**VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:**

The Board of Directors of the Company has, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed "Vigil Mechanism Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Audit Committee.

The said Policy is available on the website of the Company at <http://www.gtbl.in>.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

**RISK MANAGEMENT POLICY:**

We have an integrated approach to managing risks inherent in various aspect of our business.

**CORPORATE SOCIAL RESPONSIBILITY POLICY:**

As per the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors has not constituted the Corporate Social Responsibility (CSR) Committee as the Company is not crossing thresh hold limit for CSR spending.

**ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD:**

Provision of the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that the Board shall monitor and review the Board evaluation framework. The Schedule IV of the Companies Act, 2013 states that the performance evaluation of the Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The Board at its meeting held on 10<sup>th</sup> February, 2016 has carried out an annual evaluation of its own performance, Committees and Individual Directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed under SEBI (LODR), Regulations 2015.

The performance of the Board and Committees was evaluated by the Board with the help of inputs received from all the Directors and the Committee members on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the Individual Directors on the basis of the criteria such as the contribution of the individual director to the Board and Committee meetings like ability to contribute and monitor our corporate governance practices, meaningful and constructive contribution in the issues discussed in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views other non-executive directors. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

The Board was overall of the opinion that the Independent Directors have contributed through the process of Board and Committee meeting of which they are members in effective manner as per as their expertise in their field and needs of the organization. The suggestions and contributions of the independent directors in the working of the Board\Committee were satisfactory and the value addition made by such independent directors individually and as a team is commendable.

**DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:**

The Company has not paid any remuneration to the Directors during the financial year 2015-16 and hence disclosure under this section is not applicable.

However, in respect of Key Managerial Personnel the disclosure is attached as Annexure III.

**PAYMENT OF REMUNERATION / COMMISSION TO DIRECTORS FROM HOLDING OR SUBSIDIARY COMPANIES:**

The Company does not have any holding / subsidiary company nor any remuneration / commission paid to the Directors.

**15. APPOINTMENT OF AUDITORS:****STATUTORY AUDITORS**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, Khandelwal Jain & Co., Chartered Accountants, the Statutory Auditors of the Company, hold office upto the conclusion of the ensuing Annual General Meeting. The consent of the Auditors along with certificate under Section 139 of the Act has been obtained from the Auditors to the effect that their appointment, if made, shall be in accordance with the prescribed conditions and that they are eligible to hold the office of Auditors of the Company. The Board recommends the appointment of Khandelwal Jain & Co., Chartered Accountants as the Statutory Auditors of the Company.

Necessary resolution for reappointment of the said Auditors is included in the Notice of AGM for seeking approval of members.

**COST AUDITORS**

As the Company is carrying on Job Work activity, as per the opinion taken on the provisions of Section 148 of the Companies Act, 2013, Cost Audit does not apply to the Company.

**16. OTHER DISCLOSURES**

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

**a. EXTRACT OF ANNUAL RETURN:**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31<sup>st</sup> March 2016 made under the provisions of Section 92(3) of the Act is attached as Annexure IV which forms part of this Report.

**b. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN****EXCHANGE EARNINGS AND OUTGO:**

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in Annexure V which forms part of this Report.

**c. CORPORATE GOVERNANCE**

Report on Corporate Governance and Certificate of Auditors of your Company regarding compliance of the Conditions of Corporate Governance as stipulated in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations, 2015, are enclosed as a separate section and a part of this report in Annexure VI.

**d. PREVENTION OF SEXUAL HARASSMENT:**

During the financial year ended 31<sup>st</sup> March, 2016 your Company has not received any complaint related to sexual harassment.

**17. MANAGEMENT DISCUSSION & ANALYSIS:****Operational Overview:**

Your Company constantly reviews its product market portfolio with the view to sustain its growth. The Company has driven fiscal growth by focusing on the following areas.

**(a) Industry structure and developments:**

The pharmaceutical market in the year 2015 grew at 1.1 % and India accounts for about 2.4% of the global pharmaceutical industry and is expected to expand at a rate of approx 15 % by 2020. The growth is primarily driven by US, China, UK and India.

**(b) Opportunities and Threats:**

The pharma business related with basic human needs and introduction of innovative and cost effective medicines enjoys maximum opportunities in a densely populated country like India.

Availability of sub-standards and substitute products in the market, fierce competition are major threats to the business stability for a small size Company like ours. However, the management is taking all necessary steps and continuously adopting the strategy not only to stand in the market but to perform impressively under the current scenario.

**(c) Segment-wise or product-wise performance:**

The Company operate in single segment i.e. pharmaceuticals. The results of the Company under review depict business growth during the period.

**(d) Outlook:**

Your Company is fully aware of its capabilities and strengths and is going ahead with hand holding strategy with Pharmaceutical majors. This strategy has paid well in the recent past. The Company is also finding new avenues by expanding its existing production capacity.

**(e) Risks and concerns:**

Risks, liabilities and losses are part and parcel of any industry and need to be tackled through well forecasted strategies and actions.

**(f) Internal control systems and their adequacy:**

The Company ensures the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013. The statutory auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit committee of the Board. Other statutory requirements especially, in respect of pharmaceutical business are also vigorously followed in order to have better internal controls over the affairs of the Company.

**(g) Discussion on financial performance with respect to operational performance:**

The operational performance during the year under review was one of the best in recent past. The financial performance is getting improved due to better production output as well as reduction of interest. However, much needs to be done in this area as past losses burden is still impacting the financial performance of the Company.

**(h) Material developments in Human Resources / Industrial Relations front, including number of people employed:**

The core of the Human Resource philosophy at Gujarat Themis is empowering human resources towards achievement of company aspirations. Your Company has a diverse mix of youth and experience which nurtures the business. As on March 31, 2016 the total employee strength was 1126.

**18. ACKNOWLEDGMENT**

Your Directors have pleasure to place on record their sincere appreciation for the continued co-operation and support extended to the Company by Union Bank of India, all the Employees, Yuhan Corporation, Indian promoters, Dept. of Chemical & Petrochemical and various other Government authorities.

**For and on behalf of the Board of Directors**

Place : Mumbai  
Date : 11/05/2016

SD/-  
**Dr. Dinesh S Patel**  
Chairman  
DIN: 00033273



**Annexure - I****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,

**Gujarat Themis Biosyn Limited****L24230GJ1981PLC004878**

69/C, GIDC Industrial Estate,

Vapi – 396 195, Gujarat

We have conducted the Secretarial Audit of the Compliance of applicable provisions and the adherence to good corporate practices by **Gujarat Themis Biosyn Limited** (hereinafter called “the Company”). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2016**, complied with the statutory provisions listed hereunder and also that the company has proper Board –processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India ( Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Company during the audit period)**;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the audit period)**;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies act and dealing with the client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period)**; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the audit period)**
6. We have relied on the representations made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head group of Acts, Laws and Regulations as applicable to the Company is given below;

- a) Pharmacy Act, 1948;
- b) Drugs and Cosmetics Act, 1940;
- c) Drug (Prices Control) Order, 2013;
- d) Drugs and Magic Remedies (Objectionable Advertisement )Act, 1954;
- e) Food Safety and Standard Act, 2006;
- f) Factories Act, 1948 and the Rules made there under;
- g) Industries (Development and Regulation) Act, 1951
- h) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc;
- i) Acts prescribed under prevention and control of pollution;
- j) Acts prescribed under environmental protection;
- k) The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013;
- l) Poisons Act, 1919;
- m) Petroleum Act 1934;
- n) The Indian Copyright Act, 1957;
- o) The Patents Act, 1970;
- p) The Trade Marks Act, 1999;
- q) Acts as prescribed under Direct Tax and Indirect Tax; and
- r) Local laws as applicable at registered office and plant.

We have also examined Compliance with the applicable clauses of the following;

- I. Secretarial Standard 1- on Meetings of the Board of Directors and Secretarial Standard 2 – General Meetings, issued by the Institute of Company Secretaries of India. (Other Secretarial Standards are not applicable since the same are not notified during the audit period);
- II. The Listing Agreement entered into by the Company with Bombay Stock Exchange.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines Standards, etc, mentioned above, subject to the following observations;

1. *As per the Factories Act, 1948 and the Rules made there under, though Safety Audit was carried out at the Company's Vapi Plant, necessary corrective measures were not taken up.*
2. *The Company's Vapi Unit engages Contract Labour, however as informed to me the necessary annual compliances will be done during the current year.*
3. *Redressal Mechanism under The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 is not set up at the Company's Vapi Unit.*

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non- Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaning participation at the meeting.

Majority decision is carried through while the dissenting members, views are captured and recorded as part of the minutes.

We further report that there are moderate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has taken following specific action(s)/decision(s) having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations and guidelines, etc., referred to above.

- 1) In the view of the Company's net worth turning positive, the Company on 5<sup>th</sup> February, 2016, made a miscellaneous application before the Honi'ble Board for Industrial and Financial Reconstruction (BIFR) New Delhi, for De-registration of the Company as a Sick Unit, under SICA.

**For H. V. Gor & Co**  
**Practicing Company Secretaries**

Sd/-

**Mr. Ketan R Shirwadkar**  
Partner  
ACS No. 37829  
COP No. 15386

Place: Navi Mumbai  
Date: 11<sup>th</sup> May, 2016

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

### **ANNEXURE A OF SECRETARIAL AUDIT REPORT**

To,  
The Members,

**Gujarat Themis Biosyn Limited**  
**L24230GJ1981PLC004878**  
69/C, GIDC Industrial Estate,  
Vapi – 396 195, Gujarat

Our report of even date to be read along with this letter;

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards, is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy and effectiveness with which the management has conducted the affairs of the Company.

**For H. V. Gor & Co**  
**Practicing Company Secretaries**

Sd/-

**Mr. Ketan R Shirwadkar**  
Partner  
ACS No. 37829  
COP No. 15386

Date: 11<sup>th</sup> May, 2016  
Place: Navi Mumbai

**ANNEXURE II**
**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

1. **Details of contracts or arrangements or transactions not at arm's length basis: - NA**

2. **Details of material contracts or arrangement or transactions at arm's length basis**

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board
1.	Themis Medicare Ltd. (Associate Company)	Purchase of Stores & Spares	On Continuous basis	₹ 3,71,157/-	Approved in Board Meeting held on 6 <sup>th</sup> Feb, 2015
		Advance received	On Continuous basis	₹ 20,000/-	Approved in Board Meeting held on 6 <sup>th</sup> Feb, 2015
		Advance received from customer refunded	On Continuous basis	₹ 2,24,21,437/-	Approved in Board Meeting held on 6 <sup>th</sup> Feb, 2015
		Reimbursement of Expenses	-	₹ 5,000/-	Approved in Board Meeting held on 6 <sup>th</sup> Feb, 2015
2.	Mr. Rajneesh Anand	Consultant	Consultant	₹ 29,40,000/-	6 <sup>th</sup> August, 2014

## ANNEXURE III

## DISCLOSURE OF DETAILS AS PER RULE 5 OF THE COMPANIES (APPOINTMENT &amp; REMUNERATION) RULES, 2014

- 1) The percentage increase in remuneration of Chief Financial Officer, Chief Executive Officer and Company Secretary of the Company for the financial year 2015-16:

Name	% Increase in the remuneration	Ratio of the remuneration of each Director / to median remuneration of the employees.
Mr. Vijay Agarwal	-	0.73
Ms. Dharmisthaben Raval	-	0.49
Dr. Vikram D. Sanghvi	-	0.32
Mr. Siddharth Y. Kusumgar	-	0.65
Mr. Tapas Bhudebendranath Guhathakurata (CEO) w.e.f 07.08.2014	22.15%	-
Mr. Vikas P. Tarekar (Company Secretary) w.e.f 02.07.2014	48.24	-
Mr. Bharat Amratlal Desai (CFO) w.e.f 17.03.2015	NA	-

- 2) The percentage increase in the median remuneration of employees in the financial year : (21.93) %
- 3) The number of permanent employees on the rolls of the Company: 101
- 4) Explanation on the relationship between average increase in remuneration and the Company's Performance:
- **For Directors:** The Company has not paid any remuneration to the Directors during the financial year 2016-17.
  - **For Employees:** Average increase in the remuneration of employees compare to last year is 3.93%.%
- 5) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:
- Normal increase in the remuneration of CEO in line with Company's remuneration policy.
- 6) Variations in the market capitalization of the Company: The Market Capitalisation as on March 31, 2016 Was ₹ 7380.58 Lakhs (₹ 5506.38 Lakhs as on March 31, 2015).
- 7) Price Earning Ratio: Price Earning Ratio of the Company was 15.92 as on March 31, 2016 and was 12.15 as on March 31, 2015.
- 8) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer :
- The Company came out with initial public offer (IPO) in 16<sup>th</sup> July, 1984 at price of ₹ 10 per share (Face value ₹ 10). However in the year 2012 the Company has decrease the denomination of the Shares from ₹ 10.00 to ₹ 5.00. The market price of the share as on March 31<sup>st</sup>, 2016 was ₹ 50.80 on BSE Ltd. The variation in price is 916 %. This is excluding the dividend accrued thereon.
- 9) Average percentile increase already made in the salaries of employees other than the managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- There is no Average percentage increase in the salaries of employees other than the managerial personnel in the last financial year.
- 10) The key parameters for variable component of remuneration availed by the directors are as Follows: There is no variable remuneration availed by Directors except for sitting fees paid to Non-Executive Directors.
- 11) The ratio of the remuneration of the highest paid director to that of the employees who are not Directors but receive remuneration in excess of the highest paid director during the year: NA
- 12) It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and other Employees is as per the Remuneration Policy of the Company.

**ANNEXURE- IV**
**EXTRACT OF ANNUAL RETURN**
**As on financial year ended on 31<sup>st</sup> March 2016**
*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*
**I. REGISTRATION AND OTHER DETAILS:**

CIN	:	L24230GJ1981PLC004878
Registration Date	:	11/12/1981
Name of the Company	:	GUJARAT THEMIS BIOSYN LTD
Category / Sub-Category of the Company	:	Company Limited by shares/Indian Non-Government Company
Address of the Registered office and contact details	:	PLOT NO 69-C, GIDC IND ESTATE, VAPI, DIST- VALSAD, Gujarat-396195 ▪ Contact Details: Tel: 91-0260-2430027; Fax: 91-0260-2400639 ▪ Email : <a href="mailto:gtblmumbai@gtbl.in">gtblmumbai@gtbl.in</a> / <a href="mailto:accounts@gtbl.co.in">accounts@gtbl.co.in</a> ▪ Website : <a href="http://www.gtbl.in">www.gtbl.in</a>
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	<b>Link Intime India Pvt. Ltd,</b> C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (West), Mumbai - 400078. Tel : +91 22 25963838 Fax : +91 22 2594 6969 E-mail : <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Web site : <a href="http://www.linkintime.com">www.linkintime.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of pharmaceuticals & medicinal chemical	2100	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : Nil**
**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):**
**i. CATEGORY-WISE SHARE HOLDING:**

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2015				Shareholding at the end of the year - 2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	88045	1	88046	0.6060	94139	1	94140	'0.6480	0.0420
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	'0.0000	0.0000

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2015				Shareholding at the end of the year - 2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)									
	Bodies Corporate	6951605	0	6951605	47.8474	6951605	0	6951605	47.8474	0.0000
	Sub Total (A)(1)	7039650	1	7039651	48.4534	7045744	1	7045745	48.4954	0.0420
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Bodies Corporate	3850000	0	3850000	26.4993	3850000	0	3850000	26.4993	0.0000
	Sub Total (A)(2)	3850000	0	3850000	26.4993	3850000	0	3850000	26.4993	0.0000
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	10889650	1	10889651	74.9527	10895744	1	10895745	74.9946	0.0419
<b>(B)</b>	<b>Public Shareholding</b>									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	2800	2800	0.0193	0	2800	2800	0.0193	0.0000
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
(e)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
(f)	Financial Institutions / Banks	0	2100	2100	0.0145	0	2100	2100	'0.0145	'0.0000
(g)	Insurance Companies	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	0	4900	4900	0.0337	0	4900	4900	'0.0337	'0.0000
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0.0000	0	0	0	'0.0000	'0.0000

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2015				Shareholding at the end of the year - 2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	1709917	298757	2008674	13.8256	1899952	291507	2191459	'15.0837	'1.2581
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1178425	0	1178425	8.1110	832305	0	832305	'5.7287	'-2.3823
(b)	NBFCs registered with RBI	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
(c)	Employee Trusts	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
(e)	Any Other (Specify)									
	Trusts	20150	50	20200	0.1390	20150	50	20200	'0.1390	'0.0000
	Hindu Undivided Family	0	0	0	0.0000	188018	0	188018	'1.2941	'1.2941
	Non Resident Indians (Non Repat)	18212	0	18212	0.1254	11592	0	11592	'0.0798	'-0.0456
	Non Resident Indians (Repat)	44792	36900	81692	0.5623	72502	34600	107102	'0.7372	'0.1749
	Clearing Member	86103	0	86103	0.5926	54237	0	54237	'0.3733	'-0.2193
	Bodies Corporate	228345	12500	240845	1.6577	210644	12500	223144	'1.5359	'-0.1218
	Sub Total (B)(3)	3285944	348207	3634151	25.0136	3289400	338657	3628057	'24.9717	'-0.0419
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	3285944	353107	3639051	25.0473	3289400	343557	3632957	'25.0054	'-0.0419
	Total (A)+(B)	14175594	353108	14528702	100.0000	14185144	343558	14528702	'100.0000	'0.0000
<b>(C)</b>	<b>Non Promoter - Non Public</b>									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
	Total (A)+(B)+(C)	14175594	353108	14528702	100.00	14185144	343558	14528702	100.00	



## ii. SHAREHOLDING OF PROMOTERS:

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2015		Transactions during the year		Cumulative Shareholding at the end of the year - 2016	
		No.Of Shares Held	% Of Total Shares Of The Company	Date Of Transaction	No. Of Shares	No Of Shares Held	% Of Total Shares Of The Company
1	Yuhan Corporation	3850000	26.4993	-	-	3850000	26.4993
	At The End Of The Year	-	-	-	-	3850000	26.4993
2	Pharmaceutical Business Group [India] Ltd	3582000	24.6546	-	-	3582000	24.6546
	At The End Of The Year	-	-	-	-	3582000	24.6546
3	Themis Medicare Limited	3369605	23.1927	-	-	3369605	23.1927
	At The End Of The Year	-	-	-	-	3369605	23.1927
4	Jayshree Dinesh Patel	76739	0.5282	-	-	76739	0.5282
	Transfer	-	-	16 Oct 2015	(6094)	70645	0.4862
	At The End Of The Year	-	-	-	-	70645	0.4862
5	Sachin Dinesh Patel	7100	0.0489	-	-	7100	0.0489
	At The End Of The Year	-	-	-	-	7100	0.0489
6	Reena Sachin Patel	5600	0.0385	-	-	5600	0.0385
	At The End Of The Year	-	-	-	-	5600	0.0385
7	Dinesh Shantilal Patel	4700	0.0323	-	-	4700	0.0323
	At The End Of The Year	-	-	-	-	4700	0.0323
8	Anay Rupen Choksi	0	0.0000	-	-	0	0.0000
	Transfer	-	-	16 Oct 2015	3047	3047	0.0210
	At The End Of The Year	-	-	-	-	3047	0.0210
9	Nysha Rupen Choksi	0	0.0000	-	-	0	0.0000
	Transfer	-	-	16 Oct 2015	3047	3047	0.0210
	At The End Of The Year	-	-	-	-	3047	0.0210
10	Dinesh Shantilal Patel (Joint Holding with Chemosyn Private Ltd.)	1	0.0000	-	-	1	0.0000
	At The End Of The Year	-	-	-	-	1	0.0000

**iii. CHANGE IN PROMOTERS' SHAREHOLDING :**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	10,895,745	74.99	10,895,745	74.99
2.	Decrease in Share holding during the year				
3.	<b>At the End of the year</b>	<b>10,895,745</b>	<b>74.99</b>	<b>10,895,745</b>	<b>74.99</b>

**iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):**

Sr. No.	For each of the Top Ten Shareholders	Shareholding at the beginning of the year		For each of the Top Ten Shareholders	Shareholding at the end of the year	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1	Dipak Kanayalal Shah	146000	1.00	Dipak Kanayalal Shah	146000	1.00
2	Nidhi Biyani	100000	0.69	Nidhi Biyani	100000	0.69
3	Manoj Agarwal	85502	0.59	Manoj Agarwal	85502	0.59
4	Neelkamal Motilal Parekh	71000	0.49	Neelkamal Motilal Parekh	71000	0.49
5	Naresh O Jain	62000	0.43	Naresh O Jain	62000	0.43
6	Vinod Hardattarai Biyani	52388	0.36	Vinod Hardattarai Biyani	52388	0.36
7	Dr Ramesh Chimanlal Shah	47721	0.33	Dr Ramesh Chimanlal Shah	47721	0.33
8	Rashmi Agarwal	45200	0.31	Rashmi Agarwal	45200	0.31
9	Seema Modani	37501	0.26	Seema Modani	37501	0.26
10	Raunak Roongta	36273	0.25	Raunak Roongta	36273	0.25

Note: The shares of the Company are traded on a daily basis and hence the date wise increase / decrease in shareholding is not indicated

**v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>DR. DINESH SHANTILAL PATEL</b> (Promoter Director)				
	At the beginning of the year	4701	0.03	4701	0.03
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the End of the year	4701	0.03	4701	0.03
2	<b>DR. SACHIN D PATEL</b> (Promoter Director)				
	At the beginning of the year	7100	0.05	7100	0.05
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the End of the year	7100	0.05	7100	0.05

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	<b>MR. TAPAS B GUHA</b>				
	At the beginning of the year	50	0	50	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the End of the year	50	0	50	-
4	<b>MR. BHARAT A. DESAI</b>				
	At the beginning of the year	100	0	100	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the End of the year	100	0	100	-
5	<b>Mr. VIKAS P. TAREKAR</b>				
	At the beginning of the year	10	0	10	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the End of the year	10	0	10	-

**I INDEBTEDNESS:**

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

(₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the beginning of the financial year				
i) Principal Amount	259.57	350.00	-	609.57
ii) Interest due but not paid	0	0	-	0
iii) Interest accrued but not due	0.48	0	-	0.48
Total (i+ii+iii)	260.05	350.00	-	610.05
Change in Indebtedness during the financial year				
- Addition	20.13	0.00	-	20.13
- Reduction	101.34	205.99	-	307.33
Net Change	121.47	205.99	-	327.46
Indebtedness at the end of the financial year				
i) Principal Amount	178.35	144.01	-	322.36
ii) Interest due but not paid	0	0	-	0
iii) Interest accrued but not due	0.31	0	-	0.31
Total (i+ii+iii)	178.66	144.01	-	322.67

**A. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Mr. Tapas B Guha	Mr. Bharat Desai	Mr. Vikas Tarekar
		CEO	CFO	C.S
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	929010	566285	530437
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	8400	8400	8400
(c)	Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	- others, specify(Provident Fund)	0	31891	23976
5	Others,	0	0	0
	Total	937410	606576	562813

**II. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : NIL**

## ANNEXURE V

## DISCLOSURE PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS), RULES 2014

## (A) Conservation of energy:

Steps taken or impact on conservation of energy	None
Steps taken by the company for utilizing alternate sources of energy	None
Capital investment on energy conservation equipments	Nil

## (B) Technology absorption:

Efforts made towards technology absorption	New technology absorption efforts are being made on continuous basis
Benefits derived like product improvement, cost reduction, product development or import substitution	Product output improvement
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
• Details of technology imported	NA
• Year of import	NA
• Whether the technology has been fully absorbed	NA
• If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NA
Expenditure incurred on Research and Development	Nil

## (C) Foreign exchange earnings and Outgo:

Particulars	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016 [Current F. Y.]	1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015 [Previous F. Y.]
	Amount in (₹ Lakhs)	Amount in (₹ Lakhs)
Actual Foreign Exchange earnings	Nil	Nil
Actual Foreign Exchange outgo	Nil	Nil

**ANNEXURE VI**  
**REPORT ON CORPORATE GOVERNANCE**

[Pursuant to Part C of Schedule V the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Listing Regulations"]

The Members,

The Directors of the Company are pleased to present report on Corporate Governance for the financial year ended 31<sup>st</sup> March, 2016.

**1. PHILOSOPHY ON CODE OF GOVERNANCE**

The Company has maintained high level of commitment towards effective Corporate Governance. The Company has over the years, apart from following the statutory requirements on Corporate Governance has initiated systems on transparency, disclosure, control, accountability, establishing trust with all stakeholders including the investors, employees, suppliers, customers and the medical profession at large. The Company is regularly guided by the professionals on the Board as well as the representatives of the foreign collaborators in evolving the culture. The company envisages the attainment of a higher level of transparency and accountability in the functioning of the company and the conduct of its business internally and externally.

**2. BOARD OF DIRECTORS**

**Composition of the Board**

→ The Company's Board comprises of Directors in accordance with the provision of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 on Corporate Governance. The Non-Executive Directors bring an external and wider perspective confirming therewith in depth business deliberations and decisions advantage. The Board represents an optimum mix of professionals and experts.

The present strength of the Board is Nine Non-executive Directors comprising of Four Indian Independent Professional Directors, Two Directors represent Foreign Collaborators/Promoters, 2 Indian Promoter Directors and an Alternate Director to Foreign Director.

**Appointment and Tenure:**

→ The Directors of the Company are appointed by members at the General Meetings and two-third directors, other than Independent Directors retire by rotation pursuant to the provisions of the Companies Act, 2013.

**Board Independence:**

→ Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, all the Non-Executive – Independent Directors are independent in terms of the SEBI (Listing and Obligation Disclosure Requirement), Regulation, 2015.

→ **Composition of Board, Directorships and attendance of each Director at the Board of Directors Meetings and at the last AGM, is as follows:**

Name of the Director	Designation	Category	No. of Board Meetings attended	Last AGM Attended	Number of Directorship in other Companies	Number of Committee positions held in other Companies	
						Chairman	Member
Dr. Dinesh S. Patel	Chairman	Non Executive Promoter Director	6	Yes	2	0	1
Dr. Sachin Dinesh Patel	Director	Non Executive Promoter Director	6	Yes	2	0	1
Mr. Vijay Agarwal	Director	Independent Director	6	Yes	7	0	5
Ms. Dharmisthaben N Raval	Director	Independent Director	3	Yes	6	0	3

Name of the Director	Designation	Category	No. of Board Meetings attended	Last AGM Attended	Number of Directorship in other Companies	Number of Committee positions held in other Companies	
						Chairman	Member
Dr. Vikram D. Sanghvi	Director	Independent Director	4	No	0	0	0
Mr. Siddharth Y. Kusumgar	Director	Independent Director	5	No	0	0	0
Mr. S.S. Lee	Director	Non Executive Director Representative of Yuhan Corpn	1	No	-	-	-
Mr. J. H. Choi	Director	Non Executive Director Representative of Yuhan Corpn	0	No	-	-	-
Mr. Hinesh Doshi	Alternate Director Mr. J.H. Choi	Non Executive Director	4	No	1	-	-

## Notes :

- No. of Directorship in other Companies is excluding Foreign and Private Limited Companies.
- No. of Committee positions (Chairmanship/Membership) held in other Companies is excluding Foreign, Private Ltd., and Section 8 Companies. Further, only two Committees i.e. Audit Committee and Shareholders Relationship Committee were considered

<p>❖ <b>Dates of Board Meetings held during the F.Y. 2015-16</b>  <b>Six Board Meetings were held during the year on following dates:</b></p> <ol style="list-style-type: none"> <li>28<sup>th</sup> May, 2015</li> <li>11<sup>th</sup> August, 2015</li> <li>25<sup>th</sup> September, 2015</li> <li>5<sup>th</sup> November, 2015</li> <li>15<sup>th</sup> January, 2016</li> <li>10<sup>th</sup> February, 2016</li> </ol>	<p>❖ <b>Risk Management</b>  Risk Management is a process with methods and tools for managing risks. Business risks are generally discussed in Board Meeting and risk mitigation strategies are implemented in the Company.</p> <p>❖ <b>Management Discussion and Analysis Report (MD &amp; A)</b>  The MD&amp; A report forms part of the Annual Report and provided elsewhere in this report</p>
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→ **Shareholdings of Non – Executive Directors in the Company as on 31<sup>st</sup> March, 2016:**

Sr. No.	Name of Director	No. of Equity shares of ₹ 5/- each held	% holding
1.	Mr. Vijay Agarwal	Nil	Nil
2.	Ms. Dharmisthaben N Raval	Nil	Nil
3.	Dr. Vikram Sanghvi	Nil	Nil
4.	Mr. Jae Hyok Choi	Nil	Nil
5.	Mr. Si Sung Lee	Nil	Nil
6.	Dr. Dinesh S. Patel	4701	0.032
7.	Dr. Sachin D. Patel	7100	0.049
8.	Mr. Hinesh R. Doshi	Nil	Nil
9.	Mr. Siddharth Kusumgar	Nil	Nil

→ **Separate Meeting of Independent Directors:**

The meeting of Independent Directors was held on Wednesday, 10<sup>th</sup> February, 2016, and they inter alia discussed the performance of Non-Independent Directors and the Board as a whole; The performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors; The quality, quantity and timeliness of flow of information between the management of the Company and the Board that is necessary for the Board to effectively and reasonably perform their duties.

→ **Familiarization Programme For Independent Directors:**

All directors inducted to the Board are introduced to our Company culture through appropriate orientation sessions. Presentation made by the Chairman & senior management to provide an overview of our operations, and to familiarize the new non-executive directors with our operations. They are also introduced to our organization structure, our services, constitution, and board procedures, matters reserved for the Boards, and our major risks and risk management strategy. They seek to enable the Independent Directors to understand the business and strategy, and leverage their expertise and experience to the maximum benefit of the Company. Details of programs conducted by the Company for the financial year 2015-2016 are available on the website of the Company at <http://www.gtbi.in/>

### **3. COMMITTEES OF BOARD**

The Board Committees are set up to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. Minutes of proceedings of Committee meetings are circulated to the Directors and placed before Board Meetings for noting. The Board has currently established the following statutory and non-statutory Committees:

#### **A. Audit Committee :**

The members of the Audit Committee have wide exposure and knowledge in area of finance and accounting. The terms of reference of the Audit Committee have been in line with Regulation 18 of SEBI Listing Obligations and Disclosure Requirement, Regulations, 2015 and Section 177 of the Companies Act, 2013. The Audit Committee, inter alia, provides reassurance to the Board on the existence of an effective internal control environment.

The terms of reference of the Audit committee are briefly described below:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Reviewing and monitoring the auditor's independence and performance.
4. Recommending to the Board, the appointment and remuneration of Cost Auditor.
5. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
6. Reviewing, with the management, the annual financial statements and quarterly financial statements
7. Reviewing with the management, performance of internal auditors and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and frequency of internal audit.
9. Discussing with internal auditors any significant findings and follow-up thereon.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11. Discussion with statutory auditors before the audit commences.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism.
14. Approval or any subsequent modification of transactions of the Company with related parties.
15. To evaluate internal financial controls and risk managements systems.
16. Approval of appointment of CFO.



- **Composition:**

The terms of reference and powers of committee are in compliance with the provisions of the Listing Regulations on Corporate Governance and Section 177 of the Companies Act, 2013.

The Audit committee consists of Mr. Vijay Agarwal – Chairman, Dr. Sachin D. Patel, Ms. Dharmisthaben N. Raval and Mr. Siddharth Y. Kusumgar are the Members.

- **Meetings:**

During the period under consideration, 5 (Five) Meetings of the Committee were held as follows. The dates of Audit Committee meetings held during Financial Year 2015-16 are as follows:

- 28<sup>th</sup> May, 2015,
- 11<sup>th</sup> August, 2015,
- 5<sup>th</sup> November, 2015,
- 15<sup>th</sup> January, 2016 &
- 10<sup>th</sup> February, 2016.

**Audit Committee attendance during the year is as under:**

Name	Status	No. of Meetings Attended
Mr. Vijay Agarwal	Chairman	5
Ms. Dharmisthaben N Raval	Member	3
Dr. Sachin D Patel	Member	5
Mr. Siddharth Y Kusumgar	Member	5

- **Attendees:**

The Statutory & Internal Auditors were invited to attend the meetings.

Mr. Vikas Tarekar, Company Secretary acts as Secretary to the Audit Committee.

## B. **NOMINATION & REMUNERATION COMMITTEE:**

In terms of Section 178(1) of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirement), Regulation, 2015, the Nomination and Remuneration Committee ("NRC").

The role of Nomination and Remuneration Committee in brief is as follows:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Devising a policy on diversity of board of directors;
4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent directors.

- **Composition:**

Nomination & Remuneration Committee was constituted by the Board with Two Independent Directors & One Non-Executive Director.

The Company Secretary acts as the Secretary of the Committee.

- **Meetings:**

During the period under consideration, 2 (Two) Meetings of the Nomination & Remuneration Committee of the Company were held as follows:

- 28<sup>th</sup> May, 2015
- 10<sup>th</sup> February, 2016

- Nomination & Remuneration Committee attendance during the year are as under:

Name	Status	No. of Meetings Attended
Mr. Vijay Agarwal	Chairman	2
Ms. Dharmisthaben N. Rawal	Member	1
Dr. Sachin D. Patel	Member	2

- **Board Evaluation**

The Nomination and Remuneration Committee laid down the evaluation criteria for performance evaluation of Directors, Board and its Committees. The Board is committed for evaluating its own performance as a Board and individual performance of Directors, in order to identify strengths and areas in which it may improve functioning. Further, overall effectiveness of the Board shall be measured to decide the appointments, reappointments of directors. The details of annual Board Evaluation process for Directors have been provided in the Board's Report.

Following are the major criteria applied for performance evaluation —

1. Attendance and contribution at Board and Committee meetings and application of his/her expertise, leadership qualities and knowledge to give overall strategic direction for enhancing the shareholder value.
2. His/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
3. His/her ability to monitor the performance of management and satisfy himself/herself with integrity of the financial controls and systems in place, etc.
4. Independent Directors performance is evaluated also based on his/her help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct and his/her ability to bring an objective view in the evaluation of the performance of the board and management.

**Retirement Policy for Directors of the Company:**

The age of retirement for non-executive directors and independent directors is as per the Companies Act requirements.

**C. Remuneration to Directors:**

- a. Pecuniary relationship or transactions of the non-executive directors.

The Company has no pecuniary relationship or transaction with its Non-Executive & Independent Directors other than payment of sitting fees to them for attending Board and Committee meetings and Commission as approved by members for their invaluable services to the Company.

Independent Directors are paid ₹ 10,000/- for attending each Board and Audit & Risk Management Committee Meetings.

Further the Company has not paid any commission to any Board Members.

- b. Criteria of making payments to non-executive directors.

Criteria of making payments to Non-Executive Directors is disclosed in the and the same is available on <http://www.gtbl.in/>

- c. Disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013, the following disclosures shall be made:

- i. All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc; : NA

- ii. Details of fixed component and performance linked incentives, along with the performance criteria : NA
- iii. Service contracts, notice period, severance fees: NA.
- iv. Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable.: NA

The details of Sitting Fees paid to Independent Directors for the year 2015-16 are as follows:

Sr. No.	Name of Director	Salary	Perquisites	Sitting Fees (₹)	Total
1.	Mr. Vijay Agarwal	NA	NA	81000	81000
2.	Ms. Dharmisthaben Raval	NA	NA	54000	54000
3.	Dr. Sachin D. Patel	NA	NA	NA	NA
4.	Dr. Dinesh S. Patel	NA	NA	NA	NA
5.	Dr. Vikram D. Sanghvi	NA	NA	36000	36000
6.	Mr. Siddharth Y. Kusumgar	NA	NA	72000	72000
7.	Mr. J. H. Choi	NA	NA	NA	NA
8.	Mr. S. S. Lee	NA	NA	NA	NA
9.	Mr. Hinesh Doshi	NA	NA	NA	NA

#### D. STAKEHOLDERS RELATIONSHIP COMMITTEE /STAKEHOLDERS' GRIEVANCE COMMITTEE:

- Composition:**

The Company has Investor Grievance Committee which is renamed and reconstituted as Stakeholders' Relationship Committee. The Stakeholders Relationship Committee was formed by the Board of Directors of the Company and had delegated the authority to approve transfer of shares and to attend to the other share transactions including transmission, transposition, split, consolidation and issue of duplicate share certificate so as to expedite the process relating thereto. The members of Shareholders Relationship Committee are Dr. Sachin Dinesh Patel – Chairman, Mr. Vijay Agarwal & Dr. Dinesh S. Patel as the Members of the Committee.

- Meetings:**

The Committee met 5 times during the Financial Year 2015-16. For some periods there were no share transfers, therefore the share transfer committee meetings were not held.

- Stakeholders Relationship Committee attendance during the year are as under:**

Sr. No.	Name	Status	No. of Meetings Attended
1.	Dr. Sachin Dinesh Patel	Chairman	5
2.	Mr. Vijay Agarwal	Member	1
3.	Dr. Dinesh S Patel	Member	5

- Name, designation and address of Compliance Officer:**

Vikas Tarekar, Company Secretary  
11/12 Udyog Nagar,  
S.V. Road, Goregaon (West),  
Mumbai- 400 104

- Details of investor complaints/request received and redressed during the year 2015- 16 are as follows:**

Number of shareholders' complaints/request received	number not solved to the satisfaction of shareholders	number of pending complaints
05	0	0

#### 4. Code of Conduct

Whilst the Gujarat Themis Biosyn Ltd. Code of Conduct is applicable to the all Directors and employees of the Company, the Board has also adopted a Code of Conduct for Non-Executive Directors, which incorporates the duties of Independent Directors as laid down in Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) 2015, both of which are available on the Company's website.

All the Board members and Senior Management of the Company as on 31<sup>st</sup> March, 2016 have affirmed compliance with their respective Codes of Conduct. A declaration to this effect duly signed by the Chief Executive Officer, forms part of this report.

#### 5. General Body Meetings:

The details of the last three Annual / Extraordinary General Meetings are as follows:

AGM/ EGM	Date & Time	Location	Special Resolution
32 <sup>nd</sup> AGM	27.09.2013 At 11.00 am	Registered Office	1. Delisting of Equity Shares of the Company from Ahmadabad Stock Exchange Limited" 2. To issue fresh equity shares to Public to maintain the minimum Public shareholding of 25%
33 <sup>rd</sup> AGM	29.09.2014 At 12.00 Noon	Registered Office	NA
34 <sup>th</sup> AGM	21.09.2015 At 12.00 Noon	Registered Office	NA

- whether any special resolution passed last year through postal ballot – details of voting pattern : NA
- whether any special resolution is proposed to be conducted through postal ballot : NA
- Procedure for postal ballot : NA

#### 6. Means Of Communication:

The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual report, Company's website and subject specific communications.

- The Quarterly, Half yearly and Annual results were published in widely circulated newspapers viz, Western Times - Surat Edition.
- All the data related to quarterly, half yearly and Annual Financial Results, Shareholding Pattern, News release etc. is provided on the website - [www.gtbl.in](http://www.gtbl.in)
- The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchange are filed through BSE Listing Centre, for dissemination on their respective websites.
- During the financial year, the Company has not made presentation to the institutional investors /analysts.

#### 7. General Shareholders Information

<b>Annual General Meeting Date &amp; Time</b>	: 14 <sup>th</sup> September, 2016 at 12.00 Noon
<b>Venue</b>	: Plot no. 69/C, G.I.D.C. Industrial Estate, Vapi, Dist. Valsad, Gujarat- 396195
<b>Financial Calendar (Tentative)</b>	: April to March
<b>Results for the Quarter ending (With Limited Review by the Statutory Auditors)</b>	:
<b>First Quarter Results</b>	August, 2016
<b>Half yearly Results</b>	November, 2016
<b>Third Quarter Results</b>	February, 2016
<b>Audited Results for the year</b>	May, 2017
<b>Dividend payment date</b>	The Company has not declared any dividend

<b>Dates of Book Closure/ Record Date</b>	:	Thursday, 8 <sup>th</sup> September, 2016 to Wednesday, 14 <sup>th</sup> September, 2016 (Both days inclusive)
<b>Listing on Stock Exchange at</b>	:	BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
<b>Listing Fees paid for 2016-17</b>	:	The Company has paid listing fees to the BSE Ltd.
<b>Stock Code BSE Ltd. Mumbai</b>	:	506879
<b>DEMAT ISIN Number for NSDL &amp; CDSL</b>	:	INE942C01029
<b>Websites</b>	:	www.bseindia.com

**Market Price Data and Performance in comparison to BSE Sensex:**

High/low of market price of the Company's shares traded on Bombay Stock Exchange, Mumbai during the financial year 2015-16 is furnished below:

Month	BSE Sensex		Share Price	
	High	Low	High (₹)	Low (₹)
Apr-15	29094.61	26897.54	59.50	37.80
May-15	28071.16	26423.99	53.70	43.20
Jun-15	27968.75	26307.07	41.55	33.00
Jul-15	28578.33	27416.39	59.40	37.00
Aug-15	28417.59	25298.42	64.25	43.05
Sep-15	26471.82	24833.54	49.65	40.55
Oct-15	27618.14	26168.71	74.00	46.60
Nov-15	26824.30	25451.42	68.00	45.10
Dec-15	26256.42	24867.73	88.95	54.50
Jan-16	26197.27	23839.76	84.75	56.50
Feb-16	25002.32	22494.61	65.70	40.05
Mar-16	25479.62	23133.18	59.50	41.40

**Share Transfer System:**

The Company's Registrar, M/s. Link Intime India Pvt. Ltd. has adequate infrastructure to process the share transfers. The Applications for transfer of shares received by the Company in physical form are processed and registered within 30 days of receipt of the documents valid in all respects. After such processing, the option of simultaneous dematerialization of the shares is provided to the shareholders. Shares under objection are returned within a week's time. The share transfer committee meets on a need basis to consider the transfer application and other proposals relating to transmission, transposition, split, consolidation and issue of fresh share certificate. In case if there are no transfers in particular period, share transfer committee meetings were not held. In compliance with listing agreement, every six months, a practicing Company Secretary audit the system of transfer and a certificate to that effect is issued.

**Distribution of Equity Shareholding:**

As on 31 <sup>st</sup> March, 2016				
Holding of shares (In Nos)	No. of Shareholders	% of Shareholders	Shares	% of Shareholders
1 to 500	5949	87.1648	772758	5.3188
501 to 1000	431	6.315	359872	2.4770
1001 to 2000	208	3.0476	322777	2.2217
2001 to 3000	64	0.9377	167229	1.1510
3001 to 4000	40	0.5861	145097	0.9987
4001 to 5000	31	0.4542	148948	1.0252
5001 to 10000	47	0.6886	343825	2.3665
10001 & Above	55	0.8059	12268196	84.4411
<b>Total</b>	<b>6825</b>	<b>100</b>	<b>14528702</b>	<b>100.0000</b>

**Dematerialization of Shares**

The equity shares of the Company are under compulsory dematerialized (demat) mode and are available for trading under National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). As on 31<sup>st</sup> March 2016, a total of 14185144 Equity Shares of the Company forming 97.63% of the total paid up share capital stands dematerialized. All requests for dematerialization of shares are processed within the stipulated time. The identification allotted to the Company's equity shares is INE942C01029.

Outstanding GDRs / ADRs / Warrants or any Convertible instruments conversion date and Likely impact of equity.	:	Not Applicable
Commodity price risk or foreign exchange risk and hedging activities;	:	Not Applicable
Plant Location	:	69/C, GIDC INDUSTRIAL ESTATE, VAPI, DIST. VALSAD, GUJARAT 396195
Address for Correspondence	:	
Registrar & Share Transfer Agent (For Physical as well as Electronic form)	:	Link Intime India Pvt. Ltd. C- 1, Pannalal Silk Mill Compound, L.B.S. Marg, Bhandup (West), Mumbai-400 078 Tel: 91-22-2596 3838, Fax: 91-22-2594 6969 E-mail: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Web site: <a href="http://www.linkintime.com">www.linkintime.com</a>
For any other matter and unresolved complaints	:	Vikas P. Tarekar

**Registrar and Share Transfer Agent**

M/s. Link Intime India Private Limited is the Registrar and Share Transfer Agent of the Company (R&T Agent). They deal with all matters pertaining to transfers, transmissions, subdivisions and consolidation of Company's securities and also correspondence for holdings in physical shares. It may be noted that the request for demat of shares should be made by the investors to their respective depository participants. There are no legal proceedings against the Company on any share transfer matter.

**8. Other Disclosures :**
**a) Materially significant related party transactions:**

The related party transactions in case of our Company are not materially significant which requires Members approval. However, the management, Audit Committee and the Board ensures such transactions are at arms length. The policy on related party transactions as approved by the Board is uploaded on the Company's website and the link for the same is <http://www.gtbl.in/wp-content/uploads/2015/08/Related-Party-Policy.pdf>

b) Whistle Blower Policy/ Vigil Mechanism:

The Board of Directors of the Company has, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed "Vigil Mechanism Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Audit Committee.

The said Policy is available on the website of the Company at <http://www.gtbl.in/wp-content/uploads/2015/08/Vigil-Mechanism.pdf>

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

c) Mandatory Requirements:

The Company has complied with all mandatory items of the clause 49 of the Listing Agreement as applicable till 30<sup>th</sup> November 2015 and Listing Regulations from 1-12-2015 onwards. The Company has executed the fresh agreement with the BSE and NSE as required under the newly enacted Listing Regulation.

**Non-Mandatory Requirements**

i. Shareholder Rights – Half yearly results

As the Company's half yearly results are published in English newspapers having a circulation all over India and in a Gujarati newspaper (having a circulation in Gujarat), the same are not sent to the shareholders of the Company but hosted on the website of the Company.

ii. Modified opinion(s) in audit report

There are no modified opinion(s) contained in the Audit Report.

iii. Separate Posts of Chairman and CEO

The Posts of Chairman and CEO are separate.

iv. Reporting of Internal Auditors

The Internal Auditors of the Company report to the Audit Committee and make detailed presentation at quarterly meetings.

v. The Company has no subsidiary and hence there is no need to frame any policy for determining "material" subsidiary

vi. The Company is not dealing in commodity and hence disclosure relating to commodity price risks and commodity hedging activities.

vii. There is no Non-Compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of the Part C of Schedule V of the Listing Regulations.

viii. Disclosure of the Compliance with Corporate Governance Requirements

The Company has complied with provisions of Regulations 17 to 27 and clauses (b) to (i) of sub- regulation (2) of regulation 46.

**For and on behalf of the Board of Directors**

Place : Mumbai  
Date : 11.05.2016

Sd/-  
**Dr. Sachin D Patel**  
Director  
DIN: 00033353

Sd/-  
**Dr. Dinesh S Patel**  
Chairman  
DIN: 00033273

## DECLARATION

I, Tapas B. Guha, Chief Executive Officer of Gujarat Themis Biosyn Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Schedule V (D) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 for the year ended 31<sup>st</sup> March, 2016.

For Gujarat Themis Biosyn Limited

Sd/-

Place : Mumbai  
Date : 11<sup>th</sup> May, 2016

**Tapas B. Guha**  
Chief Executive Officer

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## CERTIFICATE ON CORPORATE GOVERNANCE

The Members

Gujarat Themis Biosyn Limited

We have examined the compliance of conditions of Corporate Governance procedures by **Gujarat Themis Biosyn Ltd.**, (“the Company”) for the year ended on 31<sup>st</sup> March 2016, as stipulated in Clause 49 of the Listing Agreement (‘Listing Agreement’) of the Company with the stock exchanges for the period 1 April 2015 to 30 November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) as referred to in regulation 15(2) of the Listing Regulations for the period 1 December 2015 to 31 March 2016.

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

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement/ Listing Regulations, as applicable.

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

**For H. V. Gor & Co**  
Practicing Company Secretaries

Sd/-

**Mr. Ketan R Shirwadkar**  
Partner

Place : Navi Mumbai  
Date : 11<sup>th</sup> May, 2016

ACS No. 37829  
COP No. 15386

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**CEO-CFO CERTIFICATE**

To,  
The Board of Directors  
Gujarat Themis Biosyn Limited,

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Gujarat Themis Biosyn Limited ("the Company"), to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31<sup>st</sup> March 2016 and based on our knowledge and belief, we state that:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - (i) significant changes, if any, in the internal control over financial reporting during the year;
  - (ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For Gujarat Themis Biosyn Limited

Sd/-

**Tapas Guha**  
Chief Executive Officer

For Gujarat Themis Biosyn Limited

Sd/-

**Bharat A. Desai**  
Chief Financial Officer

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GUJARAT THEMIS BIOSYN LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of **GUJARAT THEMIS BIOSYN LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

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

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

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

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

#### Basis for Qualified Opinion

- (i) *The outstanding balances as at March 31, 2016 in respect of certain balances of loans & advances, liability for expenses, trade payables and creditors for capital expenditure are subject to confirmation from respective parties and consequential reconciliation and adjustment arising there from, if any. Consequential impact thereof on the financial statements is not ascertainable [Refer note no. 29].*
- (ii) *The Company has not determined and identified significant components of fixed assets as prescribed under the provisions of para 4(a) under the heading Notes after Part C in Schedule II of the Companies Act, 2013. The impact of the same on financial statements is not ascertainable [Refer note no. 9(b)].*

#### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above*, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

**Emphasis of Matter**

*We draw attention to the matter in note no. 4(b) of the financial statements regarding repayment of ₹ 2,05,98,563/- against the outstanding non-interest bearing unsecured loan of ₹ 3,50,00,000/- during the year, by the company to its promoter Themis Medicare Limited, pending approval from BIFR.*

Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) The matters described in the 'Basis for Qualified Opinion' and 'Emphasis of Matter' paragraphs above, in our opinion, may have an adverse effect on the functioning of the Company.
  - (f) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) 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 the "Annexure B".
  - (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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 to the financial statements;
    - ii. According to the information & explanations given to us, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 35 to the financial statements;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – Refer Note 36 to the financial statements.

For **KHANDELWAL JAIN & CO.**  
**Chartered Accountants,**  
**Firm Registration No. 105049W**

Sd/-  
**(NARENDRA JAIN)**  
PARTNER  
Membership No. 048725

Place : Mumbai  
Date : 11<sup>th</sup> May, 2016

### “Annexure A” to the Independent Auditors’ Report

“Annexure A” referred to in paragraph 1 under the heading of “Report on Other Legal and Regulatory Requirements” of Independent Auditors’ Report to the members of **GUJARAT THEMIS BIOSYN LIMITED** (“the Company”) for the year ended March 31, 2016. We report that:

- (i)
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of its assets.
  - b) The Company has physically verified the fixed assets in accordance with a programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals. We have been informed that no material discrepancies were noticed on such verification.
  - c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. According to the records produced before us for our verification, there were no material discrepancies noticed on physical verification of stocks as compared to the book records and the same have been properly dealt with in the books of account of the Company;
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any Companies, Firms, Limited Liability Partnerships or other Parties covered in the register maintained under Section 189 of the Companies Act, 2013, therefore, the provisions of clause 3 (III) of Companies (Auditor’s Report) Order, 2016 are not applicable to the Company.
- (iv) In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) The Company has not accepted any deposits during the year from public within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder.
- (vi) We are informed that no cost records are required to be maintained by the Company under Section 148(1) of the Companies Act, 2013.
- (vii)
  - a) *Undisputed Statutory Dues including Gujarat Value Added Tax (GVAT), Tax Deducted at Source (TDS), Notified Area Tax, Drainage cess charges, Employees’ State Insurance (ESIC), ESIC dues in respect of contractors, Service Tax, duty of excise, Provident Fund have generally been regularly deposited with the appropriate authorities however delay have been observed in some cases. According to the information and explanations given to us, there were no undisputed statutory dues which have remained outstanding as at March 31, 2016 for the period of more than six months from the date they became payable except in respect of Provident Fund amounting to ₹ 8,169/-.*
  - b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax, which have not been deposited on account of any dispute, except the following:

Name of the Statute	Nature of the Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Demand u/s 143 (3)	10,79,703/-	A.Y. 2001-2002	Hon. High Court, Gujarat
Income Tax Act, 1961	Demand u/s 156	250/-	A.Y. 1996-1997	Income Tax Appellate Tribunal, Ahmedabad
Income Tax Act, 1961	Demand u/s 156	24,12,247/-	A.Y. 2011-2012	Income Tax Appellate Tribunal, Ahmedabad

- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holders except for delays in repayment of principal and payment of interest relating to Indian rupee term loan from Bank, the details of which are given as under:

Period Of Default	Indian Rupee Term Loan from Bank	
	Principal	Interest
Upto 30 days	18,30,000	5,57,774
31 to 60 days	6,10,000	1,91,619

- (ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion, the term loans raised during the year have been applied for the purpose for which they were raised;
- (x) According to the information and explanations given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly the provisions of clause 3 (xii) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly the provisions of clause 3 (xvi) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

For **KHANDELWAL JAIN & CO.**  
Chartered Accountants,  
Firm Registration No. 105049W

Sd/-

**(NARENDRA JAIN)**  
PARTNER  
Membership No.048725

Place : Mumbai

Date : 11<sup>th</sup> May, 2016

## **Annexure ‘B’ to the Independent Auditor’s Report**

“Annexure B” referred to in paragraph 2(h) under the heading of “Report on Other Legal and Regulatory Requirements” of Independent Auditors’ Report to the members of **GUJARAT THEMIS BIOSYN LIMITED** (“the Company”) for the year ended March 31, 2016.

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

We have audited the internal financial controls over financial reporting of **GUJARAT THEMIS BIOSYN LIMITED** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditor’s Responsibility**

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

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

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

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

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

For **KHANDELWAL JAIN & CO.**  
**Chartered Accountants,**  
**Firm Registration No. 105049W**

Sd/-

**(NARENDRA JAIN)**  
PARTNER

Membership No.048725

Place : Mumbai

Date : 11<sup>th</sup> May, 2016

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2016**

Particulars	Note No.	As at 31 <sup>st</sup> March, 2016 Amount in ₹	As at 31 <sup>st</sup> March, 2015 Amount in ₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	72,639,510	72,639,510
Reserves and Surplus	3	(34,199,736)	(80,493,161)
<b>TOTAL</b>		<b>38,439,774</b>	<b>(7,853,651)</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	10,515,006	52,835,006
Deferred Tax Liabilities (Net)	5	-	-
Long-Term Provisions	6	4,667,817	4,074,157
Other long term liabilities		-	-
<b>TOTAL</b>		<b>15,182,823</b>	<b>56,909,163</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	7	989,721	190
Trade Payables	8	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		55,061,613	56,460,640
Other Current Liabilities	8	36,342,028	41,253,923
Short-Term Provisions	6	770,277	354,728
<b>TOTAL</b>		<b>93,163,639</b>	<b>98,069,481</b>
<b>GRAND TOTAL</b>		<b>146,786,237</b>	<b>147,124,994</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	9	93,700,318	97,136,265
Intangible Assets		-	-
Capital Work-In-Progress		408,140	276,109
Intangible Assets Under Development		-	-
Non-Current Investments	10	50,000	56,000
Long-Term Loans And Advances	11	17,611,583	13,009,425
Other Non-Current Assets	13	2,946,157	1,896,654
<b>TOTAL</b>		<b>114,716,199</b>	<b>112,374,453</b>
<b>Current Assets</b>			
Current investments	10	-	-
Inventories	14	4,163,016	3,323,643
Trade Receivables	12	21,648,198	23,714,701
Cash and Bank Balances	15	1,896,151	2,293,438
Short-Term Loans And Advances	11	4,362,672	5,414,503
Other Current Assets	13	-	4,255
<b>TOTAL</b>		<b>32,070,038</b>	<b>34,750,541</b>
<b>GRAND TOTAL</b>		<b>146,786,237</b>	<b>147,124,994</b>
<b>Summary of significant accounting policies</b>	<b>1</b>		

The accompanying notes are an integral part of the financials statements.

**As per our report of even date annexed**

**For KHANDELWAL JAIN & CO.**

**Chartered Accountants**

Sd/-  
**Narendra Jain**  
Partner  
Membership No.048725

Place : Mumbai  
Date : May 11, 2016

**For and on behalf of the Board of Directors**

Sd/-  
**Dr. Dinesh S. Patel**  
Chairman  
DIN: 00033273

Sd/-  
**Dr. Sachin D. Patel**  
Director  
DIN: 00033353

Sd/-  
**Vikas P. Tarekar**  
Company Secretary  
Membership No.: A31670

Sd/-  
**Bharat A. Desai**  
Chief Finance Officer



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

Particulars	Note No.	For the year ended	For the year ended
		31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
		Amount in ₹	Amount in ₹
<b>INCOME</b>			
Revenue from operations (gross)	16	326,246,922	314,401,940
Less : Excise Duty		-	-
Revenue from operations (net)		326,246,922	314,401,940
Other income	17	1,700,430	888,325
<b>Total Income</b>		<b>327,947,352</b>	<b>315,290,265</b>
<b>EXPENDITURE</b>			
Material Consumed	18	3,214,069	2,898,712
(Increase) / Decrease in inventories of finished goods, WIP and Traded goods	19	-	-
Employee benefit expenses	20	42,756,694	40,020,194
Other expenses	21	219,731,321	208,568,649
Finance costs	22	3,774,549	3,872,030
Depreciation and amortization expenses	9	11,987,282	13,754,043
<b>Total Expenses</b>		<b>281,463,916</b>	<b>269,113,628</b>
<b>Profit / (Loss) before prior period adjustments and tax</b>		46,483,436	46,176,637
Prior Period Adjustments (Net)	23	190,011	235,353
<b>Profit / (Loss) before tax</b>		46,293,425	45,941,284
<b>Tax Expenses</b>			
Income Tax		-	-
<b>Total Tax Expenses</b>		-	-
<b>Profit / (Loss) for the Year</b>		<b>46,293,425</b>	<b>45,941,284</b>
<b>Earnings per equity share (Nominal Value of ₹ 5 per share)</b>	24		
Basic (₹)		3.19	3.16
Diluted (₹)		3.19	3.16
<b>Summary of significant accounting policies</b>	1		

The accompanying notes are an integral part of the financials statements.

As per our report of even date annexed

For KHANDELWAL JAIN & CO.  
Chartered Accountants

Sd/-  
Narendra Jain  
Partner  
Membership No.048725

Place : Mumbai  
Date : May 11, 2016

For and on behalf of the Board of Directors

Sd/-  
Dr. Dinesh S. Patel  
Chairman  
DIN: 00033273

Sd/-  
Dr. Sachin D. Patel  
Director  
DIN: 00033353

Sd/-  
Vikas P. Tarekar  
Company Secretary  
Membership No.: A31670

Sd/-  
Bharat A. Desai  
Chief Finance Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**

Particulars	2015-16 Amount in ₹	2014-15 Amount in ₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit / ( Loss) before tax</b>	<b>46,293,425</b>	45,941,284
Adjustment for :		
Depreciation and amortization expense	11,987,282	13,754,043
Prior Period Adjustments (Net)	190,011	235,353
Excess provision / Sundry Credit Balance written back	(235,509)	(73,702)
Sundry Debit Balance written off	-	46,645
Sundry credit balance written back	-	(61,688)
Provision for doubtful advances	509,844	-
Finance Cost	3,774,549	3,872,030
(Profit) / Loss on sale of fixed assets	-	2,931,558
Loss on theft of cash	523,704	-
Interest received	(985,229)	(448,359)
<b>Operating Profit before working capital adjustments</b>	<b>62,058,078</b>	<b>66,197,164</b>
Adjustment for :		
Trade and Other receivables	2,489,532	(6,984,117)
Inventories	(839,373)	1,219,966
Trade Payables & Other Current Liabilities	(18,655,328)	(31,181,899)
<b>Cash generated from operations for the year</b>	<b>45,052,909</b>	<b>29,251,114</b>
Prior Period Adjustments (Net)	(190,011)	(235,353)
<b>Cash generated from operations</b>	<b>44,862,898</b>	<b>29,015,761</b>
Loss on theft of cash	(523,704)	-
Direct Taxes Refund (Net of Paid)	(5,198,202)	(1,901,827)
<b>NET CASH FROM / ( USED IN ) OPERATING ACTIVITIES (A)</b>	<b>39,140,992</b>	<b>27,113,934</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (including Capital Work in Progress & Capital Advances)	(7,996,823)	(3,971,560)
Sale Proceeds of Fixed Assets	-	556,855
Proceed from maturity of NSC	6,000	-
Investment in Bank Deposits	(821,098)	(75,302)
Interest received	1,034,936	602,813
<b>NET CASH FROM / ( USED IN ) INVESTING ACTIVITIES (B)</b>	<b>(7,776,985)</b>	<b>(2,887,194)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds / (Repayment) from / of Secured Borrowings (Net)	(6,940,469)	(27,316,839)
Proceeds / (Repayment) from / of Unsecured Borrowings (Net)	(20,598,563)	-
Finance Cost Paid	(3,948,406)	(3,996,978)
<b>NET CASH FROM / ( USED IN ) FINANCING ACTIVITIES (C)</b>	<b>(31,487,438)</b>	<b>(31,313,817)</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A + B + C)</b>	<b>(123,431)</b>	<b>(7,087,077)</b>
Cash and Cash equivalents at the beginning of the year	418,438	7,505,516
Cash and Cash equivalents at the end of the year	295,007	418,438
<b>Net increase / (decrease) in Cash and Cash Equivalent</b>	<b>(123,431)</b>	<b>(7,087,077)</b>
<b>NOTES :</b>		
1	Above statement has been prepared by the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014.	
2	Previous year's figures have been regrouped / rearranged / recasted, wherever necessary.	

As per our report of even date annexed

For KHANDELWAL JAIN & CO.  
Chartered Accountants

Sd/-  
Narendra Jain  
Partner  
Membership No.048725

Place : Mumbai  
Date : May 11, 2016

For and on behalf of the Board of Directors

Sd/-  
Dr. Dinesh S. Patel  
Chairman  
DIN: 00033273

Sd/-  
Dr. Sachin D. Patel  
Director  
DIN: 00033353

Sd/-  
Vikas P. Tarekar  
Company Secretary  
Membership No.: A31670

Sd/-  
Bharat A. Desai  
Chief Finance Officer

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**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**
**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****a) Basis of preparation**

The Financial statements are prepared in accordance with the Generally Accepted Accounting Principles in India (GAAP) under historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, the provision of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

**b) Use of estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the date of the financial statements and the reported accounts of revenues and expenses for the years presented. Although these estimates are based upon management's knowledge of current event and actions, actual results could differ from those estimates and revisions, if any, are recognized in the current and future periods.

**c) Revenue Recognition**

- i) The Company recognizes revenue from sales as when the transfer of ownership of the goods to the buyer takes place and revenue from Job work on completion of the assigned job.
- ii) The revenue in respect of job work completed as at the end of the reporting period for which no bills have been raised is classified as Unbilled Revenue.
- iii) Revenue is being recognised when there is reasonable certainty of ultimate realization.
- iv) Income on investments is accounted for on accrual basis.

**d) Fixed Assets and Depreciation****A Fixed Assets**

- i) Fixed Assets are stated at Cost of acquisition, net of Modvat, including any cost attributable for bringing the asset to its working condition for its intended use, less accumulated depreciation. Cost of specific borrowing is capitalised and included in the cost to Fixed Assets.
- ii) Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.
- iii) The carrying amount of assets are reviewed at each balance sheet date for impairment, so as to determine the provision for impairment loss, if any, required, or the reversal, if any, required of impairment loss recognized in previous period.

**B Depreciation**

- i) Leasehold Land is amortised over the remaining period of the lease.
- ii) Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method except in case of Factory Buildings and Plant and Machinery where depreciation is provided on Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

**e) Technical Know-how**

Technical Know how is written off over a period of its useful life.

**f) Foreign Currency Transactions**

- i) The transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction.
- ii) Monetary items denominated in foreign currency at the year end are translated at the exchange rates prevailing on the date of Balance Sheet.

- iii) Any income or expense on account of exchange difference between the date of transaction and settlement or translation is recognised in the statement of profit and loss as income or expense.

**g) Investments**

Long-term investments are valued at cost. Provision for diminution in value of investment is made to recognise a decline other than temporary.

**h) Inventory Valuation**

**A Finished Goods and Work-In-Process**

- i) Finished Goods are stated at Cost or Market Value whichever is lower.
- ii) Work-in-Process is stated at their cost or market value whichever is lower.
- iii) Cost includes materials, labour, expenses directly & indirectly including depreciation attributable to production.

**B Raw Materials**

Raw materials are stated at their Historical Costs (Net of modvat) applying the First in First out (FIFO) or the net realisable value whichever is lower.

**C Stores and Spares**

Stores and spares are stated at their Historical Costs, (Net of modvat) applying the First in First out (FIFO) or the net realisable value, whichever is lower.

**D Materials In Transit**

Materials in Transit are valued at cost incurred to date.

**i) Material Events occurring after the Balance Sheet date**

Material events occurring after the date of Balance Sheet have been taken cognizance of liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty have been treated as contingent liability and are disclosed by way of notes to accounts.

**j) Employee Benefits**

**i) Defined Contribution Plan**

The Company's monthly contribution towards Provident Fund, Employee's State Insurance scheme, Labour Welfare Fund and Employee's Deposit Linked Insurance are accounted for on accrual basis.

**ii) Defined Benefit Plan**

Liabilities on account of Gratuity and Leave Salary are accounted for on the basis of Actuarial Valuation at the end of each year.

**iii) Other Short Term Employee Benefits**

Other Short Term Employee Benefits are charged to revenue in the year in which the related services are rendered.

**k) CENVAT CREDIT**

- i) CENVAT benefit availed on purchase of Fixed Assets is reduced from the carrying cost of the respective assets.
- ii) CENVAT benefit availed on purchase of materials is adjusted against the Cenvat payable on sale of material.

**l) Export Incentives**

Export Benefits (DEPB) are accounted on accrual basis.

**m) Prior Period Items**

Prior Period Expense/Income is accounted under the head Prior Period Adjustment Account. Material item if any, are disclosed separately by way of a note.

**n) Borrowing Costs**

Borrowing costs that are attributable to the acquisition, construction or productions of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

**o) Earning Per Share (EPS)**

In accordance with the Accounting Standard -20 (AS-20) “ Earning Per Share” as prescribed under section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of the Companies (Accounts) Rules, 2014.

- i) Basic earnings per share is computed using the weighted average number of shares outstanding during the period. The earnings considered in ascertaining the Company’s earning per share comprise the net profit after tax (and includes the post tax effect of any extra ordinary items).
- ii) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**p) Taxes on Income**

- i) Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws.
- ii) Deferred Tax Assets and liabilities are measured using the tax rates and tax laws that have been announced up to the Balance Sheet date. Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the taxable income and accounting income. The effect of tax rate change is considered in the Statement of Profit & Loss of the respective year of change.
- iii) Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**q) Provisions**

Provision is recognized when an enterprise has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

<b>2. Share Capital</b>	<b>31<sup>st</sup> March, 2016 (Amount in ₹)</b>	<b>31<sup>st</sup> March, 2015 (Amount in ₹)</b>
<b>Authorised Shares</b>		
2,72,00,000 Equity Shares of ₹ 5/- each (P.Y. 2,72,00,000 Equity Shares of ₹ 5/- each)	<b>136,000,000</b>	136,000,000
30,000 Preference Shares of ₹ 100/- each (P.Y. 30,000 Preference Shares of ₹ 100/- each)	<b>3,000,000</b>	3,000,000
2,22,00,000 Unclassified share of ₹ 5/- each (P.Y. 2,22,00,000 Unclassified share of ₹ 5/- each)	<b>111,000,000</b>	111,000,000
	<b>250,000,000</b>	250,000,000
<b>Issued</b>		
1,45,28,702 Equity Shares of ₹ 5/- each (P.Y. 14,528,702 Equity Shares of ₹ 5/- each)	<b>72,643,510</b>	72,643,510
	<b>72,643,510</b>	72,643,510
<b>Subscribed and Paid up shares</b>		
1,45,28,702 Equity Shares of ₹ 5/- each (P.Y. 14,528,702 Equity Shares of ₹ 5/- each)	<b>72,643,510</b>	72,643,510
Less: Calls Unpaid (Other than Directors)	<b>4,000</b>	4,000
	<b>72,639,510</b>	72,639,510

**a. Reconciliation of the Share outstanding at the beginning and at the end of the Year**

Equity Shares	31 <sup>st</sup> March, 2016		31 <sup>st</sup> March, 2015	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
<b>At the beginning of the Year</b>	<b>14,528,702</b>	<b>72,639,510</b>	14,528,702	72,639,510
Reduction during the Year	-	-	-	-
Issued during the Year	-	-	-	-
<b>Outstanding at the end of the Year</b>	<b>14,528,702</b>	<b>72,639,510</b>	14,528,702	72,639,510

**b. Term / Right attached to equity Share**

The Company has only one class of equity shares having a par value of ₹ 5/- per share (P.Y. ₹ 5/- per share). Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.

**c. Details of shareholders holding more than 5% shares in the company**

Share Holders	31 <sup>st</sup> March, 2016		31 <sup>st</sup> March, 2015	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of ₹ 5/- (P.Y. ₹ 5/-) each fully paid				
Yuhan Corporation	<b>3,850,000</b>	<b>26.50%</b>	3,850,000	26.50%
Pharmaceutical Business Group India Ltd	<b>3,582,000</b>	<b>24.65%</b>	3,582,000	24.65%
Themis Medicare Limited	<b>3,369,605</b>	<b>23.19%</b>	3,369,605	23.19%

As per records of company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

3. Reserves & Surplus	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	Amount in ₹	Amount in ₹
<b>Capital Reserves</b>		
Cash subsidy from Government of Gujarat	<b>1,568,913</b>	1,568,913
<b>Share Premium</b>		
<b>Balance as per last financial statements</b>	<b>21,643,510</b>	21,643,510
Add: Premium on issue of equity shares	-	-
<b>Closing balance</b>	<b>21,643,510</b>	21,643,510
<b>Surplus/(Deficit) in the statement of profit and loss</b>		
<b>Balance as per last financial statements</b>	<b>(103,705,584)</b>	(149,251,568)
Profit/(Loss) for the Year	<b>46,293,425</b>	45,941,284
Adjustment of WDV of Fixed Assets as per Schedule II (Refer note 9(c))	-	(395,300)
<b>Net Deficit in the statement of profit and loss</b>	<b>(57,412,159)</b>	(103,705,584)
<b>Total reserves and surplus</b>	<b>(34,199,736)</b>	(80,493,161)

4. Long Term Borrowings	Non current		Current	
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
<b>Term Loans</b>				
Indian rupee loan from bank (secured)	<b>10,515,006</b>	17,835,006	<b>7,320,000</b>	7,930,000
	<b>10,515,006</b>	17,835,006	<b>7,320,000</b>	7,930,000
<b>Other Loans and Advances (Unsecured)</b>				
Loan from Themis Medicare Limited (TML)	-	35,000,000	<b>14,401,437</b>	-
	-	35,000,000	<b>14,401,437</b>	-
<b>Total</b>	<b>10,515,006</b>	52,835,006	<b>21,721,437</b>	7,930,000
<b>The above amount includes</b>				
Secured borrowings	<b>10,515,006</b>	17,835,006	<b>7,320,000</b>	7,930,000
Unsecured borrowings	-	35,000,000	<b>14,401,437</b>	-
Amount disclosed under the head "other current liabilities" (Note 8)	-	-	<b>(21,721,437)</b>	(7,930,000)
<b>Total</b>	<b>10,515,006</b>	52,835,006	-	-

- a) Indian Rupee Loan from banks (secured) carries interest at base rate i.e. ranging from 9.65% p.a. to 10.25% p.a. (previous year: ranging from 10% p.a. to 10.25% p.a.) Interest is payable at the end of each month. The original amount of loan was to be repaid in 84 monthly instalments starting from October, 2007. The first 78 Instalments were to be of ₹ 13,33,000/- each and balance 6 instalments were to be of ₹ 19,29,000/-. Pursuant to Scheme of Rehabilitation as approved by the Board for Industrial and Financial Reconstruction (BIFR) under Sick Industrial Companies (Special Provision) Act, 1985 on 12<sup>th</sup> January 2012, the outstanding amount of loan of ₹ 5.12 crores is to be repaid in 84 equal monthly instalments beginning from 1<sup>st</sup> November, 2011 i.e. ₹ 6,10,000/- per month. The said loan is secured by equitable mortgage of factory premises at GIDC, Vapi & first charge on entire Plant & Machinery excluding those financed by other Financial Institution and also collateral security of Factory Premises at GIDC, Vapi, Valsad, Gujarat and Plant & Machinery. Further, personal guarantee of one of the Director and the Corporate Guarantee by Pharmaceutical Business Group (India) Ltd is given to the Company's Banker.
- b) Pursuant to Scheme of Rehabilitation as approved by the Board for Industrial and Financial Reconstruction (BIFR) under Sick Industrial Companies (Special Provision) Act, 1985 on 12<sup>th</sup> January 2012, Themis Medicare Limited (TML) - Promoters / Co-promoters has brought funds to meet the cost of the scheme in the form of non-interest bearing unsecured loan to the extent of ₹ 3,50,00,000/- irrespective of the provisions of Companies Act or any other guidelines. During the year on February 5, 2016, the Company has filed Miscellaneous Application before Hon'ble BIFR for deregistration of the Company from BIFR under SICA as the Company's Net worth has turned positive during the financial year 2015-16. The Company is hopeful that its application will be approved and the company shall be deregistered from BIFR. In view of sufficient cash profit generated by the Company, the Company has made request to BIFR that new promoter Themis Medicare Limited may be allowed to withdraw their non-interest bearing unsecured loan of ₹ 3,50,00,000/-. However, pending approval from BIFR, the Company has made repayment of ₹ 2,05,98,563/- against the said loan on demand by Themis Medicare Limited. The balance amount of ₹ 1,44,01,437/- has been shown as current borrowing.
- c) (i) Amount due as on 31<sup>st</sup> March, 2016 in respect of repayment of principal amount of Indian rupee term loan from Bank is ₹ Nil/- [Previous year ₹ 6,10,000/- outstanding since less than 30 days].
- (ii) Amount due as on 31<sup>st</sup> March, 2016 in respect of payment of interest amount of Indian rupee term loan from Bank is ₹ Nil/- [Previous year ₹ 1,91,619/- outstanding since less than 30 days]. The above outstanding interest are included in Interest accrued and due on borrowing under Note 8 on "Other Current Liabilities".

5. Deferred Tax Liability (Net)	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	Amount in ₹	Amount in ₹
Deferred Tax Liability		
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return.	<b>11,106,104</b>	11,733,510
<b>Gross Deferred Tax Liability</b>	<b>11,106,104</b>	11,733,510
Deferred Tax Asset		
Provision for doubtful debts	<b>9,112,181</b>	10,061,741
Provision for Leave encashment, Gratuity, Bonus and Unpaid Liability u/s 43B	<b>1,993,923</b>	1,671,769
<b>Gross Deferred Tax Assets</b>	<b>11,106,104</b>	11,733,510
<b>Deferred Tax Liability ( Net)</b>	-	-

Note: In accordance with the Accounting Standard (AS) -22 "Accounting for Taxes on Income" as prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, the Company has accounted for deferred taxation. As a matter of prudence, deferred tax assets on carried forward losses, unabsorbed depreciation and other assets have been recognised only to the extent of deferred tax liability.

6. Provisions	Non Current		Current	
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
<b>Provision For Employee Benefits</b>				
Provision for Gratuity	<b>3,178,113</b>	2,837,364	<b>602,844</b>	198,389
Provision For Leave Encashment	<b>1,489,704</b>	1,236,793	<b>167,433</b>	156,339
<b>Total</b>	<b>4,667,817</b>	4,074,157	<b>770,277</b>	354,728

7. Short Term Borrowings	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	Amount in ₹	Amount in ₹
Cash Credit from Bank (Secured)	<b>989,721</b>	190
Loan from Lupin Limited (Secured)	-	-
<b>Total</b>	<b>989,721</b>	190
<b>The above amount Includes</b>		
Secured Borrowings	<b>989,721</b>	190
Unsecured Borrowings	-	-
	<b>989,721</b>	190

Cash Credit from Bank (Secured) are repayable on demand and carries interest at (base rate + 1% ) i.e. ranging 10.65% p.a. to 11.25% p.a. (Previous year ranging 11% p.a. to 11.25% p.a.) which is payable at the end of each month and are secured by hypothecation of book debts / receivables upto 120 days and collateral security of Factory Premises at GIDC, Vapi, Valsad, Gujarat and Plant & Machinery. Further, personal guarantee of one of the Director and the Corporate Guarantee by Pharmaceutical Business Group (India) Ltd is given to the Company's Banker.



8. Other Current Liabilities	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	Amount in ₹	Amount in ₹
<b>Trade Payables (refer note below)</b>		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	55,061,613	56,460,640
	55,061,613	56,460,640
<b>Other Liabilities</b>		
Liability for expenses (refer note below)	8,484,831	8,715,493
Creditor for Capital expenditure (refer note below)	392,575	421,032
Current maturities of long-term borrowing	21,721,437	7,930,000
Interest accrued and due on borrowings	-	191,619
Interest accrued but not due on borrowings	65,667	47,905
Statutory Dues	759,421	546,724
Book Overdraft with bank	4,841,380	922,997
Advances from customers	76,717	22,478,153
	36,342,028	41,253,923
<b>Total</b>	<b>91,403,641</b>	<b>97,714,563</b>

The name of the Micro, Small & Medium Enterprises suppliers defined under "The Micro Small & Medium Enterprises Development Act, 2006 could not be identified, as the necessary evidence is not in the possession of the Company.

## 9. FIXED ASSETS

(Amount in ₹)

Description	GROSS BLOCK				DEPRICIATION				NET BLOCK	
	As at 1-Apr-15	Addition During the Year	Deduction During the Year	As at 31-Mar-16	As at 1-Apr-15	For the Year	Deduction/ Adjustment	As at 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15
<b>Tangible Assets</b>										
LAND *	1,117,526	-	-	1,117,526	405,433	13,629	-	419,062	698,464	712,093
BUILDINGS	24,250,811	-	-	24,250,811	18,669,327	335,251	-	19,004,578	5,246,233	5,581,484
STAFF QUARTERS	67,541	-	-	67,541	46,255	1,064	-	47,319	20,222	21,286
PLANT & MACHINERY	368,622,759	8,397,857	-	377,020,616	278,704,020	10,762,804	-	289,466,824	87,553,792	89,918,739
FURNITURE & FIXTURES	5,330,444	6,187	-	5,336,631	5,286,962	40,130	-	5,327,092	9,538	43,482
COMPUTER	3,305,483	13,000	-	3,318,483	3,288,057	17,648	-	3,305,705	12,778	17,426
ERECTION & OFFICE EQUIPMENT	2,793,828	134,291	-	2,928,119	2,720,737	150,595	-	2,871,332	56,787	73,091
VEHICLES	2,104,193	-	-	2,104,193	1,335,529	666,161	-	2,001,689	102,504	768,665
<b>TOTAL (A)</b>	<b>407,592,585</b>	<b>8,551,335</b>	<b>-</b>	<b>416,143,920</b>	<b>310,456,320</b>	<b>11,987,282</b>	<b>-</b>	<b>322,443,602</b>	<b>93,700,318</b>	<b>97,136,265</b>
<b>Intangible Assets</b>										
<b>TOTAL (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A + B)</b>	<b>407,592,585</b>	<b>8,551,335</b>	<b>-</b>	<b>416,143,920</b>	<b>310,456,320</b>	<b>11,987,282</b>	<b>-</b>	<b>322,443,602</b>	<b>93,700,318</b>	<b>97,136,265</b>
<b>PREVIOUS YEAR</b>	425,893,025	4,255,412	22,555,852	407,592,585	315,374,416	14,149,343	19,067,439	310,456,320	97,136,265	-
<b>Less: Adjustment of WDV of Fixed Assets to Opening Reserve as per Schedule II [refer note (c)]</b>						(395,300)				
<b>Net Depreciation charged to Statement of Profit &amp; Loss in Previous Year</b>						13,754,043				

\* Amount Amortised Against Leasehold Land

**Notes :-**

- (a) The company has reviewed its fixed assets for impairment loss as required by Accounting Standard 28 "Impairment of Assets". In the opinion of the management no provision for impairment loss is considered necessary.
- (b) The Company is in the process of determining and identifying significant components of fixed assets as prescribed under the provisions of para 4(a) under the heading Notes after Part C in Schedule II of the Companies Act, 2013 and hence no effect of the same has been given in the financial statements for the year ended March 31, 2016. Management expects that this would not have a material impact on depreciation for the year ended March 31, 2016.
- (c) During the previous year ended March 31, 2015, pursuant to guidelines under Schedule II of Companies Act 2013, the carrying amount of fixed assets as on 1<sup>st</sup> April, 2014 had been depreciated over the remaining useful life of fixed assets. As a result, depreciation for the year ended 31<sup>st</sup> March 2015 was higher and the profit before tax was lower to the extent of ₹ 1,28,720/-. Further, based on the transitional provisions provided in note 7(b) of the schedule II, fixed assets whose useful life had already been completed as on 1<sup>st</sup> April, 2014, the carrying value of those fixed assets amounting to ₹ 3,95,300/- had been debited to the opening balance of retained earnings.

10. Investments	Non-Current		Current	
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
National Savings Certificate [Out of above NSC lying with Excise department ₹ 50,000/- (Previous year ₹ 50,000/-) and NSC Lying with District Magistrate of ₹ Nil/- (Previous Year ₹ 6,000/-)]	50,000	56,000	-	-
<b>Total</b>	50,000	56,000	-	-
Aggregate amount of Unquoted investments	50,000	56,000	-	-
Aggregate provision for diminution in value of investments	-	-	-	-

11. Loans and Advances	Non-Current		Current	
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
<b>Capital Advances</b>				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	715,000	-	-
	-	715,000	-	-
<b>Advances recoverable in cash or in kind</b>				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	-	768,719	1,818,669
Considered doubtful	-	-	2,503,807	1,993,963
	-	-	3,272,526	3,812,632
Provision for doubtful advances	-	-	2,503,807	1,993,963
	-	-	768,719	1,818,669

Loans and Advances	Non-Current		Current	
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
<b>Loans and Advances to Employees</b>				
Unsecured, Considered good	-	15,500	35,500	201,750
Considered doubtful	81,242	81,242	-	-
	81,242	96,742	35,500	201,750
Less : Provision for doubtful advances	81,242	81,242	-	-
	-	15,500	35,500	201,750
<b>Pre-paid expenses</b>	205,240	70,784	1,189,631	1,164,015
Advance for Purchase of Land	1,810,000	1,810,000	-	-
Less : Provision for doubtful advances	1,810,000	1,810,000	-	-
	-	-	-	-
Cenvat Credit Availed	-	-	1,323,098	1,174,448
Deposit with Excise Authorities	-	-	885	885
Advance Income Tax ( Net of Provisions)	17,146,247	11,948,045	-	-
VAT / CST Credit Availed	-	-	1,044,839	1,054,736
Sundry Deposits	260,096	260,096	-	-
<b>Total</b>	17,611,583	13,009,425	4,362,672	5,414,503
<b>Loans to employee include</b>				
Dues from Officers	-	14,500	22,500	179,750
Dues from Workers	-	1,000	13,000	22,000
<b>Total</b>	-	15,500	35,500	201,750

12. Trade Receivables	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	Amount in ₹	Amount in ₹
<b>Unsecured, Considered good (unless stated otherwise)</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, Considered good	-	-
Unsecured, Considered good	-	-
Considered, Doubtful	54,280,092	54,280,092
	54,280,092	54,280,092
Provision for doubtful receivables	54,280,092	54,280,092
	-	-
<b>Other Receivables</b>		
Secured, Considered good	-	-
Unsecured, Considered good	21,648,198	23,714,701
	21,648,198	23,714,701
<b>Total</b>	21,648,198	23,714,701

13. Other Assets	Non-Current		Current	
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
<b>Unsecured, Considered good (unless stated otherwise)</b>				
Interest accrued on deposit with Excise Authorities	12,099	6,456	-	-
Interest accrued on investments	-	-	-	4,255
Interest accrued on Margin Money deposit	237,960	289,054	-	-
Non current bank balances (Note - 15)	2,696,098	1,601,144	-	-
<b>Total</b>	<b>2,946,157</b>	<b>1,896,654</b>	<b>-</b>	<b>4,255</b>

14. Inventories	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
(Valued at cost or market value whichever is lower, as taken, valued and certified by management)	Amount in ₹	Amount in ₹
Steam Coal	596,405	205,791
Diesel Oil	267,710	208,301
Furnace Oil	254,530	564,618
Store and Spares	3,043,710	2,344,218
Packing Material	662	715
<b>Total</b>	<b>4,163,016</b>	<b>3,323,643</b>

15. Cash and bank balances	Non-Current		Current	
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
<b>Cash and cash equivalents</b>				
Balances with banks:				
On current accounts	-	-	218,406	276,491
Cash on hand	-	-	76,601	141,947
	-	-	295,007	418,438
<b>Other bank balances</b>				
Deposits with original maturity for more than 12 months (Deposit lying with UP Sales Tax)	-	73,721	73,721	-
Margin money deposits with original maturity for more than 12 months (Margin money to secure Bank Guarantee)	2,696,098	-	-	1,875,000
Margin money deposits with original maturity for more than 12 months (Margin money to secure non-fund based Inland Letter of Credit)	-	1,527,423	1,527,423	-
	2,696,098	1,601,144	1,601,144	1,875,000
Amount disclosed under non-current assets (Note - 13)	2,696,098	1,601,144		
	-	-	1,896,151	2,293,438

**Margin money deposits given as security / Bank Guarantee:**

Margin money deposits with a carrying amount of ₹ 15,27,423/- (Previous year ₹ 15,27,423/-) are to secure non-fund based inland letter of credit and Margin money deposit with a carrying amount of ₹ 26,96,098/- (Previous year ₹ 18,75,000/-) are to secure Bank Guarantee.

16. Revenue from operations	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	Amount in ₹	Amount in ₹
<b>Sales of products</b>		
Finished Goods	-	-
Traded Goods	-	-
<b>Operating Revenue</b>		
Conversion / Job Work Charges Received	<b>326,246,922</b>	314,401,940
<b>Other Operating Revenue</b>		
Scrap sales	-	-
<b>Revenue from operations (gross)</b>	<b>326,246,922</b>	314,401,940
Less : Excise Duty	-	-
<b>Revenue from operations(net)</b>	<b>326,246,922</b>	314,401,940
<b>Details of Products Sold</b>	<b>31<sup>st</sup> March, 2016</b>	<b>31<sup>st</sup> March, 2015</b>
	<b>Amount in ₹</b>	<b>Amount in ₹</b>
Finished Goods Sold	-	-
Traded goods sold	-	-
	-	-
<b>Operating Revenue</b>	<b>31<sup>st</sup> March, 2016</b>	<b>31<sup>st</sup> March, 2015</b>
	<b>Amount in ₹</b>	<b>Amount in ₹</b>
Conversion / Job Work Charges for following products;		
Rifamycin-S	<b>326,246,922</b>	314,401,940
	<b>326,246,922</b>	314,401,940
<b>17. Other Income</b>	<b>31<sup>st</sup> March, 2016</b>	<b>31<sup>st</sup> March, 2015</b>
	<b>Amount in ₹</b>	<b>Amount in ₹</b>
<b>Interest income on</b>		
Deposits including margin money	<b>365,838</b>	308,081
Deposits with DGVCL	-	135,259
Income Tax Refund	<b>611,856</b>	-
Investment	<b>7,535</b>	5,019
<b>Total (A)</b>	<b>985,229</b>	448,359
Other Non -Operating income		
-Excess Provision Written back	<b>235,509</b>	73,702
-Sundry credit balance written back	-	61,688
-Notice Pay recovery	<b>243,611</b>	137,177
-Scrap Sale	<b>236,081</b>	167,399
<b>Total (B)</b>	<b>715,201</b>	439,966
<b>Total (A + B)</b>	<b>1,700,430</b>	888,325

18. Cost of Raw materials and components consumed	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	Amount in ₹	Amount in ₹
Inventory at the beginning of the year	715	2,566
Add: Purchases	3,214,016	2,896,861
	3,214,731	2,899,427
Less: Inventory at the end of the year	662	715
Cost of raw material and components consumed	3,214,069	2,898,712
<b>Details of raw material and components consumed</b>		
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	Amount in ₹	Amount in ₹
Laboratory Consumables and Chemicals	2,679,649	2,421,329
CST Raw Material	-	2,040
Freight on Raw Materials	501,755	441,110
Packing Material Consumed	32,665	34,233
	3,214,069	2,898,712
	Amount in ₹	Amount in ₹
<b>Raw Materials &amp; Components</b>		
Lova Boronate	-	-
RIFA-S	-	-
	-	-
<b>19. Increase / (Decrease) in Inventories</b>		
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	Amount in ₹	Amount in ₹
<b>Inventories at the end of the year</b>		
Work in Process	-	-
Finished Goods	-	-
	-	-
<b>Inventories at the beginning of the year</b>		
Work in Process	-	-
Finished Goods	-	-
	-	-
<b>(Increase)/Decrease in Inventories</b>	-	-
<b>20. Employee benefit expenses</b>		
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	Amount in ₹	Amount in ₹
Salary, Wages & Bonus	38,493,393	36,224,943
Company's contribution to Provident and other Funds	1,865,439	1,599,174
Gratuity	954,902	738,758
Staff Welfare Expenses	1,442,960	1,457,319
	42,756,694	40,020,194

Employee benefits expenses for the year ended 31<sup>st</sup> March, 2016 includes amount of ₹ 1,00,000/- (Previous year ₹ 1,50,000/-) towards full & final settlement to two ex-workers who had left the organisation long back.

21. Other expenses	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	Amount in ₹	Amount in ₹
Power charges	127,880,396	115,844,959
Fuel charges	38,470,716	41,098,656
Water charges	5,142,620	4,624,808
Consumption of stores and spares	20,481,040	17,710,462
Insurance	1,299,675	1,322,939
Rates and Taxes	800,459	861,477
Donation	5,000	15,000
Legal & Professional Charges	2,197,485	1,529,637
<u>Repairs and Maintenance :</u>		
Building	1,016,144	1,137,511
Plant & Machinery	4,538,868	3,658,380
Others	153,082	210,353
Disposal Charges for removal of waste material	4,884,000	4,884,000
Central Effluent Treatment Charges	2,983,632	2,938,936
Drainage Cess Charges	450,569	363,487
Vehicle Expenses	247,035	243,989
Auditor's Remuneration (Refer details below)	596,000	445,000
Security Charges	2,044,365	1,659,459
Testing and Analytical Charges	207,296	69,622
Printing & Stationary Expenses	396,604	324,790
Travelling & Conveyance	142,781	840,866
Hire Charges	821,445	1,491,410
Postage & Telegram Charges	72,558	187,800
Telephone & Telex Charges	145,173	155,320
Loss on sale of fixed assets	-	2,931,558
Loss on theft of cash (refer note 38)	523,704	-
Sundry balances written off	-	46,645
Provision for Doubtful Advance (P&L)	509,844	-
Miscellaneous Expenses	3,720,830	3,971,585
	<b>219,731,321</b>	<b>208,568,649</b>

Auditor's Remuneration includes	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	Amount in ₹	Amount in ₹
As Auditor:		
Audit Fee	400,000	250,000
Tax Audit Fee	75,000	75,000
Limited Review	105,000	105,000
Other Services	16,000	15,000
	<b>596,000</b>	<b>445,000</b>

22. Finance costs	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	Amount in ₹	Amount in ₹
<b>Interest Expense</b>		
Term Loans	1,995,870	2,890,571
Cash Credit	1,196,873	550,333
Bank Charges & Other Finance Cost		
- Other Finance Cost	91,148	38,314
- Bank Charges	490,658	392,812
	<b>3,774,549</b>	<b>3,872,030</b>

23. Prior Period Adjustments (Net)	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	Amount in ₹	Amount in ₹
<b>Income</b>		
Miscellaneous Income	-	-
Conversion Charges	-	-
<b>Total</b>	-	-
<b>Expenses</b>		
Reversal of Service Tax Credit	154,223	-
Refund of Electricity Charges	-	(184,441)
Legal and Professional Charges	(6,000)	-
Employee benefit expenses	(1,500)	-
Repairs & Maintenance Charges	(2,112)	174,772
Testing & Analytical Charges	45,400	-
Other Expenses	-	245,022
<b>Total</b>	<b>190,011</b>	<b>235,353</b>
<b>Net Balance</b>	<b>190,011</b>	<b>235,353</b>

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

### 24 Earnings Per Share (EPS)

In accordance with Accounting Standard 20 - "Earning per Share" notified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, the required disclosure is given below:

Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	Amount in ₹	Amount in ₹
<b>The following reflects the profit/(loss) and share data used in the basic and diluted EPS computations :</b>		
Net profit / (loss) attributable to Shareholders (₹)	46,293,425	45,941,284
Weighted average number of equity shares issued (Nos.) for basic EPS	14,528,702	14,528,702
Basic earnings per share of ₹ 5/- each (Previous year ₹ 5/- each) (in ₹)	3.19	3.16

The Company does not have any potential dilutive equity shares. Consequently, the basic and diluted earnings per share remain the same.



**25 Disclosure under Revised Accounting Standard 15 on Employee Benefits:**

Consequent to Accounting Standard 15 "Employee Benefits" (Revised 2005) becoming effective, the Company has made the provision for Defined Contribution Plan and Defined Benefit Plan.

**A Defined Contribution Plan**

During the year, the Company has recognized ₹ 18,65,439/- (Previous Year ₹ 15,99,174/-) towards Defined Contribution Plan Obligation.

**B Defined Benefit Plan****a) Leave Encashment**

Liability is computed on the basis of Leave Encashment benefit payable to all eligible employees at the rate of daily salary as per current accumulation of leave days, as per the Projected Unit Credit Method.

Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	Amount in ₹	Amount in ₹
Net Periodic Cost debited to Profit & Loss Account	455,206	215,190
Liability recognised in the Balance Sheet	1,657,137	1,393,132

**b) Gratuity**

Liability is computed on the basis of Gratuity payable on death or resignation or on retirement, at attainment of superannuation age, with the qualifying salaries appropriately projected, as per the Projected Unit Credit Method. The disclosure of the same is as under.

**I. Actuarial Assumption**

Particulars	Gratuity	
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
Discount Rate	8.07%	7.94%
Salary Escalation	5.00%	5.00%
Attrition Rate	2.00%	2.00%

**II. Table Showing Change in Benefit Obligation**

Amount in ₹

Particulars	Gratuity	
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
Projected Benefit Obligations (PBO) at the beginning of the year	3,035,753	2,396,018
Interest Cost	241,039	223,069
Service Cost	270,137	227,205
Benefits paid	(209,698)	(99,023)
Actuarial (gain) / loss on Obligations	443,726	288,484
<b>Projected Benefit Obligations (PBO) at the end of the Year</b>	<b>3,780,957</b>	<b>3,035,753</b>

**III. Table of Recognition of actuarial gains/ losses**

Amount in ₹

Particulars	Gratuity	
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
Actuarial (gains)/ losses on obligation for the period	443,726	288,484
Actuarial (gains) / losses on asset for the period	-	-
Sub total	443,726	288,484
<b>Actuarial (gains) / losses recognised in income &amp; expenses statement</b>	<b>443,726</b>	<b>288,484</b>

**IV. The Amounts to be recognised in Balance Sheet and Income Statement and the related analysis**

Amount in ₹

Particulars	Gratuity	
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
Fair value of Plan Assets		
Present Value of Obligation	(3,780,957)	(3,053,753)
Funded Status	(3,780,957)	(3,053,753)
Unrecognised Actuarial gains (losses)	-	-
Unrecognised Transitional Liability	-	-
<b>Assets / (Liability) Recognised in Balance Sheet</b>	<b>(3,780,957)</b>	<b>(3,053,753)</b>

**V. Net Periodic Cost**

Amount in ₹

Particulars	Gratuity	
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
Current Service Cost	270,137	227,205
Interest Cost	241,039	223,069
Expected Return on Plan Assets	-	-
Net Actuarial (gain) loss recognised in the year	443,726	288,484
<b>Expenses Recognised in the Income Statement</b>	<b>954,902</b>	<b>738,758</b>

**VI. Movements in the liability recognised in the Balance Sheet**

Amount in ₹

Particulars	Gratuity	
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
Opening Net Liability	3,035,753	2,396,018
Expense as above	954,902	738,758
Contributions paid	(209,698)	(99,023)
<b>Closing Net Liability</b>	<b>3,780,957</b>	<b>3,035,753</b>

**VII. Experience Adjustment**

Amount in ₹

Particulars	Gratuity	
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
On Plan Liability (Gains) / Losses	476,305	3,382
On Plan Liability (Losses) / Gains	-	-
	<b>476,305</b>	<b>3,382</b>

**26 Related Party Disclosure**

Disclosure requirement as per Accounting Standard 18 (AS-18) "Related Party Disclosure" notified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014.

Name of the Related Party	Nature of relationship
M/s. Pharmaceutical Business Group (India) Limited (PBG)	Investing party of which the company is an Associate
M/s. Themis Medicare Limited	Investing party of which the company is an Associate
M/s. Yuhan Corporation	Venturer in Joint Venture
M/s. Themis Distributors Pvt. Ltd.	Promoter- Shareholder of the M/s. Themis Medicare Limited
M/s. Vividh Distributors Pvt. Ltd.	Promoter- Shareholder of the M/s. Themis Medicare Limited

Name of the Related Party	Nature of relationship
M/s. Vividhmagri Investment Pvt. Ltd.	Holding Company of M/s. Pharmaceutical Business Group (India) Limited
Mr. Rajneesh Anand	Key Management Personnel (President & CEO of the Company till 6 <sup>th</sup> August, 2014 and Technical & Management Consultant w.e.f. 7 <sup>th</sup> August, 2014)
Mr. Tapas Guha	Key Management Personnel (Chief Executive Officer (CEO) of the Company from 7 <sup>th</sup> August, 2014)
Mr. Bharat A. Desai	Key Management Personnel (Chief Finance Officer (CFO) of the Company from 17 <sup>th</sup> March, 2015)
Mr. Vikas P. Tarekar	Key Management Personnel (Company Secretary of the Company from 2 <sup>nd</sup> July, 2014)

**Note: Related Party Relationships have been identified by the management and relied upon by the Auditors.**

**Details of transactions between the Company & related parties & the status of outstanding balances as on 31<sup>st</sup> March, 2016.**

Amount in ₹

Nature of Transactions	Name of Party	Associates/ Enterprises over which directors and/ or their relatives has significant influence		Key Management Personnel	
		2015-16	2014-15	2015-16	2014-15
<b>Transactions during the year</b>					
Purchase of Stores & Spares	M/s. Themis Medicare Limited	371,157	197,000	-	-
Deposit received	M/s. Themis Distributors Pvt. Ltd.	100,000	-	-	-
	M/s. Vividh Distributors Pvt. Ltd.	100,000	-	-	-
Deposit Repayment	M/s. Themis Distributors Pvt. Ltd.	100,000	-	-	-
	M/s. Vividh Distributors Pvt. Ltd.	100,000	-	-	-
LC devolvement charges (prior period expenses)	M/s. Themis Medicare Limited	-	245,022	-	-
Advance received	M/s. Themis Medicare Limited	20,000	-	-	-
Advance received from customer refunded	M/s. Themis Medicare Limited	22,421,437	38,500,000	-	-
Expense paid / incurred on behalf of M/s. Themis Medicare Limited	M/s. Themis Medicare Limited	-	182,360	-	-
Repayment of Unsecured Loans	M/s. Themis Medicare Limited	20,598,563	-	-	-
Reimbursement of Expenses	M/s. Themis Medicare Limited	5,000	-	-	-
Remuneration (including reimbursement)	Mr. Rajneesh Anand	-	-	2,940,000	2,854,905
	Mr. Tapas Guha	-	-	937,410	513,829
	Mr. Bharat A. Desai	-	-	574,685	19,818
	Mr. Vikas P. Tarekar	-	-	538,837	239,073

Amount in ₹

<b>Outstanding Balances</b>		<b>31<sup>st</sup> March, 2016</b>	<b>31<sup>st</sup> March, 2015</b>	<b>31<sup>st</sup> March, 2016</b>	<b>31<sup>st</sup> March, 2015</b>
Advance from customers	M/s. Themis Medicare Limited	-	22,401,437	-	-
Unsecured Loans	M/s. Themis Medicare Limited	<b>14,401,437</b>	35,000,000	-	-
Expense Incurred on behalf of investing party	M/s. Pharmaceutical Business Group (India) Limited	<b>18,500</b>	18,500	-	-
Remuneration payable	Mr. Rajneesh Anand	-	-	<b>183,937</b>	191,157
	Mr. Tapas Guha	-	-	<b>49,848</b>	64,800
	Mr. Bharat A. Desai	-	-	<b>41,855</b>	18,570
	Mr. Vikas P. Tarekar	-	-	<b>40,968</b>	22,002

<b>27 Contingent Liabilities</b>	<b>31<sup>st</sup> March, 2016</b>	<b>31<sup>st</sup> March, 2015</b>
	<b>Amount in ₹</b>	<b>Amount in ₹</b>
<b>Contingent liabilities not provided for in respect of:</b>		
<b>i) Income tax under dispute</b>	12,463,599	12,463,599
<b>ii) Fringe benefit tax under dispute</b>	201,972	201,972
<b>iii) Disputed Labour Dues</b>	55,998,776	63,748,664
<b>iv) Claim against the company not acknowledged as debts</b>	5,412,572	5,484,301
<b>v) Bank Guarantee given by UBI to DGVCL</b>	15,500,000	12,500,000

**28** Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for ₹ Nil (Previous year ₹ 25,97,309/-).

**29** The outstanding balances as at March 31, 2016 in respect of certain balances of loans & advances, liability for expenses, trade payables and creditors for capital expenditure are subject to confirmation from respective parties and consequential reconciliation and adjustment arising there from, if any, consequential impact thereof in the financial statements is not ascertainable. The Management does not expect any material variation in the financial statements.

**30** The Company has accumulated losses of ₹ 5,74,12,159/- leaving Net Worth of the Company of ₹ 3,84,39,774/- as at March 31, 2016. Further, the Company also has a working capital deficiency. The Company has been registered with the Board for Industrial & Financial Reconstruction (BIFR). Further the Rehabilitation Scheme had been sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) in the hearing held January 12, 2012. The Company has initiated efforts including development of new products and has ventured into manufacturing of goods on own and on job work basis so as to reduce the losses. The Company has made profit for year ended March 31, 2016 and also in previous year 2014-15, 2013-14, 2012-13 & 2011-12. Accordingly, these accounts have been prepared on a going concern basis.

**31** The Company is manufacturing Bulk Drugs on job work basis for others. Hence, there is no separate reportable segment as per Accounting Standard - 17 (AS-17) "Segment Reporting" notified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014.

**32** In view of carry forward losses / unabsorbed depreciation of earlier years, company being a sick company and relief & concession granted by the BIFR, no provision for the Income Tax has been made on profit of the current year.

**33** In the opinion of the Management, Current / Non-current Assets, Long term / Short term Loans & Advances are approximately of the value stated, if realized, in the ordinary course of business. The provision for all known and determined liability is adequate and not in the excess of the amount reasonably required.

- 34** The Company's pending litigations comprise of claim against the Company and proceedings pending with Statutory and Tax Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, whenever required and disclosed the contingent liabilities, whenever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. (Refer Note No. 27 for details on Contingent Liabilities).
- 35** The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 36** For the year ended March 31, 2016, the company is not required to transfer any amount into the Investor Education & Protection Fund as required under relevant provisions of the Companies Act, 2013.
- 37** During the previous year, one of the promoter M/s. Pharmaceutical Business Group (India) Ltd. has off loaded 14,23,000 equity shares of ₹5/- each on 7<sup>th</sup> August, 2014 by way of an offer for sale through the stock exchange mechanism. As a result, the Company has achieved minimum public shareholding of 25% in compliance with SEBI order dated 28<sup>th</sup> March 2014. However, Hon'ble BIFR directed the Company vide its order dated 2<sup>nd</sup> January 2014, read with order dated 20<sup>th</sup> November 2013 to comply with the minimum public shareholding by way of issue of 18,96,000 fresh equity shares of face value of ₹5/- each through public / right issue, for which the Company has filed miscellaneous application with BIFR to modify the said orders to the effect that the direction of issue of fresh equity shares is not necessary to be implemented. BIFR approval in this regard is awaited.
- 38** During the year on December 11, 2015, Cash of ₹5,23,704/-, was stolen from Company's accounts department. FIR has been lodged with police department and the matter is under investigation. Further, the Company has filed a claim of ₹5,23,704/- with insurer company which is pending.
- 39** Previous year figures are regrouped and reclassified where ever necessary.

**As per our report of even date annexed**

**For KHANDELWAL JAIN & CO.**  
**Chartered Accountants**

Sd/-  
**Narendra Jain**  
Partner  
Membership No.048725

Place : Mumbai  
Date : May 11, 2016

**For and on behalf of the Board of Directors**

Sd/-  
**Dr. Dinesh S. Patel**  
Chairman  
DIN: 00033273

Sd/-  
**Dr. Sachin D. Patel**  
Director  
DIN: 00033353

Sd/-  
**Vikas P. Tarekar**  
Company Secretary  
Membership No.: A31670

Sd/-  
**Bharat A. Desai**  
Chief Finance Officer

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**GUJARAT THEMIS BIOSYN LIMITED**

CIN : L24230GJ1981PLC004878

Regd. Office : 69/C, GIDC Industrial Estate, Vapi – 396 195, Dist. Valsad, Gujarat, India.

Website : [www.gtbl.co.in](http://www.gtbl.co.in) E-mail : [hbm@gtbl.co.in](mailto:hbm@gtbl.co.in)

**Proxy Form for 35<sup>th</sup> Annual General Meeting**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : .....

Registered address:.....

E-mail Id: .....Folio No. / Client ID No. : .....DP ID No.....

I / We, being the member(s) of ..... Shares of GUJARAT THEMIS BIOSYN LIMITED, hereby appoint

1. Name: ..... E-mail Id: .....  
Address:.....Signature: ..... or failing him
2. Name: ..... E-mail Id: .....  
Address:.....Signature: ..... or failing him
3. Name: ..... E-mail Id: .....  
Address:.....Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, 14<sup>th</sup> September, 2016 at 12.00 Noon at Plot no. 69-C, GIDC Industrial Estate, Vapi, Dist. Valsad, Gujarat-396 195 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
<b>Ordinary business</b>				
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March 2016, together with the Auditors' Report and Directors' Report thereon.			
2.	To appoint a Director in place of Dr. Sachin D. Patel (DIN 00033353) who retires by rotation and being eligible, offers himself for re-appointment.			
3.	To appoint a Director in place of Mr. Jae Hyok Choi (DIN 01933775) who retires by rotation and being eligible, offers himself for re-appointment			
4.	To appoint Statutory Auditors and fix their remuneration.			
<b>Special business</b>				
5.	To authorize the Board of Directors to enter into Related Party Transaction under Section 188 of the Companies Act, 2013			

Signed this ..... day of ..... 2016.

.....  
Signature of the member

.....  
Signature of the proxy holder(s)

Affix  
revenue  
stamp of not  
less than ₹1

**Notes :**

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the Annual General Meeting (on or before September 12, 2016 at 12:00 Noon IST).
2. It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

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**GUJARAT THEMIS BIOSYN LIMITED**

CIN : L24230GJ1981PLC004878

Regd. Office : 69/C, GIDC Industrial Estate, Vapi – 396 195, Dist. Valsad, Gujarat, India.

Website : [www.gtbl.co.in](http://www.gtbl.co.in) E-mail : [hrm@gtbl.co.in](mailto:hrm@gtbl.co.in)

**Attendance Slip for 35<sup>th</sup> Annual General Meeting**

Name of Shareholder	:	_____
Reg. Folio No. / Client ID No.	:	_____
No. of Shares held	:	_____

I hereby record my presence at the **35<sup>th</sup> Annual General Meeting** of the Company on Wednesday, the 14<sup>th</sup> September, 2016 at 12.00 Noon at 69/C GIDC Industrial Este, Vapi – 396 195, Dist. Valsad, Gujarat.

\_\_\_\_\_  
First / Sole holder / Proxy

\_\_\_\_\_  
Second holder / Proxy

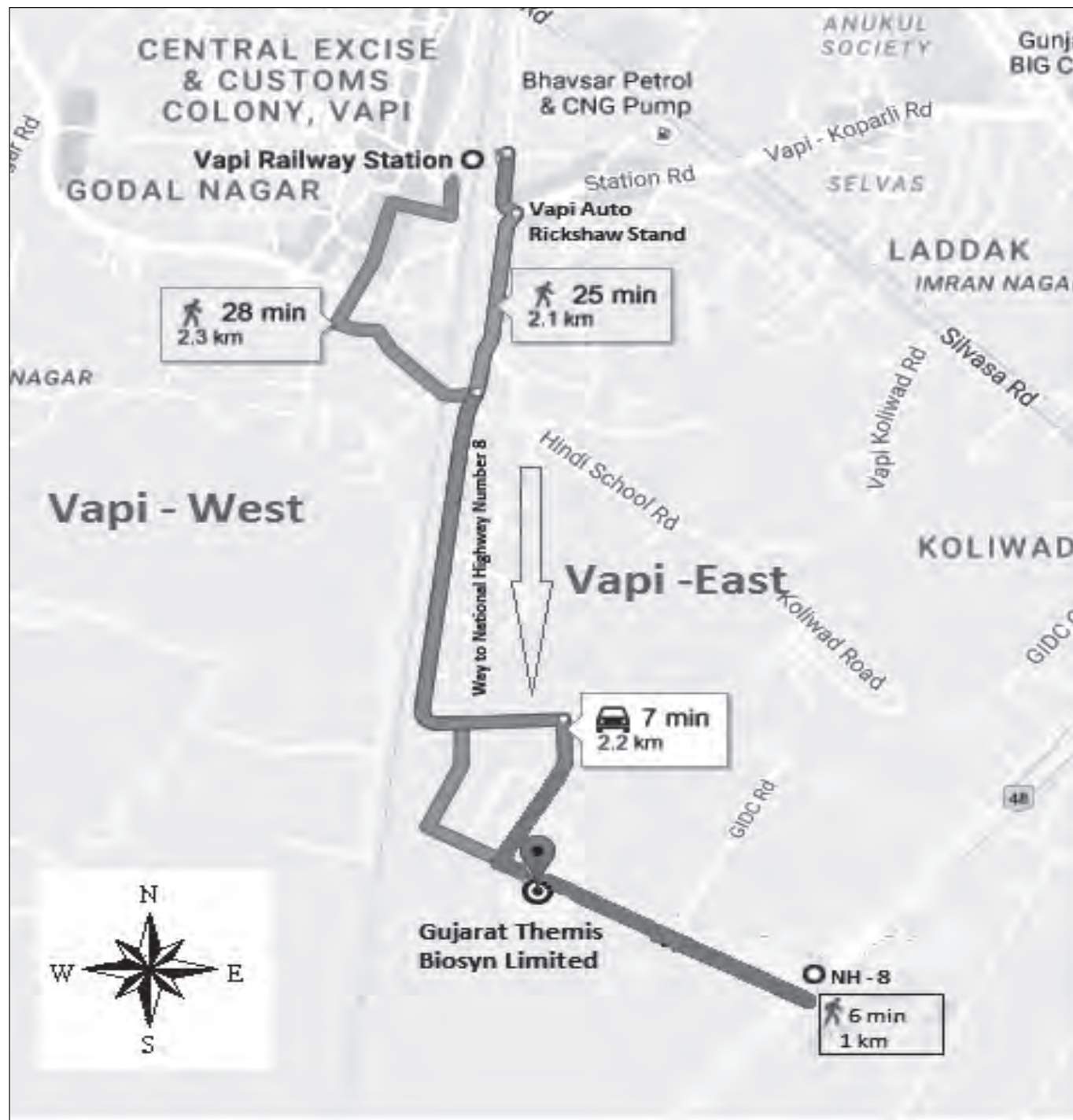
\_\_\_\_\_  
Third holder / Proxy

\_\_\_\_\_  
Fourth holder / Proxy

**Note :**

1. Please fill this Attendance Slip and hand it over at the meeting hall.
2. Shareholder/Proxy Holder/Auth. Representatives are requested to show their Photo ID proof for attending the meeting. Joint shareholders may obtain additional attendance slip on request.
3. Auth. Representatives of Corporate members shall produce proper authorisation issued in their favour.
4. **This Attendance Slip is valid only in case shares are held as on the cut-off date i.e. 7<sup>th</sup> September, 2016.**

Venue: Gujarat Themis Biosyn Limited, Plot No. 69-C, G.I.D.C. Industrial Estate, Vapi, Dist-Valsad-396 195, Gujarat.



Distance from Vapi Railway Station: 2.2 Km



**Book-Post / Printed Matter**

*If not delivered; please return to :*

**GUJARAT THEMIS BIOSYN LIMITED**

69/C, GIDC Industrial Estate,

Vapi-396 195, District-Valsad.

Gujarat State.