# GUJARAT THEMIS BIOSYN LIMITED

**CIN: L24230GJ1981PLC004878**

REGD. OFFICE &FACTORY : 69/C GIDC INDUSTRIAL ESTATE,
VAPI – 396 195, DIST. VALSAD, GUJARAT, INDIA
TEL : 0260-2430027 / 2400639
E-mail:hrm@gtbl.in.net


GTBL: CS: BSE-CORR/2020-21

30th August, 2020

Listing Department,
**BSE Limited,**
P. J. Towers, Dalal Street,
Mumbai-400001

Dear Sir/Madam,

**Sub:- ANNUAL REPORT OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

**Ref:** 1. Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

2. BSE Scrip Code: 506879

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of the Annual Report of the Company for the financial year ended 31st March, 2020 along with the Notice convening the 39th Annual General Meeting (AGM) to be held on Monday, September 21, 2020 at 12:00 pm through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM").

We request you to kindly take the same on record.

This may be taken as compliance under the Listing Regulations.

Thanking you,

Yours Faithfully,

For **Gujarat Themis Biosyn Limited**

PKBodha

**Parag Bodha**
**Company Secretary and Compliance officer**

GUJARAT THEMIS BIOSYN LIMITED MUMBAI

# 39TH ANNUAL REPORT 2019-20









## GUJARAT THEMIS BIOSYN LIMITED

## Message from Chairman:

**Dear Stakeholders,**

I would like to start this letter with a sincere thanks to all my stakeholders, partners and employees who continue to stand with us and support us in our journey. Our mission has always been to provide reliable, safe, and affordable products, thus helping people to live healthier lives.

This year marks a year of transformation for our Company which has resulted in a significant improvement in the financial performance of the Company.T his was possible only because of the immense contribution made by its promoter, viz. Themis Medicare Limited (Themis) who have done a lot of study in the market, identified the customer, conducted negotiations and ensured that business is channelized from them to the Company.Besides, Themis has also provided managerial inputs and technical support by way of technology and has been a constant source of support to the Company till date.

I ,on behalf of myself and my collegues on the Board wish to place on record our recognition of the contribution and our deep appreciation and gratitude to Themis for the same.

We have continued to live up to our dedication and commitment towards servicing the market needs. We commercialised production of Rifamycin O in September 2019 on the basis of technical input provided by Themis.

This second milestone that we achieved carves a new and exciting path to much better future for our Company. So far, we have been manufacturing our products through contract manufacturing. We have now changed our business model to manufacture and sales. Our long-standing reputation in the pharma industry has helped to create increased demand of our products. This has led to increased growth in our top line and profitability. We have been able to move from contract manufacturing to manufacture and sales model only due to continued efforts of our team and support from Themis. We are confident that our current talent pool not only sincere and dedicated but also promising and will help our Company outperform our previous performances and enable us to translate our great vision into reality.

Moving to FY20 financials, I would like to share that our Company recorded an increase in sales of 107.37 % from Rs. 41.05 cr in FY19 to Rs. 85.12 cr in FY20. The full year performance can be hugely contributed to the change in our business model and manufacturing of new products. The EBIDTA also shows a drastic improvement of 334.21% to Rs 31.84 cr, due to increase in revenue. The Company registered 269% increase in net profit from Rs. 6.41 cr in FY19 to Rs. 23.67 cr in FY20.

I would like to take this opportunity to thank each member of the GTBL family. I would also like to thank our Customers, Creditors, Banks, Financial Institutions and other Stakeholders. Their faith in us and their continued support makes it easier for us to strive and excel.

Yours sincerely,
Sd/-
**Dr. Dinesh S. Patel**
Chairman

# 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)

**Mrs. Preeti K. Trivedi**
Director (Non Executive & Independent)

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

**Mr. Namjin Seung Park**
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. Namjin Seung Park)

**Mr. Jagdish G. Kaujalgi**
Chief Executive Officer

**Mr. Bharat Desai**
Chief Financial Officer

**Mr.Parag K. Bodha**
Company Secretary & Compliance Officer
(appointed w.e.f. 07th February, 2020)

**Mr. Abhishek D. Buddhadev**
Company Secretary & Compliance Officer
(Resigned w.e.f. 15th November ,2019)

## Audit Committee

**Mr. Vijay Agarwal,** Chairman
**Mrs. Preeti K. Trivedi,** Member
**Dr. Sachin D. Patel,** Member
**Mr. Siddharth Y. Kusumgar,** Member
**Dr. Vikram D. Sanghvi,** Member

## Nomination and Remuneration Committee

**Mr. Vijay Agarwal,** Chairman
**Mrs. Preeti K. Trivedi,** Member
**Dr. Sachin D. Patel,** Member

## Stakeholders Relationship Committee

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

## Corporate Social Responsibility Committee

**Dr. Dinesh S. Patel,** Member
**Dr. Sachin S. Patel,** Member
**Dr.Vikram D. Sanghvi,** 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. GMJ & Co.
Chartered Accountants,
Mumbai

## Internal Auditors

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

## Secretarial Auditors

**KRS & Co.**
Practicing Company Secretaries

## Registrar and Share Transfer Agents

**Link Intime India Pvt Ltd.**
C 101, 247 Park,
L.B.S. Marg, Vikhroli (West)
Mumbai - 400078.
Tel.: 022-49186270
Fax: 022-49186060
E-mail: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.com

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## NOTICE TO THE MEMBERS

**NOTICE** is hereby given that the 39th Annual General Meeting of Gujarat Themis Biosyn Limited will be held on, Monday, 21st September 2020 at 12:00 pm through Video Conferencing('VC")/Other Audio Visual Means ("OAVM") 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 31st March, 2020 together with Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sisung Lee (DIN: 01933988) who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare dividend for the financial year ended 31st March, 2020.

**SPECIAL BUSINESS**

4. **Re-appointment of Dr. Vikram D. Sanghvi (DIN: 06858267) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013.**

   To consider & if thought fit, to pass the following resolution as a Special Resolution:

   **"RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Dr. Vikram D. Sanghvi (DIN: 06858267) who was appointed as an Independent Director of the Company for a first term of five years in the 34th Annual General Meeting by the members and who's first term expires on 20th September, 2020 and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of Director, and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, consent of the Company be and is hereby accorded for re-appointment of Dr. Vikram D. Sanghvi (DIN: 06858267) as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 21st September, 2020 till 20th September, 2025."

5. **Re-appointment of Mr. Siddharth Y. Kusumgar (DIN: 01676799) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013**

   To consider & if thought fit, to pass the following resolution as a Special Resolution:

   **"RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Siddharth Y. Kusumgar (DIN: 01676799) who was appointed as an Independent Director of the Company for a first term of five years in the 34th Annual General Meeting by the members and who's first term expires on 20th September, 2020 and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of Director, and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and consent of the Company be and is hereby accorded for re-appointment of Mr. Siddharth Y. Kusumgar (DIN: 01676799), as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 21st September, 2020 till 20th September, 2025."

6. **To increase the borrowing powers of the Board under Section 180(1)(c) of the Companies Act, 2013:**

   To consider & if thought fit, to pass the following resolution as a **Special Resolution:**

   **"RESOLVED THAT** in supersession of all the earlier resolutions passed in this regard and pursuant to Section 180(1)(c) of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws and provisions of Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any committee thereof) to borrow such sum of moneys, from time to time, at its

discretion, with or without security, and upon such terms and conditions as the Board may think fit, for the purpose of business of the Company, such that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company, its free reserves and securities premium provided that the total amount so borrowed by the Board and outstanding shall not at any time exceed at any point of time shall not exceed a sum of Rs.100 Crores (Rupees One Hundred Crore Only);

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required for the purpose of giving effect to this resolution."

**7. To increase the limit for entering into related party transactions:**

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."

**By Order of the Board of Directors**

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

Sd/-
**Parag K. Bodha**
Company Secretary & Compliance Officer
Membership. No. A51284

Place: Mumbai
Date: 13th August, 2020

**NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 05th May 2020 read with circulars dated 08th April 2020 and 13th April 2020 (collectively referred to as "MCA Circulars") permitted the holding Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies, Act 2013 (the Act)
4. At the 36th AGM, M/s. GMJ & Co., Chartered Accountants (Firm Registration No. 103429W) were appointed as Statutory Auditors of the Company for a period of 5 years untill the conclusion of the 41st AGM of the Company.

   The ratification of their appointment pursuant to Section 139 of the Companies Act, 2013 is not required in terms of notification

no. SO 1833(E) dated 7th May, 2018 issued by the Ministry of Corporate Affairs and accordingly, the item has not been included in the Ordinary Business of this AGM Notice.

5. 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.

6. Institutional/Corporate members Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution / Authorisation etc., authorising its representative to attend the Annual General Meeting through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution /Authorization shall be sent to the RTA by email at instameet@linkintime.co.in through their registered email address to with copies marked to the Company at secretary@gtbl.in.net.

7. In terms of Section 152 of the Companies Act, 2013, Mr. Sisung lee (DIN: 01933988), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company commends his re-appointment.

8. The details of the Director seeking reappointments under item nos. 2, 4 and 5 of this Notice, is annexed hereto in terms of Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings.

9. 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. The Board of Directors of the Company at its meeting held on 18th May 2020 considered that the special business from Item No 4 to Item No 7 being considered unavoidable, be transacted at the 39th AGM of the Company.

10. 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.

11. 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.

12. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Saturday 12th September 2020, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com or rnt.helpdesk@linkintime.co.in

**13. Registration of email ID and Bank Account details:**

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/ Depositories, the log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and have not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

a. **In case of Shares held in Physical Mode:**

The Shareholder may send a request quoting its Folio No. to RTA by email at rnt.helpdesk@linkintime.co.in

b. **In the case of Shares held in Demat mode:**

The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

14. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May, 2020, Notice of the 39th AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.gtbl.in, websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com, and on the website of CDSL at www.evotingindia.com. Members who have not registered their email address with the Company can register the same by following the procedure as mentioned above in point 13. Post successful registration of email address, the member will receive the soft copy of the Notice of AGM and Annual Report.

15. 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 (Company's Registrar and Share Transfer Agent) and complete their KYC formalities as mandaded by law. 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.

16. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company or Company's Registrar and Share Transfer Agent, Link Intime for assistance in this regard.

17. The Company has notified closure of Register of Members and Share Transfer Books from Monday 14th September 2020 to Monday ,21st September 2020 (both days inclusive) for the purpose of AGM and determining the names of the Members eligible for payment of dividend for the financial year 2019-20, if declared at the AGM.

18. If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend, subject to deduction of tax at source, will be made within 30 days of AGM i.e. on/after 21st September 2020 as under: .

    a. To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories" whose names appear as beneficial owners as at the end of the business hours on Saturday, September 12, 2020.

    b. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on Saturday, September 12, 2020.

    c. Dividend warrants / demand drafts will be dispatched to the registered address of the shareholders who have not updated their bank account details, after normalization of the postal services.

19. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the following documents in accordance with the provisions of the IT Act.

**20. For Resident Shareholders:**

Taxes shall be deducted at source under Section 194 of the IT Act as follows:

| | |
|---|---|
| Members having valid PAN | 7 .5% or as notified by the Government of India |
| Members not having PAN /valid PAN | 20% or as notified by the Government of India |

No tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during FY 2021 does not exceed 5,000 and also in cases where members provide valid Form15G/Form15H(applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower/Nil withholding tax. Shareholder may also submit any other document as prescribed under the IT Act to claim a lower/Nil withholding tax. PAN is mandatory for members providing Form 15G/15H or any other document as mentioned above.

**21. For Non-resident shareholders:**

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of such shareholders if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders need to provide the following:

- Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the shareholder
- Copy of Tax Residency Certificate (TRC) for the FY2021 obtained from the revenue authorities of the country of tax residence, duly attested by shareholder
- Self-declaration in Form 10F
- Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty
- Self-declaration of beneficial ownership by the non-resident shareholder
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by shareholder.

Kindly note that the Company is not obligated to apply beneficial tax treaty rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate of tax treaty for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholder.

In case of Foreign Institutional Investors/ Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess).

The aforementioned documents are required to be submitted to Link Intime or the Company before Saturday, 12th September, 2020.

22. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility of remote e-voting to its Members through CDSL e-voting system at www.evotingindia.com in respect of the business to be transacted at the AGM. The Company has engaged the services of Link Intime India Private Limited as the Agency to provide e-voting facility, for participation in the 39th AGM through VC/OAVM Facility and e-Voting during the 39th AGM.
23. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice
24. The Board of Directors of the Company has appointed **M/s. KRS & Co., Practicing Company Secretaries,** (ACS: 37829; CP: 15386) as Scrutinizer to scrutinize the remote e-voting and E-voting at meeting process in a fair and transparent manner and he/she has communicated his/her willingness to be appointed and will be available for same purpose.
25. All correspondence relating to transmission of shares, change of address, dividend mandates etc. quoting their folio numbers should be sent to the Registrar & Transfer Agents (R&T Agents) only at their address: LINK INTIME INDIA PRIVATE LIMITED, C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West),Mumbai 400083, Maharashtra, Tel: +91 22 49186200; Fax: +91 2224918619 Website: www.linkintime.co.in Email: rnt.helpdesk@linkintime.co.in

**Instructions for shareholders voting electronically are as under:**

(i) The voting period begins on Friday, September 18, 2020 at 9:00 am and ends on Sunday September 20, 2020 at 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 Saturday 12th September 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders / Members

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Members who have not updated their PAN with the Company/Depository Participant are requested to use 10 digit sequence number printed in BOLD at TOP-RIGHT SIDE of the address sticker affixed on this Annual Report. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) 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.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The e-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) 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 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.

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 linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

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.

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

**General Guidelines for VC/ OAVM Participation:**

1. Members who have not casted their vote on the resolutions through remote e-voting shall be eligible to vote through e-voting system during the AGM by clicking the link.
2. Shareholders/ Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/ folio number, PAN, email id, mobile number at secretary@gtbl.in.net by Friday, 18th September ,2020.Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.
3. Shareholders/members will receive "speaking serial number" once they mark attendance for the meeting.
4. Participation of members holding 2% or more shareholding, promoters, directors, KMP's, the Chairperson of the Audit Committee, Nomination and Remuneration Committee, Stakeholders and Relationship Committee and Auditors is not restricted on first come first serve basis.
5. Facility of joining the AGM through VC/ OAVM shall open 15 minutes before the time scheduled for the AGM for the members to join. The Shareholders can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the necessary procedure mentioned in the notice of this AGM.
6. Please note that Shareholders/Members connecting through mobile devices or tablets, or through laptop via mobile hotspot may experience audio video loss due to fluctuation in their respective networks. It is therefore recommended to use the stable Wi-Fi or LAN connections to mitigate any of the aforementioned glitches.

**Instructions for shareholders/members to attend the Annual General Meeting through instameet:**

Instructions for Shareholders/Members to attend the Annual General Meeting through Insta Meet (VC/OAVM) are as under:

1. Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.
2. Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors, Scrutinizer etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 15 (fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.
3. Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

i. Open the internet browser and launch the URL for InstaMeet

https://instameet.linkintime.co.in and register with your following details:

a) DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company

b) PAN: Enter your 10 digit Permanent Account Number (PAN)

c) Mobile No.

d) Email ID

ii. Click "Go to Meeting"

**Instructions for shareholders/members to vote during the Annual General Meeting through instameet:**

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel: (022-49186175)

**By Order of the Board of Directors**

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

Sd/-
**Parag K. Bodha**
Company Secretary & Compliance Officer
Membership. No. A51284

Place: Mumbai
Date: 13th August, 2020

## ANNEXURE TO NOTICE

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

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**Item No. 4:**

As per the provisions of Section 149, Section 152 and Schedule IV of the Companies Act, 2013 read with rules thereunder, the Company had appointed Dr. Vikram D. Sanghvi (DIN: 06858267) as Independent Director as per the requirement of the Companies Act, 2013 at the 34th Annual General Meeting of the Company held on September 21, 2015 for a term of 5 years from that AGM to till September 20, 2020.

As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of upto five years, on passing of a special resolution by shareholders.

Based on the performance evaluation of the Directors and keeping in view their experience and expertise, re-appointment of Dr. Vikram Sanghvi (DIN: 06858267) as an Independent Directors of the Company is recommended by the Nomination & Remuneration Committee and Board of Directors of the Company at its respective meeting held on May 18, 2020 for a second term as provided in the resolution, and he shall not be liable to retire by rotation at the Annual General Meeting as provided under Section 152(6) of the Companies Act, 2013.

The Company has received declaration from Dr. Vikram D. Sanghvi (DIN: 06858267) confirming that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, he fulfills the conditions specified in the said Act for reappointment as Independent Director.

The brief profile of all directors seeking appointment/re-appointment is mentioned in the Annexure to the notice under "Details of directors seeking appointment/re-appointment" forming part of this Notice and details of remuneration paid/payable are as provided in the Corporate Governance Report forming part of the Annual Report for 2019-20.

The resolution seeks the approval of members by special resolution for the re-appointment of Dr.Vikram D. Sanghvi (DIN: 06858267) as an Independent Director of the Company for a further term of five consecutive years commencing from 21st September, 2020 till 20th September, 2025.

Except Dr. Vikram D. Sanghvi (DIN: 06858267) being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.4.

Copy of the draft letter of re-appointment of Dr. Vikram Sanghvi (DIN: 06858267) as an Independent Director setting out the terms and conditions are available for inspection by the Members on the website of the Company at www.gtbl.in from the date of dispatch of this Notice till the date of the ensuing Annual General Meeting.

**Item No. 5:**

As per the provisions of Section 149, Section 152 and Schedule IV of the Companies Act, 2013 read with rules thereunder, the Company had appointed Mr. Siddharth Y. Kusumgar (DIN: 01676799) as Independent Director as per the requirement of the Companies Act, 2013 at the 35th Annual General Meeting of the Company held on September 21, 2015 for a term of 5 years from that AGM to till September 20, 2020.

As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of upto five years, on passing of a special resolution by shareholders.

Based on the performance evaluation of the Directors and keeping in view their experience and expertise, re-appointment of Mr.Siddharth Y. Kusumgar (DIN: 01676799) as an Independent Directors of the Company is recommended by the Nomination & Remuneration Committee and Board of Directors of the Company at its respective meeting held on May 18, 2020 for a second term as provided in the resolution, and he shall not be liable to retire by rotation at the Annual General Meeting as provided under Section 152(6) of the Companies Act, 2013.

The Company has received declaration from Mr. Siddharth Y. Kusumgar (DIN: 01676799) confirming that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and as per SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, he fulfills the conditions specified in the said Act for reappointment as Independent Director.

The brief profile of all directors seeking appointment/re-appointment is mentioned in the Annexure to the notice under "Details of directors seeking appointment/re-appointment" forming part of this Notice and details of remuneration paid/payable are as provided in the Corporate Governance Report forming part of the Annual Report for 2019-20.

The resolution seeks the approval of members by special resolution for the re-appointment of Mr. Siddharth Y. Kusumgar (DIN: 01676799) as an Independent Director of the Company for a further term of five consecutive years commencing from 21st September, 2020 till 20th September, 2025.

Except Mr. Siddharth Y. Kusumgar (DIN: 01676799) being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.5.

Copy of the draft letter of re-appointment of Mr. Siddharth Y. Kusumgar (DIN: 01676799) as an Independent Director setting out the terms and conditions are available for inspection by the Members on the website of the Company at www.gtbl.in from the date of dispatch of this Notice till the date of the ensuing Annual General Meeting.

**Item No. 6:**

The Company is examining various options to raise funds for its operations. One of the options could be borrowings. In order that the Company is well within its powers to raise funds through borrowings, It is considered desirable to empower the Board for the same. The Company is therefore, seeking approval from the members of the Company for an enhancement in its borrowing ability It is therefore necessary to obtain approval for the Members by passing special resolution under section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out in item no. 6 of the notice, to enable the Board of Directors to borrow money in excess of the aggregate paid up share capital, its free reserves and securities premium of the Company. Approval of members is sought by way of a special resolution to borrow money not exceeding Rs.100 Crores (Rupees One Hundred Crore Only).

The proposed resolution under item no 6 is to authorize the Board of Directors to borrow the money for Company's business exceeding the limit prescribed under section 180(1)(c) of the Companies Act, 2013 and which will also give flexibility to the Board to run the Business. None of the Directors or their relatives or Key Managerial Personnel are interested in this item, financially or otherwise.

The Board of Directors according recommends the special resolution as set out at item no 6 of the accompanying notice for approval of members.

**Item No. 7:**

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.

At the 35th Annual General Meeting of the Company, the shareholders had accorded their approval to the Company to enter into Related Party transaction with Themis Medicare Limited upto a limit of Rs. 21 crores.It is envisaged that going forward, there may be increase in such transactions and hence it is proposed to increase the limit from Rs. 21 crores to Rs. 30 crores by according an additional approval for Rs. 9 crores.

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 additional amount of Rs. 9 Crore (Rupees Nine Crore Only) (total limit Rs.30 Crores) 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 it's 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 it's 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, and May 18, 2020 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.

**By Order of the Board of Directors**

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

Sd/-
**Parag K. Bodha**
Company Secretary & Compliance Officer
Membership. No. A51284

Place: Mumbai
Date: 13th August, 2020

## ANNEXURE TO ITEM NO. 2, 4 & 5 OF THE NOTICE

**Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting**

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

| Name of the Director | Mr.S.S Lee | Dr. Vikram Sanghavi | Mr. Siddharth Kusumgar |
|---|---|---|---|
| **Date of Birth** | 03/11/1961 | 06/11/1949 | 07/05/1976 |
| **Nationality** | South Korea | Indian | Indian |
| **Date of Appointment on the Board** | 19/01/2008 | 25/03/2015 | 28/05/2015 |
| **Qualifications** | Bachelor's degree in Science | Surgeon | Diploma in Man Made Textiles from SASMIRA and training at Philadelphia College of Textiles in U.S.A |
| **Expertise in specific functional Area** | Product Development, Overseas Business | Medicine and Surgery, Management | Industrialist with experience in Market Development, Sales, Finance and Administration |
| **Number of shares held in the Company** | Nil | Nil | Nil |
| **List of the directorships held in other companies** | Nil | • Alchemy Realty Private Limited. | • V.B.Kusumgar and Company Pvt Ltd<br>• Engineered Coated Fabric Private Limited<br>• Concord Weaving Preparatory Pvt Ltd<br>• Kusumgar Corporates Private Limited<br>• Saati Kusumgar India Private Limited<br>• Toray Kusumgar Advanced Textile Private Limited |
| **Number of Board Meetings attended during the financial year 2019-20** | 1 (One) | 4 (Four) | 2(Two) |
| **Chairman/ Member in the Committees of the Boards of companies in which he is Director*** | Chairman<br>Nil<br>Member<br>Nil | Chairman<br>Nil<br>Member<br>Member of Audit Committee of our Company. | Chairperson:<br>Nil<br>Member<br>Member of Audit Committee of our Company. |
| **Relationships between Directors, Managers, or other KMP** | None | None | None |
| **Terms and Conditions of appointment/ reappointment** | Reappointment as Non Executive Director whose term of office is liable to retire by rotation. | Reappointment in terms of Section 149 of the Companies Act, 2013 and SEBI(Listing Obligation &Disclosure Requirements) Regulations, 2015 as Independent Director for a period of 5 years. | Reappointment in terms of Section 149 of the Companies Act, 2013 and SEBI(Listing Obligation &Disclosure Requirements) Regulations, 2015 as Independent Director for a period of 5 years. |
| **Last Remuneration drawn** | Nil | Sitting fees paid of Rs. 1,20,000/- for the financial year 2019-20. | Sitting fees paid of Rs. 60,000/- for the financial year 2019-20. |
| **Remuneration to be drawn after appointment /re- appointment** | Nil | He will be entitled to receive sitting fees. | He will be entitled to receive sitting fees. |

* **Committee memberships includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Company (Whether Listed or not).**

# BOARD'S REPORT

**The Members,**

**Gujarat Themis Biosyn Limited**

Your Directors have pleasure in presenting herewith the 39th Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2020.

## 1. FINANCIAL STATEMENTS & RESULTS:

### a. FINANCIAL RESULTS:

The Company's performance during the year ended 31st March, 2020 as compared to the previous financial year, is summarized below:

(Rs. in Lakhs)

| Particular | For the financial year ended 31st March, 2020 | For the financial year ended 31st March, 2019 |
|---|---|---|
| Income | 8682.86 | 4,326.38 |
| Less: Expenses | 5557.19 | 3,506.82 |
| Profit/ (Loss) before tax | 3125.66 | 819.56 |
| Current Tax | 763.55 | 87.00 |
| Deferred tax | (5.35) | 91.66 |
| Profit after Tax | 2367.46 | 640.90 |

### b. OPERATIONS:

Your Company's performance during the year in terms of Turnover and Profit was substantially better than the previous year. Your Company which was doing Job Work for other Pharma Company(ies) with fixed a contracted price changed its business model during the year under review. The change in business model has helped the Company to report a good financial performance. The Net Profit after Tax increased by 269.39% to Rs 2367.46 Lakhs as compared to Rs.640.90 Lakhs in the previous year. The production capacity was utilized to the maximum level during both the years.

Your Company's major operations were from Sale of finished products. During the period, sale of finished products recorded at Rs. 6769.19 Lakhs (previous year Rs. 107.75 Lakhs) registering increase in sale. The Company also earned Rs. 1782.50 Lakhs (Previous year Rs 3,982.61Lakhs) from conversion charges during the year ended 31st March, 2020. The Net Profit after tax recorded by the Company for the year under review is Rs. 2367.46 Lakhs as compared to net profit of Rs. 640.90Lakhs during previous year registering an increase of 269.39%.

### c. SUBSIDIARIES

The Company does not have any subsidiary.

### d. ASSOCIATES

The Company does not have any Associate Company.

### e. DIVIDEND:

Your Directors are pleased to recommend a dividend of Rs. 1.65/- (One Rupee Sixty Five Paisa Only) per equity share

of Rs. 5/- each (i.e. @ 33% per share) for the financial year ended 31st March, 2020. The dividend payment is subject to the approval of Members at the ensuing Annual General Meeting and be paid to the Members/Beneficial holders as on Book Closure date fixed for the said purpose.

The dividend, if declared at the AGM, would be paid/dispatched within thirty days from the date of declaration of dividend.

**f. TRANSFER TO RESERVES:**

Your Board has not recommended transfer of any amount of profit to reserves during the year under review.

**g. REVISION OF FINANCIAL STATEMENT:**

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

**h. 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)(l) 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 has 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 considers 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 2019-20, the Company has paid sitting fees to the Independent Directors only for attending Board and Audit Committee meetings.

Policy on Nomination and Appointment of Directors/Criteria for appointment of Senior Management and Remuneration Policy as formulated under Section 178(3) of the Companies Act, 2013 is annexed as "Annexure II" and forms part of this Report.

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

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

There are no qualifications, reservations or adverse remarks or disclaimer made by the Statutory Auditors in respect of financial statements as on and for the year ended 31st March, 2020.

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

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates the Company to obtain Secretarial Audit Report from Practicing Company Secretary. M/s. KRS& Co., Practicing Company Secretaries were appointed to conduct Secretarial Audit and issue Report for the financial year 2019-20.

Secretarial Audit Report issued by M/s. KRS & Co., Practicing Company Secretaries in Form MR-3 for the financial year 2019-20 forms part to this report.The report of the secretarial Auditor is annexed to this report as Annexure III. The Secretarial Audit report for the financial year 2019-20 contains the following observation of the Secretarial Auditor and the Management reply for the same is as under:

| Sr. No. | Secretarial Auditors' Observation | Management reply |
|---|---|---|
| 1. | The provisions of Corporate Social Responsibility (CSR) are applicable to the Company. However it is observed that for the financial year 2019-20, the company has not spent at least 2% of the average net profits made during three immediately preceding financial years in pursuance of its Corporate Responsibility Policy on CSR activity as required under the provisions of Section 135(5) of the Companies Act, 2013, | The Company was required to spend Rs. 12 lakhs as CSR Expenditure during the financial year 2019-20, however due to COVID-19 lockdown and related constraints the Company couldn't spend the amount upto 31st March,2020. However as on date of this report, Company has spent Rs.4.00 lakhs towards activities providing relief to victims affected due to COVID 19 which qualifies for CSR and proposes to spend the balance amount going forward. |

**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 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.

Contracts/arrangements/transactions entered by the Company during the financial year with related parties were on an arm's length basis and in the ordinary course of business. All related party transactions were placed for the approval before the Audit Committee / Board / Shareholders wherever necessary in compliance with the provisions of the Act and Listing Regulations. During the year, the Company has not entered into any contracts/arrangements/transactions with related parties which could be considered material in accordance with policy of the Company on material related party transactions or under section 188(1) of the Act. Accordingly, there are no particulars to report in Form AOC-2.

The details of the transactions with related parties are also provided in the accompanying financial statements.

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

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/wp-content/uploads/2015/08/Related-Party-Policy.pdf

**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 2019-20 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. During the year, the Company took steps to introduce an Employees' Stock Option Scheme subject to necessary compliances and shareholders' approval. The shareholders have approved the introduction of the Scheme as on the date of this report.

**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**

CHANGES IN BOARD OF DIRECTORS.

During the year under review, following changes took place in the Board Composition:

In accordance with the provisions of the Companies Act, 2013 andthe Articles of Association of the Company, Mr. Sisung Lee (DIN: 01933988), Director of the Company, retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers himself for re-appointment. The Board recommends to the members the re-appointment of Mr. Sisung Lee (DIN: 01933988) as Director in the ensuing Annual General Meeting of the Company.

Necessary ordinary Resolution for the reappointment of Mr. Sisung Lee (DIN: 01933988) is included in the Notice convening the ensuing Annual General Meeting.

1) Re-appointment of Dr. Vikram D. Sanghvi (DIN:06858267) and Mr. Siddharth Yogesh Kusumgar (DIN: 01676799) as Independent Directors for a second term of five consecutive years, in terms of Section 149 and other applicable provisions of the Companies Act, 2013.

   On recommendation of Nomination and Remuneration, the Board recommend to the members the re-appointment of Dr. Vikram D Sanghvi (DIN: 06858267) and Mr. Siddharth Yogesh Kusumgar (DIN : 01676799) as Independent Directors of the Company for a second term of five years commencing from 21st September, 2020 in the ensuing Annual General Meeting of the Company.

   Necessary resolution for the reappointment of Dr. Vikram D Sanghvi (DIN: 06858267) and Mr. Siddharth Yogesh Kusumgar (DIN :01676799) is included in the Notice convening the ensuing Annual General Meeting.

   Brief resume of the Directors proposed to be appointed/re-appointed, relevant information as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards – 2 have been given in the Notice convening the ensuing AGM

**CHANGES IN KEY MANAGERIAL PERSONNEL**

During the year, Mr. Abhishek D. Buddhadev had tendered his resignation as the Whole-time Company Secretary and Compliance Officer of the Company w.e.f. November 15, 2019. To fill the said vacancy, the Board of Directors, on recommendation of the Nomination & Remuneration Committee, in their meeting held on February 07,2020 had appointed Mr. Parag K. Bodha as the Company Secretary and Compliance Officer designated as Key Managerial Personnel with immediate effect.

**BOARD MEETINGS:**

The Board of Directors met four times during the financial year ended on 31st March, 2020 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 one hundred and twenty 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.

**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 31st March, 2020, 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 31st March, 2020 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.

**COMMITTEES OF THE BOARD OF DIRECTORS**

In compliance with the requirement of applicable laws and as part of best governance practices, the Company has following Committees of the Board as on 31stMarch, 2020:

i. Audit and Risk Management Committee

ii. Stakeholders Relationship Committee

iii. Nomination and Remuneration Committee

iv. Corporate Social Responsibility Committee

The details with respect to the aforesaid Committees forms part of the Corporate Governance Report.

**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.

As per SEBI (Prohibition of Insider Trading) (Amendment) Regulation, 2018 which amends SEBI (Prohibition of Insider Trading) Regulation, 20l5, the listed company shall have a whistle—blower policy and make employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information.

Considering the above amendment in SEBI (PIT) Regulations, 2015, the Vigil Mechanism Policy of the Company was amended with effect from 1st April, 2019 to enable employees to report instances of leak of unpublished price sensitive information.

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/2019/04/GTBL-Vigil-Mechanism-or-Whistle-Blower-Policy.pdf

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

**RISK MANAGEMENT:**

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

**CORPORATE SOCIAL RESPONSIBILITY POLICY:**

The provisions of Section 135 of theCompanies Act,2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, relating to Corporate Social Responsibility became applicable to the Company during the year under review i.e. 2019-20.

Accordingly, the Company constituted a Corporate Social Responsibility Committee and took further necessary steps including formulation of CSR Policy in compliance with the said provisions.

As per the provisions, the Company was required to spend Rs. 12 lakhs being 2% of its average net profit for the previous three years during the financial year 2019-20.

Towards this end, the Company had taken all steps to identify projects, beneficiaries and to devise a mechanism to implement its CSR Policy.

However, due to COVID 19 lockdown and related constraints, the Company could not spend the said amount during the financial year under review with the result; the Company carried forward the said unspent amount to the next financial year.

Your Directors are pleased to inform you as on date of this report, the Company has spent Rs.4.00 lakhs towards activities providing relief to victims affected due to COVID 19 which qualify for CSR and proposes to spend the balance amount going forward.

Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as Annexure VII to this Report.

The Policy on CSR adopted by the Company is available at http://www.gtbl.in/wp-content/uploads/2019/11/GTBL-Revised-CSR-Policy.pdf

**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 7th February, 2020 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 by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

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 2019-20 and hence disclosure under this section is not applicable.

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

**15. AUDITORS:**

**STATUTORY AUDITORS**

M/s. GMJ & Co., Chartered Accountants (Firm Registration No.103429W),the Statutory Auditors of the Company, were appointed by the members at the 36th Annual General Meeting (AGM) to hold such office till conclusion of the 41stAGM subject to ratification of their appointment by the members at every intervening AGM held after 36thAGM.

The Ministry of Corporate Affairs (MCA), vide its commencement Notification No. SO 1833(E) dated 7th May, 2018, has notified and amended the relevant provision of the Companies Act, 2013 relating the requirement of placing the matter relating to ratification of appointment of Statutory Auditors by members at every Annual General Meeting. The said amendment has done away with the requirement of Ratification of appointment of the Statutory Auditors. Therefore, M/s. GMJ & Co., Chartered Accountants will continue to hold office till conclusion of the 41st AGM and their appointment will not be subject to ratification by the members at every intervening AGM held after 36th AGM.

**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) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as at 31st March, 2020 is attached below as Annexure I and is also uploaded on the website of the Company and can be accessed at https://www.gtbl.in

**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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, 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 31st March, 2020 your Company has not received any complaint related to sexual harassment.

**e. COST RECORDS**

As per Section 148(1) of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the maintenance of cost records is not mandated for the Company.

**f. SECRETARIAL STANDARDS:**

The Company has complied with the applicable Secretarial Standard, as issued by the Institute of Company Secretaries of India and notified by the Central Government.

**g. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

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. However the impact of COVID-19 on the Financial Statements of the Company, has been given in the Notes to Financial Statement for the Year ended 31st March 2020.

**17. MANAGEMENT DISCUSSION & ANALYSIS:**

**Cautionary Statement:**

The statements in the "Management Discussion and Analysis Report" describe your Company's objectives, projections, estimates and expectations which may be "forward-looking statements" within the meaning of the applicable laws and regulations. The actual results could differ materially from those expressed or implied, depending upon the economic and climatic conditions, government policies, taxation and other laws and other incidental factors.

**Financial Overview:**

The financial performance of the Company for the financial year ended 31st March, 2020, is as follows:

Total revenue from operations stood at Rs. 85.12 Crores for the year ended 31st March, 2020, as against Rs. 41.05 Crores for the corresponding previous period, an increase of 107%, mainly on account of transition in the business model from contract manufacturing to manufacture and sales model.

The cost of raw materials rendered for the financial year ended 31st March, 2020 was Rs.15.44 Crores as against Rs. 0.34 Crores for the corresponding previous period. Raw material expenditure increased due to change in business model. In the contract manufacturing model, the direct raw materials were supplied by the partner. After shift to manufacture and sale model the Company started procuring raw materials directly.

The EBIDTA (earnings before interest, depreciation and tax, excluding other income) was Rs.31.84 Crore for the year ended 31st March, 2020, as against Rs. 7.33 Crore for the corresponding previous period, an increase of 334%.

The finance cost for the financial year ended 31st March, 2020 was Rs.0.92 Crore as against Rs.0.13 Crore for the corresponding previous period.

The PAT (profit after tax) was Rs.23.67 Crores for the year ended 31st March, 2020, as against Rs. 6.41 Crores for the corresponding previous period, an increase of 270%.

**Resources and Liquidity:**

The cash and cash equivalents at the end of 31st March, 2020 were Rs. 0.86 Crore. The net debt to equity ratio of the Company stood at 0.06 as on 31st March, 2020.

**Business category wise performance:**

The Company operates in one segment i.e. pharmaceuticals. The results of the Company under review depict business growth during the period. The Company is presently manufacturing Rifamycin S, which is an intermediate for manufacturing the drug Rifampicin (Anti biotic used for the treatment of several types of bacterial infections, including tuberculosis, Mycobacterium avium complex, leprosy, and Legionnaires' disease.) and Rifamycin O, which is an intermediate for manufacturing the drug Rifaximin (Antibiotic used for treatment of traveler's diarrhea, irritable bowel syndrome, and hepatic encephalopathy).

**Risk & Concerns:**

The business of the Company is also exposed to few risks. In the past few years, the Government of India has made frequent changes in the drug pricing and other laws impacting the operations of the Company. Further adverse changes in government policies with respect to essential medicines and pricing with respect to the products may reduce margins of the Company. Risks, liabilities and losses are part and parcel of any industry and need to be tackled through well forecasted strategies and actions. The government policies are creating new risks for domestic market by including new molecules to the price control umbrella and also the issuing ban on various Fixed Dose Combinations.

**Opportunities & Threats:**

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

healthcare, emerging markets like the one in India offer significant growth potential for the pharmaceutical industry.

The 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.

The Company is fully aware of its capabilities and strengths and is going ahead with hand holding strategy with Pharmaceutical majors.

Indian pharma companies will face competition from big pharma companies, backed by huge financial muscle. Generic drugs offer a cost-effective alternative to drugs innovators and significant savings to customers. The rapid transmission of COVID-19 virus across the globe will have a huge impact on business in Q1 of FY21.

**Internal control system and 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.

**Outlook:**

The global API market witnessed steady growth in terms of volume and value despite disruptions from the conventional supplier base i.e. China and India which impacted API availability and economics across the globe and it is expected that this trend will continue. There are very few companies which have the expertise in the field of fermentation. Many products manufactured by fermentation are not made in India. The country's needs are met through imports. GTBL is in the process of identifying products which have good domestic and export potential. The Company also has plans to establish a new R&D lab to take care of technological developments for new products that are being identified for global markets.

**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:**

Indian economy was one of the fastest growing economies during the Financial Year 2019-20, despite the growth rate being lower than the previous year. Higher growth was witnessed in sectors such as construction, financial services, real-estate and utilities, whereas, pharmaceutical sector grew at a lower rate. For the next fiscal year, Indian economy is expected to grow at a healthy pace, supported by increase in consumption and investments.

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level.Indian pharmaceutical sector industry supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicines in UK.Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic diseases.

The Indian government has taken many steps to reduce costs and bring down healthcare expenses. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies. The Industry consisting of Indian and foreign players is witnessing increased spends on R & D initiatives focusing on expanding traditional generic portfolios.

**(b) Opportunities and Threats:**

The Union Cabinet has given its nod for the amendment of the existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100 per cent under the automatic route for manufacturing of medical devices subject to certain conditions. In November 2019, Cabinet approved the extension/renewal of the extant Pharmaceuticals Purchase Policy (PPP) with the same terms and conditions while adding one additional product namely, Alcoholic Hand Disinfectant (AHD) to the existing list of 103 medicines till the final closure/strategic disinvestment of the Pharma CPSUs.

Under Budget 2020-21, allocation to the Ministry of Health and Family Welfare is Rs.65,012 crore (US$ 9.30 billion). The

government has allocated Rs.34,115 crore (US$ 4.88 billion) towards the National Health Mission under which rural and urban people will get benefited.

Rs.6,400 crore (US$ 915.72 million) has been allocated to health insurance scheme Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB PMJAY). The National Health Protection Scheme is largest government funded healthcare programme in the world, which is expected to benefit 100 million poor families in the country by providing a cover of up to Rs 5 lakh (US$ 7,723.2) per family per year for secondary and tertiary care hospitalisation. The programme was announced in Union Budget 2018-19.

The Government of India is planning to set up an electronic platform to regulate online pharmacies under a new policy, in order to stop any misuse due to easy availability. The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments.

The government introduced mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of medicines.

The Company is finding new avenues by expanding its existing production capacity.

Also the Company has changed its business model from contract manufacturing to supply model during the financial year 2019-20 and has led to increased growth in top line and profitability of the Company. Your Company is fully aware of its capabilities and strengths and is going ahead with hand holding strategy with Pharmaceutical majors.

Indian pharma companies will face competition from big pharma companies, backed by huge financial muscle. Generic drugs offer a cost effective alternative to drugs innovators and significant savings to customers.

**(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) 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 change in business model resulting in better production output and also due to reduction of interest.

The Net Profit after Tax increased by 269.39% compared to previous year. The production capacity was utilized to the maximum level during the year. Your Company has generated profit during the year under review as well as in the previous year.

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

The core of the Human Resource philosophy at Gujarat Themis Biosyn Ltd. 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 31st March, 2020 the total employee strength was 101.

**(f) Details of significant changes in key financial ratios (i.e. change of 25% or more as compared to the immediately previous financial year):**

| Sr.No | Particulars | 2019-20 | 2018-19 |
|---|---|---|---|
| 1 | Debtors Turnover ( in days) | 87 | 52 |
| 2 | Inventory Turnover (in days) | 195 | 94 |
| 3 | Interest Coverage Ratio | 36.77 | 83.70 |
| 4 | Current Ratio | 3.81 | 1.40 |
| 5 | Debt Equity Ratio | 0.19 | 0.32 |
| 6 | Operating Profit Margin (%) | 38% | 20% |
| 7 | Net Profit Margin (%) | 37% | 20% |

**(g) Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.**

| Financial year | 2019-20 | 2018-19 |
|---|---|---|
| Return on net worth (%) | 56% | 35% |

The Return on net worth increased during the year 2019-20 as compared to previous year 2018-19 because of increase net profit from 640.90 Lakhs in 2018-19 to Rs 2367.46 Lakhs in year 2019-20.

**18. ACKNOWLEDGEMENT:**

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: 18th May, 2020

**Dr. Dinesh S Patel**
Chairman
DIN: 00033273

# ANNEXURE – I

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March 2020

[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<br>• Contact Details: Tel: 91-0260-2430027; Fax: 91-0260-2400639<br>Email : gtblmumbai@gtbl.in / accounts@gtbl.co.in<br>Website : www.gtbl.in |
| Whether listed company | : | Yes |
| Name, Address and Contact details of Registrar and Transfer Agent, if any: | : | Link Intime India Pvt. Ltd,<br>C 101, 247 Park,<br>L.B.S. Marg, Vikhroli (West)<br>Mumbai - 400078.<br>Tel : 022 - 49186270<br>Fax : 022 - 49186060<br>E-mail : rnt.helpdesk@linkintime.co.in<br>Web site : www.linkintime.com |

### 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:

| Gujarat Themis Biosyn Limited | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Sr. No | Category of Shareholders | Shareholding at the beginning of the year - 2019 | | | | Shareholding at the end of the year - 2020 | | | | % Change during the year |
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (A) | Shareholding of Promoter and Promoter Group | | | | | | | | | |
| [1] | Indian | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | 94139 | 1 | 94140 | 0.6480 | 94139 | 1 | 94140 | 0.6480 | 0.0000 |
| (b) | Central Government / State Government(s) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (c) | Financial Institutions / Banks | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (d) | Any Other (Specify) | | | | | | | | | |

| Gujarat Themis Biosyn Limited | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Sr. No | Category of Shareholders | Shareholding at the beginning of the year - 2019 | | | | Shareholding at the end of the year - 2020 | | | | % Change during the year |
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| | Bodies Corporate | 6951605 | 0 | 6951605 | 47.8474 | 6951605 | 0 | 6951605 | 47.8474 | 0.0000 |
| | Sub Total (A)(1) | 7045744 | 1 | 7045745 | 48.4954 | 7045744 | 1 | 7045745 | 48.4954 | 0.0000 |
| [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) | 10895744 | 1 | 10895745 | 74.9946 | 10895744 | 1 | 10895745 | 74.9946 | 0.0000 |
| (B) | Public Shareholding | | | | | | | | | |
| [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 |
| [3] | Non-Institutions | | | | | | | | | |
| (a) | Individuals | | | | | | | | | |
| (i) | Individual shareholders holding nominal share capital upto Rs. 1 lakh. | 2239684 | 276832 | 2516516 | 17.321 | 2168888 | 276832 | 2436820 | 16.7725 | -0.5485 |
| (ii) | Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 637662 | 0 | 637662 | 4.389 | 695981 | 0 | 695981 | 4.7904 | 0.4014 |
| (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 |

| Gujarat Themis Biosyn Limited | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Sr. No | Category of Shareholders | Shareholding at the beginning of the year - 2019 | | | | Shareholding at the end of the year - 2020 | | | | % Change during the year |
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (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 | 20100 | 50 | 20150 | 0.1387 | 0.1387 |
| | Hindu Undivided Family | 155752 | 0 | 164530 | 1.0720 | 149304 | 0 | 149304 | 1.0276 | -0.0444 |
| | Non Resident Indians (Non Repat) | 20629 | 0 | 20629 | 0.1420 | 14790 | 0 | 14790 | 0.1018 | -0.0402 |
| | Non Resident Indians (Repat) | 64940 | 33450 | 98390 | 0.6772 | 70037 | 31650 | 101687 | 0.6999 | 0.0227 |
| | Clearing Member | 25549 | 0 | 25549 | 0.1759 | 22201 | 0 | 22201 | 0.1528 | -0.0231 |
| | Bodies Corporate | 142759 | 10600 | 153359 | 1.0556 | 178124 | 9000 | 187124 | 1.2880 | 0.2324 |
| | Sub Total (B)(3) | 3307125 | 325832 | 3628057 | 24.9717 | 3319425 | 308632 | 3628057 | 24.9717 | 0.0000 |
| | Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3) | 3307125 | 325832 | 3632957 | 25.0054 | 3319425 | 313532 | 3632957 | 25.0054 | 0.0000 |
| | Total (A)+(B) | 14202869 | 325833 | 14528702 | '100.00 | 14202869 | 325833 | 14528702 | 100.00 | 0.0000 |
| (C) | Non Promoter - Non Public | | | | | | | | | |
| [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)** | **14195944** | **332758** | **14528702** | **'100.000** | **14215169** | **313533** | **14528702** | **100.00** | **0.0000** |

### ii. SHAREHOLDING OF PROMOTERS:

| Sr No | Shareholder's Name | Shareholding at the beginning of the year - 2019 | | | Shareholding at the end of the year - 2020 | | | % change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | NO.OF SHARES HELD | % of total Shares of the company | % of Shares Pledged /encumbered to total shares | NO.OF SHARES HELD | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | |
| 1 | YUHAN CORPORATION | 3850000 | 26.4993 | 0.0000 | 3850000 | 26.4993 | 0.0000 | 0.0000 |
| 2 | PHARMACEUTICAL BUSINESS GROUP [INDIA] LTD | 3582000 | 24.6546 | 0.0000 | 3582000 | 24.6546 | 0.0000 | 0.0000 |
| 3 | THEMIS MEDICARE LIMITED | 3369605 | 23.1927 | 0.0000 | 3369605 | 23.1927 | 0.0000 | 0.0000 |
| 4 | JAYSHREE DINESH PATEL | 70645 | 0.4862 | 0.0000 | 70645 | 0.4862 | 0.0000 | 0.0000 |
| 5 | SACHIN DINESH PATEL | 7100 | 0.0489 | 0.0000 | 7100 | 0.0489 | 0.0000 | 0.0000 |
| 6 | REENA SACHIN PATEL | 5600 | 0.0385 | 0.0000 | 5600 | 0.0385 | 0.0000 | 0.0000 |
| 7 | DINESH SHANTILAL PATEL | 4700 | 0.0323 | 0.0000 | 4700 | 0.0323 | 0.0000 | 0.0000 |
| 8 | ANAY RUPEN CHOKSI | 3047 | 0.0210 | 0.0000 | 3047 | 0.0210 | 0.0000 | 0.0000 |
| 9 | NYSHA RUPEN CHOKSI | 3047 | 0.0210 | 0.0000 | 3047 | 0.0210 | 0.0000 | 0.0000 |
| 10 | DINESH SHANTILAL PATEL | 1 | 0.0000 | 0.0000 | 1 | 0.0000 | 0.0000 | 0.0000 |
| | **Total** | **10895745** | **74.9946** | **0.0000** | **10895745** | **74.9946** | **0.0000** | **0.0000** |

### iii. CHANGE IN PROMOTERS' SHAREHOLDING :

| Sr No. | | Shareholding at the beginning of the year - 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2020 | |
|---|---|---|---|---|---|---|---|
| | Name & Type of Transaction | 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 D PATEL | 70645 | 0.4862 | - | - | 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 S 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 | 3047 | 0.021 | - | - | 3047 | 0.021 |
| | AT THE END OF THE YEAR | | | - | - | 3047 | 0.021 |
| 9 | NYSHA RUPEN CHOKSI | 3047 | 0.021 | - | - | 3047 | 0.021 |
| | AT THE END OF THE YEAR | | | - | - | 3047 | 0.021 |
| 10 | DINESH SHANTILAL PATEL | 1 | 0 | - | - | 1 | 0 |
| | AT THE END OF THE YEAR | | | - | - | 1 | 0 |

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

| Sr No. | | Shareholding at the beginning of the year - 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2020 | |
|---|---|---|---|---|---|---|---|
| | Name & Type Of Transaction | 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 | DIPAK KANAYALAL SHAH | 150000 | 1.0324 | | | 150000 | 1.0324 |
| | MARKET SELL | | | 15 Nov 2019 | -50000 | 100000 | 1.0323 |
| | AT THE END OF THE YEAR | | | | | 100000 | 0.6883 |
| 2 | MANJU PAREKH | 75000 | 0.5162 | | | 75000 | 0.5162 |
| | AT THE END OF THE YEAR | | | | | 75000 | 0.5162 |
| 3 | ASHA ASHOK BOOB | 9063 | 0.0624 | | | | |
| | MARKET PURCHASE | | | 05 Apr 2019 | 12537 | 21600 | 0.1487 |
| | MARKET PURCHASE | | | 12 Apr 2019 | 2058 | 23658 | 0.1628 |
| | MARKET PURCHASE | | | 26 Apr 2019 | 11615 | 35273 | 0.2428 |
| | MARKET PURCHASE | | | 03 May 2019 | 541 | 35814 | 0.2465 |
| | MARKET PURCHASE | | | 07 Jun 2019 | 186 | 36000 | 0.2478 |

| Sr No. | | Shareholding at the beginning of the year - 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2020 | |
|---|---|---|---|---|---|---|---|
| | Name & Type Of Transaction | 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 |
| | MARKET PURCHASE | | | 29 Jun 2019 | 1170 | 37170 | 0.2558 |
| | MARKET PURCHASE | | | 19 Jul 2019 | 6841 | 44011 | 0.3209 |
| | MARKET PURCHASE | | | 26 Jul 2019 | 8158 | 52169 | 0.3591 |
| | MARKET PURCHASE | | | 02 Aug 2019 | 665 | 52834 | 0.3637 |
| | MARKET PURCHASE | | | 09 Aug 2019 | 3757 | 56591 | 0.3895 |
| | MARKET PURCHASE | | | 23 Aug 2019 | 1055 | 57646 | 0.3968 |
| | MARKET PURCHASE | | | 31 Jan 2020 | 10000 | 67646 | 0.4656 |
| | MARKET PURCHASE | | | 07 Feb 2020 | 54 | 67700 | 0.466 |
| | MARKET PURCHASE | | | 14 Feb 2020 | 5000 | 72700 | 0.5004 |
| | AT THE END OF THE YEAR | | | | | 72700 | 0.5004 |
| 4 | NARESH O JAIN | 62000 | 0.4267 | | | 62000 | 0.4267 |
| | AT THE END OF THE YEAR | | | | | 62000 | 0.4267 |
| 5 | AMITA DINESH KUMAR MUNOT | 21118 | 0.1454 | | | 21118 | 0.1454 |
| | MARKET PURCHASE | | | 07 Jun 2019 | 1352 | 22470 | 0.1547 |
| | MARKET PURCHASE | | | 02 Aug 2019 | 3648 | 26118 | 0.1798 |
| | MARKET PURCHASE | | | 11 Oct 2019 | 3000 | 29118 | 0.2004 |
| | MARKET PURCHASE | | | 18 Oct 2019 | 2171 | 31289 | 0.2154 |
| | MARKET PURCHASE | | | 20 Dec 2019 | 2000 | 33289 | 0.2291 |
| | MARKET PURCHASE | | | 21 Feb 2020 | 1800 | 35089 | 0.2415 |
| | MARKET PURCHASE | | | 06 Mar 2020 | 4550 | 39639 | 0.2728 |
| | MARKET PURCHASE | | | 13 Mar 2020 | 3150 | 42789 | 0.2945 |
| | MARKET PURCHASE | | | 20 Mar 2020 | 1400 | 44189 | 0.3041 |
| | MARKET SELL | | | 31 Mar 2020 | -2000 | 42189 | 0.2904 |
| | AT THE END OF THE YEAR | | | | | 42189 | 0.2904 |
| 6 | PRABHAT FINANCIAL SERVICES LIMITED-CLIENT COLLATERAL ACCOUNT | 300 | 0.0021 | | | 300 | 0.0021 |
| | MARKET SELL | | | 05 Apr 2019 | -96 | 204 | 0.0014 |
| | MARKET PURCHASE | | | 12 Apr 2019 | 196 | 400 | 0.0028 |
| | MARKET PURCHASE | | | 19 Apr 2019 | 115 | 515 | 0.0035 |
| | MARKET SELL | | | 24 May 2019 | -315 | 200 | 0.0014 |
| | MARKET SELL | | | 31 May 2019 | -194 | 6 | 0 |
| | MARKET PURCHASE | | | 21 Jun 2019 | 991 | 997 | 0.0069 |
| | MARKET SELL | | | 29 Jun 2019 | -750 | 247 | 0.0017 |
| | MARKET PURCHASE | | | 05 Jul 2019 | 475 | 722 | 0.005 |
| | MARKET PURCHASE | | | 12 Jul 2019 | 255 | 977 | 0.0067 |
| | MARKET SELL | | | 26 Jul 2019 | -675 | 302 | 0.0021 |
| | MARKET PURCHASE | | | 02 Aug 2019 | 1720 | 2022 | 0.0139 |
| | MARKET SELL | | | 09 Aug 2019 | -1022 | 1000 | 0.0069 |
| | MARKET SELL | | | 03 Jan 2020 | -500 | 500 | 0.0034 |
| | MARKET PURCHASE | | | 14 Feb 2020 | 427 | 927 | 0.0064 |
| | MARKET PURCHASE | | | 28 Feb 2020 | 1003 | 1930 | 0.0133 |
| | MARKET PURCHASE | | | 27 Mar 2020 | 38070 | 40000 | 0.2753 |
| | AT THE END OF THE YEAR | | | | | 40000 | 0.2753 |

| Sr No. | | Shareholding at the beginning of the year - 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2020 | |
|---|---|---|---|---|---|---|---|
| | Name & Type Of Transaction | 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 |
| 7 | DAKSHA MANMATH PATEL | 37162 | 0.2558 | | | 37162 | 0.2558 |
| | MARKET PURCHASE | | | 10 May 2019 | 504 | 37666 | 0.2593 |
| | MARKET PURCHASE | | | 24 May 2019 | 200 | 37866 | 0.2606 |
| | AT THE END OF THE YEAR | | | | | 37162 | 0.2558 |
| 8 | JAGAT LODHA | 15000 | 0.1032 | | | 15000 | 0.1032 |
| | MARKET PURCHASE | | | 22 Nov 2019 | 2566 | 17566 | 0.1209 |
| | MARKET PURCHASE | | | 20 Dec 2019 | 434 | 18000 | 0.1239 |
| | MARKET PURCHASE | | | 17 Jan 2020 | 2000 | 20000 | 0.1377 |
| | MARKET PURCHASE | | | 24 Jan 2020 | 1500 | 21500 | 0.148 |
| | MARKET PURCHASE | | | 14 Feb 2020 | 3926 | 25426 | 0.175 |
| | MARKET PURCHASE | | | 20 Mar 2020 | 4148 | 29574 | 0.2036 |
| | MARKET PURCHASE | | | 27 Mar 2020 | 7486 | 37060 | 0.2551 |
| | AT THE END OF THE YEAR | | | | | 37060 | 0.2251 |
| 9 | ASHOK RAMNARAYAN BOOB | 0 | 0 | | | 0 | 0 |
| | MARKET PURCHASE | | | 10 May 2019 | 1068 | 1068 | 0.0074 |
| | MARKET PURCHASE | | | 17 May 2019 | 13434 | 14502 | 0.0998 |
| | MARKET PURCHASE | | | 24 May 2019 | 1447 | 15949 | 0.1098 |
| | MARKET PURCHASE | | | 31 May 2019 | 201 | 16150 | 0.1112 |
| | MARKET PURCHASE | | | 07 Jun 2019 | 850 | 17000 | 0.117 |
| | MARKET PURCHASE | | | 23 Aug 2019 | 8025 | 25025 | 0.1722 |
| | MARKET PURCHASE | | | 30 Aug 2019 | 3138 | 28163 | 0.1938 |
| | MARKET PURCHASE | | | 08 Nov 2019 | 1195 | 29358 | 0.2021 |
| | MARKET PURCHASE | | | 22 Nov 2019 | 7000 | 36358 | 0.2502 |
| | AT THE END OF THE YEAR | | | | | 36358 | 0.2502 |
| 10 | JAGDISHBHAI MAFATBHAI PATEL | 26155 | 0.18 | | | 26155 | 0.18 |
| | MARKET PURCHASE | | | 26 Apr 2019 | 795 | 26950 | 0.1855 |
| | MARKET PURCHASE | | | 03 May 2019 | 300 | 27250 | 0.1876 |
| | MARKET PURCHASE | | | 21 Feb 2020 | 2000 | 29250 | 0.2013 |
| | MARKET PURCHASE | | | 06 Mar 2020 | 4200 | 33450 | 0.2302 |
| | AT THE END OF THE YEAR | | | | | 33450 | 0.2302 |
| 11 | GLIX VYAPAAR PVT LTD | 39330 | 0.2707 | | | 39330 | 0.2707 |
| | MARKET SELL | | | 05 Apr 2019 | -900 | 38430 | 0.2645 |
| | MARKET PURCHASE | | | 05 Jul 2019 | 90 | 38520 | 0.2651 |
| | MARKET PURCHASE | | | 06 Sep 2019 | 90 | 38610 | 0.2657 |
| | MARKET SELL | | | 17 Jan 2020 | -4635 | 33975 | 0.2338 |
| | MARKET SELL | | | 28 Feb 2020 | -45 | 33930 | 0.2335 |
| | MARKET SELL | | | 06 Mar 2020 | -90 | 33840 | 0.2329 |
| | MARKET SELL | | | 13 Mar 2020 | -450 | 33390 | 0.2298 |
| | MARKET SELL | | | 20 Mar 2020 | -450 | 32940 | 0.2267 |
| | MARKET SELL | | | 31 Mar 2020 | -450 | 32490 | 0.2236 |
| | AT THE END OF THE YEAR | | | | | 32490 | 0.2236 |
| 12 | GANPAT SINGHVI | 27501 | 0.1893 | | | 27501 | 0.1893 |
| | AT THE END OF THE YEAR | | | | | 27501 | 0.1893 |
| 13 | SEEMA MODANI | 42500 | 0.2925 | | | 42500 | 0.2925 |

| Sr No. | | Shareholding at the beginning of the year - 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2020 | |
|---|---|---|---|---|---|---|---|
| | Name & Type Of Transaction | 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 |
| | MARKET SELL | | | 05 Apr 2019 | -4 | 42496 | 0.2925 |
| | MARKET PURCHASE | | | 21 Jun 2019 | 4 | 42500 | 0.2925 |
| | MARKET SELL | | | 14 Feb 2020 | -1088 | 41412 | 0.285 |
| | MARKET PURCHASE | | | 21 Feb 2020 | 1088 | 42500 | 0.2925 |
| | MARKET SELL | | | 20 Mar 2020 | -2022 | 40478 | 0.2786 |
| | MARKET SELL | | | 27 Mar 2020 | -40000 | 478 | 0.0033 |
| | AT THE END OF THE YEAR | | | | | 478 | 0.0033 |
| 14 | SHABBIR NAZMUDDIN PARATHA | 32683 | 0.225 | | | 32683 | 0.225 |
| | MARKET SELL | | | 31 May 2019 | -11908 | 20775 | 0.143 |
| | MARKET SELL | | | 07 Jun 2019 | -3714 | 17061 | 0.1174 |
| | MARKET SELL | | | 23 Aug 2019 | -17061 | 0 | 0 |
| | AT THE END OF THE YEAR | | | | | 0 | 0 |
| 15 | SUPREETKAUR Y SALUJA | 28620 | 0.197 | | | 28620 | 0.197 |
| | MARKET SELL | | | 29 Nov 2019 | -1 | 28619 | 0.197 |
| | MARKET SELL | | | 17 Jan 2020 | -18470 | 10149 | 0.0699 |
| | MARKET SELL | | | 28 Feb 2020 | -3619 | 6530 | 0.0449 |
| | MARKET SELL | | | 06 Mar 2020 | -6530 | 0 | 0 |
| | AT THE END OF THE YEAR | | | | | 0 | 0 |
| 16 | GOKUL MRUGESH JAYKRISHNA | 28357 | 0.1952 | | | 28357 | 0.1952 |
| | MARKET SELL | | | 05 Apr 2019 | -7100 | 21257 | 0.1463 |
| | MARKET SELL | | | 12 Apr 2019 | -211 | 21046 | 0.1449 |
| | MARKET SELL | | | 26 Apr 2019 | -20146 | 900 | 0.0062 |
| | MARKET SELL | | | 03 May 2019 | -900 | 0 | 0 |
| | AT THE END OF THE YEAR | | | | | 0 | 0 |

**Note:** 1. Paid up Share Capital of the Company (Face Value Rs. 5.00) at the end of the year is 14528702 Shares.

2. The details of holding has been clubbed based on PAN.

3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

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

| Sl. No. | For each of the Directors and KMP | Shareholding at the beginning of the year (01.04.2019) | | Change in Shareholding (No. of Shares) | | Cumulative Shareholding during the year (31.03.2020) | |
|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | Increase | Decrease | No. of shares | % of total shares of the Company |
| 1 | **DR. DINESH SHANTILAL PATEL** (Non-Executive Non-Independent Director) | | | | | | |
| | At the beginning of the year | 4701 | 0.03 | - | - | - | - |
| | Increase / Decrease in Share holding during the year | - | - | - | - | - | - |
| | At the end of the year | - | - | - | - | 4701 | 0.03 |

| Sl. No. | For each of the Directors and KMP | Shareholding at the beginning of the year (01.04.2019) | | Change in Shareholding (No. of Shares) | | Cumulative Shareholding during the year (31.03.2020) | |
|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | Increase | Decrease | No. of shares | % of total shares of the Company |
| 2 | **DR. SACHIN D PATEL** (Non-Executive Non-Independent Director) | | | | | | |
| | At the beginning of the year | 7100 | 0.05 | - | - | - | - |
| | Increase / Decrease in Share holding during the year | - | - | - | - | - | - |
| | At the End of the year | - | - | - | - | 7100 | 0.05 |
| 3 | **MR. VIJAY G. AGARWAL** (Independent Director) | | | | | | |
| | At the beginning of the year | - | - | - | - | - | - |
| | Increase / Decrease in Share holding during the year | - | - | - | - | - | - |
| | At the End of the year | - | - | - | - | - | - |
| 4 | **MRS. PREETI K. TRIVEDI** (Independent Director) | | | | | | |
| | At the beginning of the year | - | - | - | - | - | - |
| | Increase / Decrease in Share holding during the year | - | - | - | - | - | - |
| | At the End of the year | - | - | - | - | - | - |
| 5 | **MRS. SIDDHARTH Y. KUSUMGAR** (Independent Director) | | | | | | |
| | At the beginning of the year | - | - | - | - | - | - |
| | Increase / Decrease in Share holding during the year | - | - | - | - | - | - |
| | At the End of the year | - | - | - | - | - | - |
| 6 | **DR. VIKRAM D. SANGHVI** (Independent Director) | | | | | | |
| | At the beginning of the year | - | - | - | - | - | - |
| | Increase / Decrease in Share holding during the year | - | - | - | - | - | - |
| | At the End of the year | - | - | - | - | - | - |
| 7 | **MR. SI SUNG LEE*** (Non-Executive Non-Independent Director) | | | | | | |
| | At the beginning of the year | - | - | - | - | - | - |
| | Increase / Decrease in Share holding during the year | - | - | - | - | - | - |
| | At the End of the year | - | - | - | - | - | - |
| 8 | **MR. NAMJIN SEUNG PARK*** (Non-Executive Non-Independent Director) | | | | | | |
| | At the beginning of the year | - | - | - | - | - | - |
| | Increase / Decrease in Share holding during the year | - | - | - | - | - | - |
| | At the End of the year | - | - | - | - | - | - |
| 9 | **MR. HINESH R. DOSHI*** (Alternate Director to Mr. Namjin Park) | | | | | | |
| | At the beginning of the year | - | - | - | - | - | - |
| | Increase / Decrease in Share holding during the year | - | - | - | - | - | - |
| | At the End of the year | - | - | - | - | - | - |

| Sl. No. | For each of the Directors and KMP | Shareholding at the beginning of the year (01.04.2019) | | Change in Shareholding (No. of Shares) | | Cumulative Shareholding during the year (31.03.2020) | |
|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | Increase | Decrease | No. of shares | % of total shares of the Company |
| 10 | **MR. JAGDISH G. KAUJALGI** (Chief Executive Officer) | | | | | | |
| | At the beginning of the year | - | - | - | - | - | - |
| | Increase / Decrease in Share holding during the year | - | - | - | - | - | - |
| | At the End of the year | - | - | - | - | - | - |
| 11 | **MR. PARAG K.BODHA** (Company Secretary) *w.e.f. 07th February, 2020 | | | | | | |
| | At the beginning of the year | - | - | - | - | - | - |
| | Increase / Decrease in Share holding during the year | - | - | - | - | - | - |
| | At the End of the year | - | - | - | - | - | - |
| 11 | **MR. ABHISHEK D. BUDDHADEV** (Company Secretary)*upto 15th November, 2019 | | | | | | |
| | At the beginning of the year | 501 | 0.00 | | | | |
| | Increase / Decrease in Share holding during the year | - | - | - | 499 | 2 | 0.00 |
| | At the End of the year | - | - | | | 2 | 0.00 |
| 12 | **MR. BHARAT A. DESAI** (CFO) | | | | | | |
| | At the beginning of the year | 100 | 0.00 | - | - | - | - |
| | Increase / Decrease in Share holding during the year | - | - | - | - | - | - |
| | At the End of the year | - | - | - | - | 100 | 0.00 |

**Note:**

1. Mr. Abhishek D. Buddhadev resigned as Company Secretary of the Company w.e.f. November 15, 2019
2. Mr. Parag K Bodha was appointed as Company Secretary of the Company w.e.f. February 07, 2020

## V INDEBTEDNESS:

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

**(Rs in Lacs)**

| Particulars | Secured Loans Excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | - | 600 | - | 600 |
| ii) Interest due but not paid | - | - | - | |
| iii) Interest accrued but not due | - | - | - | |
| **Total (i+ii+iii)** | | **600** | **-** | **600** |
| Change in Indebtedness during the financial year | | | | |
| • Addition | - | 1028.81 | | 1028.81 |
| • Reduction | - | 780.53 | | 780.53 |
| **Net Change** | **-** | **248.28** | | **248.28** |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | - | 803.81 | | 803.81 |
| ii) Interest due but not paid | - | 44.47 | | 44.47 |
| iii) Interest accrued but not due | - | - | - | |
| **Total (i+ii+iii)** | **-** | **848.28** | | **848.28** |

## VI REMUNERATION OF DIRECTORS AND KEY MANAGER PERSONNEL.

### a) REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

Not Applicable

### b) REMUNERATION/SITTING FEES TO OTHER DIRECTORS:

| Particulars of Remuneration | Name of Directors | | | | Total Amount |
|---|---|---|---|---|---|
| 1. Independent Directors | Mrs. Preeti Trivedi | Mr. Vijay Agarwal | Mr. Siddharth Kusumgar | Dr. Vikram Sanghvi | |
| • Fee for attending board / committee meetings | 90,000 | 1,20,000 | 60,000 | 1,20,000 | 3,90,000 |
| • Commission | - | - | - | - | - |
| • Others, please specify | - | - | - | - | - |
| **Total (1)** | **90,000** | **1,20,000** | **60,000** | **1,20,000** | **3,90,000** |

| 2. Other Non-Executive Directors | Dr. Dinesh S. Patel | Dr. Sachin D. Patel | Mr. S S Lee | Mr. Namjin Park | Mr. Hinesh Doshi | |
|---|---|---|---|---|---|---|
| • Fee for attending board / committee meetings | NIL | NIL | NIL | NIL | NIL | NIL |
| • Commission | - | - | - | - | - | - |
| • Others, please specify | - | - | - | - | - | - |
| **Total (2)** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total (B)=(1+2)** | | | | | | **3,90,000** |

### c) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| Sr. No. | Particulars of Remuneration | Mr. Jagdish G. Kaujalgi (Chief Executive officer) | Mr. Parag K. Bodha* (Company Secretary) | Mr. Abhishek D. Buddhadev* (Company Secretary) | Bharat Desai (Chief Financial Officer) |
|---|---|---|---|---|---|
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 12,16,997 | 97,529 | 3,75,528 | 6,69,754 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 98160 | 7113 | 28,800 | 61,200 |
| | (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961 | - | | - | - |
| 2 | Stock Option | - | | - | - |
| 3 | Sweat Equity | - | | - | - |
| 4 | Commission | - | | - | - |
| | - as % of profit | - | | - | - |
| | - others, specify(Provident Fund) | - | | - | - |
| 5 | Others, | - | | - | - |
| | **Total** | **13,15,157** | **1,04,642** | **4,04,328** | **7,30,954** |

**Note**

1. Mr. Abhishek D. Buddhadev resigned as Company Secretary of the Company w.e.f. November 15, 2019
2. Mr. Parag K Bodha was appointed as Company Secretary of the Company w.e.f. February 07, 2020

# ANNEXURE II

## Nomination and Remuneration Policy

### PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") , the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company has already constituted Nomination & Remuneration Committee comprising of three Non-Executive Independent Directors as members of the Committee as required under Listing Regulations.

### OBJECTIVES

The Key Objectives of the Nomination & Remuneration Committee would be:

a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;

b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation;

c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management;

d) To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to company's performance;

e) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;

f) To enable the company for competing effectively in the labour market and to recruit and retain high caliber staff;

g) To operate at minimum rate of labour turnover.

### DEFINITIONS

**"Act"** means the Companies Act, 2013 and Rules framed thereunder as amended from time to time.

**"Board"** means Board of Directors of the Company.

**"Company"** means "Gujarat Themis Biosyn Limited."

**"Directors"** mean Directors of the Company.

**"Employees' Stock Option"** means the option given to the Directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such Directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

"Independent Director" means a Director referred to in Section 149 (6) of the Companies Act, 2013.

**"Key Managerial Personnel"** (KMP) means:

- Chief Executive Officer or the Managing Director or the Manager,
- Company Secretary,
- Whole-time Director,
- Chief Financial Officer and
- Such other officer as may be prescribed.

**"Nomination and Remuneration Committee"** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.

**"Policy or This Policy"** means, "Nomination and Remuneration Policy."

**"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

**"Senior Management"** means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive Directors, including all the functional heads.

**INTERPRETATION**

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.

**GUIDING PRINCIPLES**

The Policy ensures that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

**ROLE OF THE COMMITTEE**

The role of the Committee inter alia will be the following:

a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.

b) Formulate criteria for evaluation of Independent Directors and the Board.

c) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.

d) To carry out evaluation of every Director's performance.

e) To recommend to the Board the appointment and removal of Directors and Senior Management.

f) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

g) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

h) To devise a policy on Board diversity.

i) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

**MEMBERSHIP**

a) The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.

b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.

c) Minimum two (2) members shall constitute a quorum for the Committee meeting.

d) Membership of the Committee shall be disclosed in the Annual Report.

e) Term of the Committee shall be continued unless terminated by the Board of Directors.

**CHAIRMAN**

a) Chairman of the Committee shall be an Independent Director.

b) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

c) Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

**FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

**COMMITTEE MEMBERS' INTERESTS**

a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**VOTING**

a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

**APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

- **Appointment criteria and qualifications:**

  a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

  b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

  c) The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/ Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- **Term / Tenure:**

  (a) Managing Director / Whole-time Director / Executive Director:

  The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director, Whole Time Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

  At the time of appointment of Whole Time Director it should be ensured that number of Boards on which such Director serves is restricted to three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed from time to time.

  (b) Independent Director:

  An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.

  No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

  At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director or such other number as may be prescribed from time to time.

  (c) Evaluation

  The Committee shall carry out evaluation of performance of every Director, Key Managerial Personnel and Senior Management Personnel at regular interval.

  (d) Removal

  Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, Key Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

(e) Retirement

The Director, Key Managerial Personnel and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, Key Managerial Personnel, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT**

- **General:**

1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- **Remuneration to Managerial Person, KMP and Senior Management:**

1. Fixed pay:

   Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Minimum Remuneration:

   If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

3. Provisions for excess remuneration:

   If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

- **Remuneration to Non-Executive / Independent Director:**

1. Remuneration / Commission:

   The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

2. Sitting Fees:

   The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. Limit of Remuneration /Commission:

   Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:

   An Independent Director shall not be entitled to any stock option of the Company.

**MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

**DEVIATIONS FROM THIS POLICY**

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

# ANNEXURE III

## Form No. MR-3

### SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[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

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

Based on my verification of the Company's books, papers, 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2020**, complied with the statutory provisions listed here under and also that the company has proper Board –processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 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 there under;
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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.
    b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
    e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period);
    g) 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;
    h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period); and
    i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period)
6. I 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 read with Gujarat Factories Rule 1963;
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.

I have also examined Compliance with the applicable clauses of the Secretarial Standards Issued by the Institute of Company Secretaries of India

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 observation(s);

1. *As required under the provisions of Section 135(5) of the Companies Act, 2013, the company has not spent the specified amount (i.e at least 2% of the average net profits made during three immediately preceding financial year) for the financial year 2019-20.*

**I 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.

I 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.

I further report that during the audit period, the Company has changed its business model from contract manufacturer to manufacturing and supply of pharmaceutical products to various parties.

**Note:** This report is based on information, documents, material etc seen/verified/made available to me. However due to the current lockdown situation in view of COVID-19 Pandemic some of the data was made available to me in electronic form by the secretarial team of the Company and such data will be verified physically after the lock down in lifted.

**For KRS AND CO.**
**Practicing Company Secretaries**
**Sd/-**
**Mr. Ketan Ravindra Shirwadkar**
Proprietor
ACS No. 37829
COP No. 15386
UDIN:A037829B000249832

Date:18th May, 2020
Place: Mumbai

This Report is to be read with my 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

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I have followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required I 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. My 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 KRS AND CO.**
**Practicing Company Secretaries**
**Sd/-**
**Mr. Ketan Ravindra Shirwadkar**
Proprietor
ACS No. 37829
COP No. 15386
UDIN: A037829B000249832

Date:18th May, 2020
Place: Mumbai

## ANNEXURE IV

INFORMATION PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) 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 2019-20:**

| Name | % Increase in the remuneration | Ratio of the remuneration of each Director / to median remuneration of the employees. |
|---|---|---|
| Mr. Jagdish G. Kaujalgi (CEO) | - | - |
| Mr. Abhishek D. Buddhadev (Company Secretary) | - | - |
| Mr. Parag K. Bodha (Company Secretary) | - | - |
| Mr. Bharat Amratlal Desai (CFO) | 6.06 | - |

**Note:**

a) Mr. Jagdish G. Kaujalgi was appointed as Chief Executive Officer of the Company w.e.f. 9th May, 2018. Therefore, percentage increase in the remuneration disclosure is not applicable for him.

b) Mr. Abhishek D. Buddhadev resigned as Company Secretary w.e.f. 15.11.2019 and therefore, percentage Increase in the remuneration disclosure is not applicable to him.

c) Mr. Parag K. Bodha was appointed as Company Secretary w.e.f. 07.02.2020 and therefore, percentage Increase in the remuneration disclosure is not applicable to him.

d) The Company has not paid any remuneration to its Non Executive and Independent Directors except sitting

Fees to Independent Directors for attending Board and Board Committees meeting.

**2) The percentage increase in the median remuneration of employees in the financial year : 31.07%**

**3) The number of permanent employees on the rolls of the Company: 101**

**4) 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:

Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was 49.65%, while the average percentile increase in the remuneration of managerial personnel was 69.93%.

Average increase in the remuneration of the employees other than the Managerial Personnel and that of the managerial personnel is in line with the industry practice and is within the normal range.

**5) 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 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 | 1) Replacement of 75HP vacuum pump on Rotary Vacuum drum filter with 40HP pump. One system running successfully.<br>2) Commissioning of 90HP high efficiency pump on cooling tower which resulted in power saving of 75HP from old pumps. |
| Steps taken by the company for utilizing alternate sources of energy | 1) NIL |
| Capital investment on energy conservation equipments | Rs. 58.5 lakhs |

**(B) Technology absorption:**

| | |
|---|---|
| Efforts made towards technology absorption | - |
| Benefits derived like product improvement, cost reduction, product development or import substitution | 1) Increased production resulting in overhead reduction on per kg basis of finished goods.<br>2) India is still importing Rifamycin S and Rifampicin from China, thus higher output from company results in lowering imports. |
| In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): No technology has been imported during the last three years. | |
| Details of technology imported | - |
| Year of import | - |
| Whether the technology has been fully absorbed | - |
| If not fully absorbed, areas where absorption has not taken place, and the reasons thereof | - |
| Expenditure incurred on Research and Development | - |

**(C) Foreign exchange earnings and Outgo:**

| Particulars | 1st April, 2019 to 31st March, 2020 [Current F.Y.] | 1st April, 2018 to 31st March, 2019 [Previous F.Y.] |
|---|---|---|
| | Amount in (Rs. Lakhs) | Amount in (Rs. Lakhs) |
| Actual Foreign Exchange earnings | Nil | Nil |
| Actual Foreign Exchange outgo | 114.02 | 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 their Report on Corporate Governance for the financial year ended 31st March, 2020.

### 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 its 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 Directors in accordance with the provisions 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 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 listed Companies# | Number of Committee positions held in other listed Companies ## | |
|---|---|---|---|---|---|---|---|
| | | | | | | Chairperson | Member |
| Dr. Dinesh S. Patel@ | Chairman | Non Executive Promoter Director | 4 | Yes | 1 | - | - |
| Dr. Sachin Dinesh Patel@ | Director | Non Executive Promoter Director | 4 | Yes | 1 | - | 2 |
| Mr. Vijay Agarwal | Director | Independent Director | 4 | Yes | 2 | 1 | 2 |
| Mrs. Preeti K. Trivedi | Director | Independent Director | 3 | No | - | - | - |
| Dr. Vikram D. Sanghvi | Director | Independent Director | 4 | No | - | - | - |

| Name of the Director | Designation | Category | No. of Board Meetings attended | Last AGM Attended | Number of Directorship in other listed Companies# | Number of Committee positions held in other listed Companies ## | |
|---|---|---|---|---|---|---|---|
| | | | | | | Chairperson | Member |
| Mr. Siddharth Y. Kusumgar | Director | Independent Director | 2 | No | - | - | - |
| Mr. S.S. Lee | Director | Non Executive Director - Representative of Yuhan Corporation | 1 | No | - | - | - |
| Mr. Namjin Park | Director | Non Executive Director - Representative of Yuhan Corporation | -- | No | - | - | - |
| Mr. Hinesh Doshi | Alternate Director Mr. Namjin Park | Non Executive Director | 2 | No | - | - | - |

**Notes:**

1. # Includes only Listed Companies.
2. ## No. of Committee positions (Chairmanship/Membership) held in other listed Companies is excluding Foreign, Private Ltd., and Section 8 Companies. Further only two Committees i.e., Audit Committee and Stakeholders Relationship Committee are considered as per Regulation 26 (1) (b) of the Regulations.
3. @ Relatives as per provisions of Section 2(77) of The Companies Act, 2013.

- **Dates of Board Meetings held during the F.Y. 2019-20 Four Board Meetings were held during the year on following dates:**
  1. 28th May, 2019
  2. 7th August, 2019
  3. 14th November, 2019
  4. 7th February, 2020

- **Risk Management**
  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.
- **Management Discussion and Analysis Report (MD & A)**
  The MD & A report forms part of the Annual Report and provided elsewhere in this report.

Names of the listed entities where the person is a Director and the category of Directorship.

| Name of the Director | Name of the listed entities and category of Directorship |
|---|---|
| Mr. Vijay Agarwal | 1. Themis Medicare Limited Non-Executive Independent Director<br>2. Gujarat Themis Biosyn Limited Non-Executive Independent Director<br>3. Compuage Infocom Limited. Non-Executive Independent Director |
| Dr. Dinesh S. Patel | 1. Themis Medicare Limited, Promoter, Executive Director<br>2. Gujarat Themis Biosyn Ltd, Non Executive Director |
| Dr. Sachin D. Patel | 1. Themis Medicare Limited, Promoter, Executive Director<br>2. Gujarat Themis Biosyn Ltd, Promoter, Non Executive Director |
| Mrs. Preeti K. Trivedi | Gujarat Themis Biosyn Ltd, Non-Executive Independent Director |
| Dr. Vikram D. Sanghvi | Gujarat Themis Biosyn Ltd, Non-Executive Independent Director |
| Mr. Siddharth Y. Kusumgar | Gujarat Themis Biosyn Ltd, Non-Executive Independent Director |
| Mr. Si Sung Lee | Gujarat Themis Biosyn Ltd, Non-Executive Director |
| Mr. Namjin S. Park | Gujarat Themis Biosyn Ltd, Non-Executive Director |
| Mr. Hinesh R. Doshi | Gujarat Themis Biosyn Ltd, Non-Executive Director( Alternate to Mr. Namjin S Park) |

**Matrix setting out the Core Skills/Expertise/Competence of the Board of Directors**

The Board skill matrix provides a guide as to the core skills, expertise, competencies and other criteria (collectively referred to as 'skill sets') considered appropriate by the board of the Company in the context of its business and sector(s) for it to function effectively and those actually available with the Board. The skill sets will keep on changing as the organization evolves and hence the board may review the matrix from time to time to ensure that the composition of the skill sets remains aligned to the Company's strategic direction.

**The skill sets identified by the board along with availability assessment is as under:**

| Core Skills/Experience/Competence | Actual Availability with current board |
|---|---|
| Industry knowledge/experience in | |
| Healthcare Industry Knowhow | Available |
| Creating value through Intellectual Property Rights | Available |
| Global Operations | Available |
| Value Spotting and Inorganic Growth | Available |
| Previous Board Experience on similarly sized or bigger companies | Available |
| **Technical skills/experience** | |
| Strategic planning | Available |
| Risk and compliance oversight | Available |
| Marketing | Available |
| Policy Development | Available |
| Accounting, Tax, Audit and Finance | Available |
| Legal | Available |
| Sales/ Customer Engagement | Available |
| Public Relations and Liasoning | Available |
| Information Technology | Available |
| **Behavioural Competencies** | |
| Integrity & ethical standards | Available |
| Mentoring abilities | Available |
| Interpersonal relations | Available |

**Confirmation on the independence of the Independent Directors**

The Board of Directors hereby confirms that in their opinion, the Independent Directors fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are Independent of the Management.

- Shareholdings of Non – Executive Directors in the Company as on 31st March, 2020:

| Sr. No. | Name of Director | No. of Equity shares of Rs.5/- each held | % holding |
|---|---|---|---|
| | Mr. Vijay Agarwal | Nil | Nil. |
| | Dr. Vikram Sanghvi | Nil | Nil |
| | Mr. Jae Hyok Choi | Nil | Nil |
| | Mr. Si Sung Lee | Nil | Nil |
| | Dr. Dinesh S. Patel | 4701 | 0.032 |
| | Dr. Sachin D. Patel | 7100 | 0.049 |
| | Mr. Hinesh R. Doshi | Nil | Nil |
| | Mr. Siddharth Kusumgar | Nil | Nil |
| | Preeti K. Trivedi | Nil | Nil |

- Separate Meeting of Independent Directors:

  The meeting of Independent Directors was held on, 7th February, 2020, 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 2019-20, if any, are available on the website of the Company at http://www.gtbl.in/wp-content/uploads/2015/08/Familiarisation-Prog.pdf

**1. 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, Mrs. Preeti K. Trivedi, Mr. Siddharth Y. Kusumgar and Dr.Vikram D Sanghvi as the Members of the Committee..

- **Meetings:**

During the period under consideration, 4 (Four) Meetings of the Committee were held as follows. The dates of Audit Committee meetings held during Financial Year 2019-20 are as follows:

- 28th May, 2019
- 7th August, 2019
- 14th November, 2019
- 7th February, 2020

Audit Committee attendance during the year is as under:

| Name | Status | No. of Meetings Attended |
|---|---|---|
| Mr. Vijay Agarwal | Chairman | 4 |
| Ms. Preeti K. Trivedi | Member | 3 |
| Dr. Sachin D Patel | Member | 4 |
| Mr. Siddharth Y Kusumgar | Member | 2 |
| Dr. Vikram D. Sanghvi | Member | 3 |

- **Attendees:**

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

  The 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 consists of 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:

  - 28th May,2019
  - 7th February, 2020

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

| Name | Status | No. of Meetings Attended |
|---|---|---|
| Mr. Vijay Agarwal | Chairman | 2 |
| Mrs. Preeti K. Trivedi | 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, 2013 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 were paid Rs.15,000/- for attending each Board and Audit 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 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 2019-20 are as follows:

| Sr. No. | Name of Director | Salary | Perquisites | Sitting Fees (Rs.) | Total (Rs.) |
|---|---|---|---|---|---|
| | Mr. Vijay Agarwal | NA | NA | 1,20,000/- | 1,20,000/- |
| | Ms.Preeti K. Trivedi | NA | NA | 90,000/- | 90,000/- |
| | Dr. Sachin D. Patel | NA | NA | NA | NA |
| | Dr. Dinesh S. Patel | NA | NA | NA | NA |
| | Dr. Vikram D. Sanghvi | NA | NA | 1,20,000/- | 1,20,000/- |
| | Mr. Siddharth Y. Kusumgar | NA | NA | 60,000/- | 60,000/- |
| | Mr. Nam Jin Park | NA | NA | NA | NA |
| | Mr. S. S. Lee | NA | NA | NA | NA |
| | Mr. Hinesh Doshi | NA | NA | NA | NA |

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

- **Composition:**

  The Stakeholders Relationship Committee was constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Companies Act, 2013. Stakeholders Relationship Committee has been constituted to monitor and review investors' grievances.

  The Company Secretary acts as Compliance Officer for redressal of Shareholders/ Invertors' grievances.

- **Meetings:**

  The Committee met 6 times during the Financial Year 2019-20. For some periods there were no request relating to share transmission, issue of duplicate share certificates, splits of share certificate etc, 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 | 6 |
| 2. | Mr. Vijay Agarwal | Member | 4 |
| 3. | Dr. Dinesh S Patel | Member | 6 |

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

  Mr. Parag Bodha,
  Company Secretary & Compliance Officer
  11/12 Udyog Nagar,
  S.V. Road, Goregaon (West),
  Mumbai- 400 104.

- **Details of investor complaints/request received and redressed during the year 2019- 20 are as follows:**

| Number of shareholders' complaints/request received | number not solved to the satisfaction of shareholders | number of pending complaints |
|---|---|---|
| 1 | 0 | 0 |

## E. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility Committee was constituted during the financial year 2019-20 in line with the provisions of section 135 of the Companies Act, 2013.

- **Meetings:**

  The Committee met 2 times on 14th November 2019 and 7th February 2020 during the Financial Year 2019-20

- **Corporate Social Responsibility Committee attendance during the year are as under:**

| Sr. No. | Name | Status | No. of Meetings Attended |
|---|---|---|---|
| 1. | Dr. Sachin Dinesh Patel | Member | 2 |
| 2. | Dr. Vikram D. Sanghvi | Member | 2 |
| 3. | Dr. Dinesh S Patel | Member | 2 |

## 2. 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 31st March, 2020 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.

**3. General Body Meetings:**

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

| AGM/ EGM | Date & Time | Location | Special Resolution passed |
|---|---|---|---|
| 36th AGM | 27-09-2017 at 12 Noon | Registered Office | No |
| 37th AGM | 07-09-2018 at 12 Noon | At the Office of Themis Medicare Ltd. at 69/A, GIDC Industrial Estate, Vapi, Dist-Valsad-396 195. | No |
| 38th AGM | 27-09-2019 at 12 Noon | At the Office of Themis Medicare Ltd. at 69/A, GIDC Industrial Estate, Vapi, Dist-Valsad-396 195. | Re-appointment of Mr. Vijay Agarwal (DIN: 00058548) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013 |

- whether any special resolution passed last year through postal ballot – details of voting pattern : N.A
- whether any special resolution is proposed to be conducted through postal ballot:

  The Company has passed a Special resolution of "Gujarat Themis Biosyn Lt.d - Employee Stock Option Scheme 2020 (GTBL – ESOS 2020)" through postal ballot as per notice dated 7th February, 2020. The E-voting of the said resolution commenced from 21st March,2020 and ended on 19th April, 2020. The resolution was approved by the members with requisite majority and accordingly announced the result of the Postal Ballot on 21st April, 2020.

**4. 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.

(a) & (b) The Quarterly, Half yearly and Annual results were published in widely circulated newspapers viz, Western Times - Surat Edition.

(c) 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

(d) 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.

(e) During the financial year, the Company has not made presentation to the institutional investors /analysts.

**5. General Shareholders Information**

| | | |
|---|---|---|
| Annual General Meeting Date & Time | : | |
| Venue | : | Office of Themis Medicare Ltd, Plot No. 69A, G.I.D.C. Industrial Estate, Vapi, Valsad GJ- 396195 |
| Financial Calendar (Tentative) | : | April to March |
| Results for the Quarter ending (With Limited Review by the Statutory Auditors) | : | |
| First Quarter Results | | By 14th August, 2020 |
| Half yearly Results | | By 14th November, 2020 |
| Third Quarter Results | | By 14th February, 2021 |
| Audited Results for the year | | By end of May, 2021 |
| Dividend payment date | | The Dividend, if declared at the AGM, would be paid/ dispatched on/after Monday, September 21, 2020 and within thirty days from the date of declaration of dividend. |

| | | |
|---|---|---|
| Dates of Book Closure/ Record Date | : | Monday 14th September 2020 to Monday ,21st September 2020 (both days inclusive) for the purpose of AGM and determining the names of the Members eligible for payment of dividend for the financial year 2019-20, if declared at the AGM. |
| Listing on Stock Exchange at | : | BSE Ltd.<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street,<br>Mumbai 400 001 |
| Listing Fees paid for 2019-20 | : | The Company has paid listing fees to the BSE Ltd. |
| Stock Code BSE Ltd. Mumbai | : | 506879 |
| DEMAT ISIN Number for NSDL & CDSL | : | INE942C01029 |
| Websites | : | 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 2019-20 is furnished below:

| Month | Share Price | | BSE Sensex | |
|---|---|---|---|---|
| | High Price (Rs.) | Low Price (Rs.) | High Price (Rs.) | Low Price (Rs.) |
| Apr-19 | 42.60 | 29.00 | 39487.45 | 38460.25 |
| May-19 | 41.65 | 36.25 | 40124.96 | 36956.1 |
| Jun-19 | 43.85 | 37.00 | 40312.07 | 38870.96 |
| Jul-19 | 42.20 | 34.45 | 40032.41 | 37128.26 |
| Aug-19 | 39.95 | 35.00 | 37807.55 | 36102.35 |
| Sep-19 | 39.95 | 31.40 | 39441.12 | 35987.8 |
| Oct-19 | 45.90 | 36.50 | 40392.22 | 37415.83 |
| Nov-19 | 52.10 | 40.40 | 41163.79 | 40014.23 |
| Dec-20 | 56.90 | 41.50 | 41809.96 | 40135.37 |
| Jan-20 | 63.30 | 44.15 | 42273.87 | 40476.55 |
| Feb-20 | 69.10 | 55.60 | 41709.3 | 38219.97 |
| Mar-20 | 129.00 | 54.05 | 39083.17 | 25638.90 |

Registrar & Share Transfer Agent : Link Intime India Pvt. Ltd.C 101, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai, Maharashtra,400083
Tel : +91 22 49186270
Fax : +91 22 49186060
E-mail: rnt.helpdesk@linkintime.co.in
Web site: www.linkintime.co.in

**Share Transfer System:**

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company The Company's Registrar, M/s. Link Intime India Pvt. Ltd. has adequate infrastructure to process the application related to transmission, transposition split duplicate etc. The share transfer committee meets on a need basis to consider the transmission application and other proposals relating to transposition, split, consolidation and issue of fresh share certificate. In case if there are no transmission, duplicate, split application in particular period, share transfer committee meetings were not held. In compliance with SEBI (LODR) Regulations 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 31st March, 2020 | | | | | |
|---|---|---|---|---|---|
| Holding of shares (In Nos) | | | No. of Shareholders | % of Shareholders | Shares | % of Share Capital |
| 1 | to | 500 | 6688 | 88.5945 | 813114 | 5.5966 |
| 501 | to | 1000 | 407 | 5.3914 | 338310 | 2.3286 |
| 1001 | to | 2000 | 188 | 2.4904 | 294361 | 2.0261 |
| 2001 | to | 3000 | 68 | 0.9008 | 180074 | 1.2394 |
| 3001 | to | 4000 | 45 | 0.5961 | 158847 | 1.0933 |
| 4001 | to | 5000 | 43 | 0.5696 | 201780 | 1.3888 |
| 5001 | to | 10000 | 54 | 0.7153 | 389877 | 2.6835 |
| 10001 | & | Above | 56 | 0.7418 | 12152339 | 83.6437 |
| Total | | | 7549 | | 14528702 | 100 |

**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 31st March 2020, a total of 14215169 Equity Shares of the Company forming 97.84% 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 Locations | : | 69/C, GIDC INDUSTRIAL ESTATE, VAPI VALSAD GJ 396195 IN |
| Address for Correspondence | : | |
| Registrar & Share Transfer Agent (For Physical as well as Electronic form) | : | Link Intime India Pvt. Ltd ,<br>C 101, 247 Park, L.B.S. Marg,<br>Vikhroli (West), Mumbai – 400083<br>Tel : 022 - 49186270<br>Fax : 022 - 49186060<br>E-mail: rnt.helpdesk@linkintime.co.in<br>Web site: www.linkintime.com |
| For any other matter and unresolved complaints | : | Mr.Parag K. Bodha |

**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, 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.

**6. Other Disclosures :**

**I. 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 & Risk Management Committee and the Board ensure such transactions are at arm's 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

**II. Disclosure of Pending Cases/Instances of Non Compliance**

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years.

**III. 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.

**IV. Mandatory Requirements**

The Company has complied with all mandatory requirements of Corporate Governance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has also followed non-mandatory requirements as stated below.

**V. 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. Audit Qualification

There are no qualifications 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 / discussion at quarterly meetings.

v. The Company has framed a policy for determining "material" subsidiary. However, the Company does not have any material subsidiary as of the close of the financial year.

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

vii. Instances of not accepting any recommendation of the Committee by the Board: There is no such instance where Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year.

viii. Certificate from Practising Company Secretaries: The Company has received a certificate from M/s. KRS & Co., Practising Company Secretaries confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs/Reserve Bank of India or any such statutory authority.

ix. The total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors of the Company is mentioned in Notes to financial statements. The Company has not availed any services from the network firm/network entity of which the Statutory Auditors is a part.

x. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: The Company has in place a Policy on prevention of Sexual Harassment in line with the requirements of

The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year, no complaint was received by the Company.

xi. 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.

xii. 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: 18th May, 2020

**Dr. Dinesh S Patel**
Chairman
DIN: 00033273

## DECLARATION

I, Jagadish G. Kaujalgi, 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 31st March, 2020

For Gujarat Themis Biosyn Limited

Sd/-
**Jagadish G. Kaujalgi**
Chief Executive Officer

Place: Mumbai
Date: 18th May, 2020

## 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 31st March 2020, as stipulated in 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 1st April, 2019 to 31st March 2020.

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 KRS & Co**
**Practicing Company Secretaries**

Sd/-
**Mr. Ketan R Shirwadkar**
ACS No. 37829
COP No. 15386

Date: 18th May, 2020
Place: Navi Mumbai

## 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 31st March 2020 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/-
**Jagadish G. Kaujalgi**
Chief Executive Officer

For **Gujarat Themis Biosyn Limited**

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

## ANNEXURE VII

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

**(i) A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.**

The Company has assumed the responsibility to contribute to create positive and lasting social impact by addressing various needs of the society through its CSR programs. The Company has adopted its CSR Policy striving for economic and social development that positively impacts the society at large. CSR Policy of the Company provides the overview of projects or programs which are proposed to be undertaken by the Company.

The Policy on CSR adopted by the Company is available at http://www.gtbl.in/wp-content/uploads/2019/11/GTBL-Revised-CSR-Policy.pdf

**(ii) The Composition of the CSR Committee : The composition of the CSR Committee is as under:**

- Dr. Dinesh S. Patel, (Member)
- Dr. Sachin D. Patel, (Member)
- Dr. Vikram D. Sanghvi, ( Member)

**(iii) Average net profit of the company for last three financial years:**

Average Net Profit: 607 Lakhs

**(iv) Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above):**

Average net profit Rs. 607 Lakhs

CSR spending @2% = Rs. 12 Lakhs

**(v) Details of CSR spent during the financial year**

a) Total amount to be spent for the financial year : 12. Lakhs

b) Total amount spent for the financial year : Nil

c) Amount unspent, if any : 12. Lakhs

d) Manner in which the amount spent during the financial year is detailed below-

| S. No | CSR project or activity identified | Sector in which the project is covered (Schedule VII of the Companies Act, 2013) | Projects or programme: (i) Local area or other (ii) Specify the State or District where the projects or programmes was undertaken | Amount outlay (Budget) project or programme wise | Amount spent on project or programs: Sub head: 1. Direct expenditure on project or programme; 2. Overhead | Cumulative expenditure up to the date of reporting | Amount spent: Direct or through implementing agencies* |
|---|---|---|---|---|---|---|---|
| - | NIL | NIL | NIL | NIL | NIL | NIL | NIL |

(vi) In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:-

The provisions of Section 135 of the Companies Act,2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, relating to Corporate Social Responsibility became applicable to the Company during the year under review i.e. 2019-20. As per the provisions, the Company was required to spend Rs. 12 lakhs being 2% of its average net profit for the previous three years during the financial year 2019-20. Towards this end, the Company had taken all steps to identify projects, beneficiaries and to devise a mechanism to implement its CSR Policy. However, due to COVID 19 lockdown and related constraints, the Company could not spend the said amount during the financial year under review with the result; the Company carried forward the said unspent amount to the next financial year.

(vii) CSR Committee hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and CSR Policy of the Company.

**Sd/-**
**Dr Dinesh Patel**
**Member – CSR Committee**

**Sd/-**
**Dr. Sachin Patel**
**Member – CSR Committee**

**Date : 18th May, 2020**
**Place : Mumbai**

## INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF GUJARAT THEMIS BIOSYN LIMITED**

**Report on the Audit of the Ind AS Financial Statements**

Opinion

We have audited the accompanying Ind AS financial statements of **GUJARAT THEMIS BIOSYN LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to financial statements, including a summary of significant accounting policies (hereinafter referred to as the "the Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

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

| Sr.No. | Key Audit Matter | How was the matter addressed in our audit |
|---|---|---|
| 1. | **Revenue recognition [refer note no. 2.2(k) and 20 to the Ind AS financial statements]**<br>Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year. | Audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches/deliveries, inventory reconciliations and circularization of receivable balances, substantive testing for cut-offs and analytical review procedures. |
| 2. | **Provisions and Contingent Liabilities (including direct and indirect taxes) [ refer note no. 2.2(n) and 32(B) to the Ind AS financial statements]**<br>The Company is involved in direct and indirect tax litigations that are pending with various tax authorities. Whether a liability is recognised or disclosed as a contingent liability in the financial statements is inherently judgmental and dependent on a number of significant assumptions and assessments. These include assumptions relating to the likelihood and/or timing of the cash outflows from the business and the interpretation of local laws and pending assessments at various levels of the statute. | Obtained an understanding from the management with respect to process and controls followed by the Company for identification and monitoring of developments in relation to the litigations, including completeness thereof.<br>Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts.<br>Performed substantive procedures including tracing from underlying documents / communications from the tax authorities and re-computation of the amounts involved.<br>Assessed management's conclusions and understanding precedents in similar cases. |

**Other information**

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Corporate Governance, but does not include the Ind AS financial statements and our auditor's report thereon. The above stated reports are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

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

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

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

such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by 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 Order, to the extent applicable.

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Ind AS financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Ind AS financial statements have been kept by the Company so far as it appears from our examination of those books.

   c) The company does not have any branches. Hence, the provisions of section 143(3)(c) is not applicable.

   d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   e) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   f) In our opinion, there are no financial transactions or matters which have any adverse effect on the functioning of the company.

   g) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   h) There is no adverse remark relating to the maintenance of accounts and other matters connected therewith.

   i) With respect to adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"

   j) In our opinion and to the best of our information and according to the explanations given to us, we report as under 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 as referred to Note 33 to the Ind AS financial statement.

(ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.

(iii) There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, The Company has not paid remuneration to its directors during the year and sitting fees paid to its Independent directors during the year are in accordance with the provisions of section 197 of the Act.

For **GMJ & Co**
Chartered Accountants
(FRN: 103429W)

Sd/-
**(CA S. Maheshwari)**
Partner
M. No.: 038755
UDIN: 200387 55AAAA AY5352

Place : Mumbai
Date : May 18, 2020

## Annexure 'A' to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(b) Property, Plant and Equipment have been physically verified by the management at regular intervals, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.

(c) According to the information and explanation given to us and on the basis of our verification, title deeds of all immovable properties are held in the name of the company.

ii. As explained to us, management has conducted physical verification of inventory at regular intervals during the year and no material discrepancies were noticed on such physical verification.

iii. The Company has not granted any loan, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of clause (iii)(a), (iii)(b) and (iii)(c) of paragraph 3 of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, during the year, the Company has not granted any loans or provided any guarantees or security in respect of any loans to any party covered under section 185 and 186 of the Companies Act, 2013.Therefore, the provisions of clause 3(iv) of the said order are not applicable to the company.

v. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public within the meaning of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under.

vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the goods dealt by the Company and for any of the services rendered by the Company. Therefore, the provisions of clause 3(vi) of the Order are not applicable to the Company.

vii. (a) According to the information and explanation given to us and on the basis of our examination of our records of the Company, in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, wealth tax, sales tax, Goods and service tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and on the basis of our examination of our records of the Company, there have been no disputed dues which have not been deposited in respect of income tax, goods and services tax, sales tax, service tax, excise duty, duty of customs or value added tax as at March 31, 2020.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks during the year under audit. There are no dues to Financial Institution, Government and the Company has not issued any debentures.

ix. According to the information and explanations given to us and based on the records and documents produced before us, during the year the company has not raised money by way of initial public offer or further public offer and the term loans have been applied for the purposes for which they were obtained.

x. To the best of our knowledge and belief and according to the information given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations given to us and based on the records and documents produced before us, the Company has not paid / provided for managerial remuneration during the year. Therefore, the provisions of clause xi of paragraph 3 of the Order are not applicable to the Company.

xii. As the company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, therefore the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.

xiii. According to the information and explanation given to us all transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures.

xiv. According to the information and explanations given to us and based on the records and documents produced before us, 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, the Company has not entered into any non-cash transactions with directors or persons connected with him under the provisions of section 192 of Companies Act, 2013.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

For **GMJ & Co**
Chartered Accountants
(FRN: 103429W)

Sd/-
**(CA S. Maheshwari)**
Partner
M. No.: 038755
UDIN: 200387 55AAAA AY5352

Place : Mumbai
Date : May 18, 2020

## Annexure – 'B' to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **"GUJARAT THEMIS BIOSYN LIMITED"** ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

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

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

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

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

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2020, 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 **GMJ & Co**
Chartered Accountants
(FRN: 103429W)

Sd/-
**(CA S. Maheshwari)**
Partner
M. No.: 038755
UDIN: 200387 55AAAA AY5352

Place : Mumbai
Date : May 18, 2020

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## BALANCE SHEET AS AT MARCH 31, 2020

(Amount in INR Lakhs)

| Particulars | Notes | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| (a) Property, Plant and Equipment | 4 | 1,707.77 | 1,460.83 |
| (b) Capital Work-in-Progress | 4 | 36.01 | 95.28 |
| (c) Financial Assets | | | |
| (i) Investments | 5 | - | - |
| (ii) Other Financial Assets | 5 | 1,554.09 | 656.45 |
| (d) Other Non-Current Assets | 10 | 240.15 | 259.27 |
| | | **3,538.02** | **2,471.83** |
| **Current assets** | | | |
| (a) Inventories | 6 | 602.94 | 33.69 |
| (b) Financial Assets | | | |
| (i) Investments | 5 | 0.50 | 0.50 |
| (ii) Trade Receivables | 7 | 2,022.96 | 579.83 |
| (iii) Cash and Cash Equivalents | 8 | 85.95 | 111.66 |
| (iv) Bank Balances Other than (iii) above | 9 | 122.46 | 58.53 |
| (v) Loans | 5 | 1.55 | 0.07 |
| (vi) Other Financial Assets | 5 | 5.08 | 14.98 |
| (c) Other Current Assets | 10 | 28.14 | 4.70 |
| | | **2,869.58** | **803.95** |
| **TOTAL** | | **6,407.60** | **3,275.79** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity Share capital | 12 | 726.40 | 726.40 |
| (b) Other Equity | 13 | 3,493.11 | 1,125.55 |
| | | **4,219.51** | **1,851.95** |
| **Liabilities** | | | |
| Non Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 14 | 318.46 | - |
| (b) Provisions | 18 | 49.20 | 50.81 |
| (c) Deferred Tax liabilities (Net) | 11 | 86.39 | 91.71 |
| | | 454.06 | 142.51 |
| **Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 14 | - | 1.00 |
| (ii) Trade Payables | 16 | | |
| Total outstanding dues of Micro enterprises and Small enterprises | | 8.64 | 7.49 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 736.15 | 552.36 |
| (iii) Other Financial Liabilities | 15 | 884.67 | 674.94 |
| (b) Other Current Liabilities | 17 | 30.94 | 37.97 |
| (c) Provisions | 18 | 5.01 | 7.56 |
| (d) Current Tax Liabilities (Net) | 19 | 68.63 | - |
| | | 1,734.04 | 1,281.33 |
| TOTAL | | 6,407.60 | 3,275.79 |

**Significant Accounting Policies and Notes Forming Part of the Financial Statements** 1 to 42

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

**For GMJ & Co**
Chartered Accountants

Firm Registration No: 103429W

Sd/-
**CA Sanjeev Maheshwari**
Partner
Membership No: 038755

Place: Mumbai
Date: May 18, 2020

**For and on behalf of the Board**

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

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

Sd/-
**Jagdish G. Kaujalgi**
Chief Executive Officer

Sd/-
**Parag K. Bodha**
Company Secretary
Membership No. A51284

Place: Mumbai
Date: May 18, 2020

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

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Amount in INR Lakhs)

| Particulars | Notes | 2019-20 | 2018-19 |
|---|---|---|---|
| **REVENUE** | | | |
| Revenue from operations (net) | 20 | 8,512.44 | 4,104.99 |
| Other income | 21 | 170.42 | 221.39 |
| **Total Revenue (I)** | | **8,682.86** | **4,326.38** |
| **EXPENSES** | | | |
| Cost of materials consumed | 22 | 1,544.45 | 33.50 |
| Purchases of stock-in-trade | 23 | - | 96.99 |
| Changes in inventories of finished goods and work-in-process | 24 | (410.67) | - |
| Employee benefits expense | 25 | 643.17 | 516.69 |
| Finance costs | 26 | 92.33 | 15.85 |
| Depreciation and amortization expense | 27 | 136.20 | 122.12 |
| Other expenses | 28 | 3,551.72 | 2,721.67 |
| **Total Expenses (II)** | | **5,557.19** | **3,506.82** |
| **Profit before exceptional items and tax (I-II)** | | **3,125.66** | **819.56** |
| Exceptional Items | | - | - |
| **Profit before tax** | | **3,125.66** | **819.56** |
| **Tax expense:** | | | |
| Current tax | | 763.55 | 87.00 |
| Deferred tax | | (5.35) | 91.66 |
| **Profit for the period** | | **2,367.46** | **640.90** |
| | | | |
| **OTHER COMPREHENSIVE INCOME** | | | |
| A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods: | | | |
| Remeasurement of gains (losses) on defined benefit plans | | 0.13 | 0.17 |
| Income tax effect | | (0.03) | (0.05) |
| **Other Comprehensive income for the year, net of tax** | | **0.10** | **0.12** |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX** | | **2,367.56** | **641.02** |
| | | | |
| **Earnings per share for profit attributable to equity shareholders** | 30 | | |
| Basic and Diluted EPS | | 16.30 | 4.41 |

**Significant Accounting Policies and Notes Forming Part of the Financial Statements** 1 to 42

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

**For GMJ & Co**
Chartered Accountants

Firm Registration No: 103429W

Sd/-
**CA Sanjeev Maheshwari**
Partner
Membership No: 038755

Place: Mumbai
Date: May 18, 2020

**For and on behalf of the Board**

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

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

Sd/-
**Jagdish G. Kaujalgi**
Chief Executive Officer

Sd/-
**Parag K. Bodha**
Company Secretary
Membership No. A51284

Place: Mumbai
Date: May 18, 2020

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

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

(Amount in INR Lakhs)

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | |
| **Profit before tax** | 3,125.66 | 819.56 |
| **Adjustments for:** | | |
| Depreciation and amortisation expense | 136.20 | 122.12 |
| Net loss/(gain) on sale of Investments | - | 0.10 |
| Interest income classified as investing cash flows | (75.62) | (36.33) |
| Sundry balance written back | (9.90) | |
| Sundry balances written off | 3.52 | |
| Loss Allowance on Trade Receivables | - | (490.79) |
| Financial assets at amortised cost | (81.52) | |
| Finance costs | 92.33 | 12.96 |
| **Change in operating assets and liabilities:** | | |
| (Increase)/Decrease in trade receivables | (1,443.13) | 183.11 |
| (Increase)/Decrease in inventories | (569.24) | 12.53 |
| Increase/(decrease) in trade payables | 192.98 | 1.74 |
| (Increase)/ decrease in other financial assets | (839.08) | (599.55) |
| (Increase)/decrease in other assets | (6.76) | (56.67) |
| Increase/(decrease) in provisions | (4.40) | 6.18 |
| (Increase)/Decrease in Other bank balance | (63.93) | 264.06 |
| Increase/(decrease) in other financial liabilities | 308.44 | (29.29) |
| Increase/(decrease) in other current liabilities | (5.16) | (26.72) |
| Cash generated from operations | 760.39 | 183.01 |
| Less: Income taxes paid (Net) | (697.32) | (114.42) |
| **Net cash inflow from operating activities** | 63.07 | 68.59 |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| Payments for property, plant and equipment | (323.87) | (1,134.72) |
| Sale of property, plant and equipment | - | 532.25 |
| Loans given | (3.09) | (0.36) |
| Loans repaid | 1.60 | 1.12 |
| Interest received | 26.96 | 26.46 |
| **Net cash outflow from investing activities** | **(298.40)** | **(575.24)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** | | |
| Proceeds from Borrowings | 1,134.52 | 1,110.87 |
| Repayment of Borrowings | (891.98) | (568.56) |
| Net change in current borrowings | (1.00) | - |
| Interest paid | (31.92) | (13.12) |
| **Net cash inflow (outflow) from financing activities** | 209.62 | 529.19 |
| Net increase (decrease) in cash and cash equivalents | (25.71) | 22.53 |
| Cash and Cash Equivalents at the beginning of the financial year | 111.66 | 89.13 |
| **Cash and Cash Equivalents at end of the year** | 85.95 | 111.66 |
| **Cash and cash equivalents as per above comprise of the following:** | | |
| Balances with banks on current accounts | 82.22 | 108.19 |
| Cash on hand | 3.73 | 3.47 |
| **Balances per statement of cash flows** | **85.95** | **111.66** |

**Significant Accounting Policies and Notes Forming Part of the Financial Statements** 1 to 42

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

**For GMJ & Co**
Chartered Accountants

Firm Registration No: 103429W

Sd/-
**CA Sanjeev Maheshwari**
Partner
Membership No: 038755

Place: Mumbai
Date: May 18, 2020

**For and on behalf of the Board**

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

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

Sd/-
**Jagdish G. Kaujalgi**
Chief Executive Officer

Sd/-
**Parag K. Bodha**
Company Secretary
Membership No. A51284

Place: Mumbai
Date: May 18, 2020

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

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

### A Equity Share Capital

(Amount in INR Lakhs)

| Particulars | Balance at the Beginning of the year | Changes in Equity share capital during the year | Balance at the end of the year |
|---|---|---|---|
| **March 31, 2019** | | | |
| Numbers | 14,528,702 | - | **14,528,702** |
| Amount | 726.44 | - | **726.44** |
| **March 31, 2020** | | | |
| Numbers | 14,528,702 | - | **14,528,702** |
| Amount | 726.44 | - | **726.44** |

### B Other Equity

(Amount in INR Lakhs)

| Particulars | Reserves and Surplus | | | |
|---|---|---|---|---|
| | Capital Reserve | Securities Premium | Retained Earnings | Total |
| **As at March 31, 2018** | 15.69 | 216.44 | 252.41 | **484.53** |
| Profit for the period | - | - | 640.90 | **640.90** |
| Other comprehensive income | - | - | 0.12 | **0.12** |
| **Total comprehensive income for the year** | **-** | **-** | **641.02** | **641.02** |
| **As at March 31, 2019** | **15.69** | **216.44** | **893.43** | **1,125.55** |
| Profit for the period | - | - | 2,367.46 | **2,367.46** |
| Other comprehensive income | - | - | 0.10 | **0.10** |
| **Total comprehensive income for the year** | **-** | **-** | **2,367.56** | **2,367.56** |
| **As at March 31, 2020** | **15.69** | **216.44** | **3,260.99** | **3,493.11** |

**Significant Accounting Policies and Notes Forming Part of the Financial Statements** 1 to 42

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

**For GMJ & Co**
Chartered Accountants

Firm Registration No: 103429W

Sd/-
**CA Sanjeev Maheshwari**
Partner
Membership No: 038755

Place: Mumbai
Date: May 18, 2020

**For and on behalf of the Board**

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

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

Sd/-
**Jagdish G. Kaujalgi**
Chief Executive Officer

Sd/-
**Parag K. Bodha**
Company Secretary
Membership No. A51284

Place: Mumbai
Date: May 18, 2020

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 1 Corporate Information

These statements comprise financial statements of Gujarat Themis Biosyn Limited (CIN: L24230GJ1981PLC004878) ('the company') for the year ended March 31, 2020. The company is a public company domiciled in India and is incorporated on December 11, 1981 under the provisions of the Companies Act applicable in India. Its shares are listed on a recognised stock exchange in India. The registered office of the company is located at Plot No 69C, G.I.D.C Industrial Estate, Vapi district Valsad, Gujarat -396 195.

"The Company is principally engaged in the activities pertaining to manufacturing of pharmaceuticals and medicinal chemicals.

During the year, the Company has changed its business model from Contract Manufacturing to a Supply Model i.e. Manufacturing and Supply of pharmaceutical products to various parties.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 18, 2020."

### 2 Significant Accounting Policies

### 2.1 Basis of preparation

The financial statements of the company have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies(Indian Accounting Standards)(Amendment) Rules, 2016 and the relevant provisions of the Companies Act, 2013 ("the Act").

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

" - Certain financial assets and liabilities measured at fair value or at amortised cost depending on the classification(refer accounting policy regarding financial instruments),

- Employee defined benefit assets/(obligations) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligations, and

- Long term borrowings, except obligations under finance leases, are measured at amortised cost using the effective interest rate method."

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### 2.2 Summary of significant accounting policies

### (a) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Freehold land are stated at cost. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the Property, plant and equipment is de-recognized.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the statement of profit and loss.

Costs of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

**Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated on straight line basis using the useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013. If the management's estimate of the useful life of a item of property, plant and equipment at the time of acquisition or the remaining useful life on a subsequent review is shorter than the envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/ remaining useful life.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term. Leasehold land is amortised on a straight line basis over the balance period of lease.

The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**(b) Intangible assets**

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and accumulated impairment loss.

Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates. An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal.

Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

**(c) Research and development**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss in the year it is incurred, unless a product's technological feasibility has been established, in which case such expenditure is capitalised. These costs are charged to the respective heads in the Statement of Profit and Loss in the year it is incurred. The amount capitalised comprises of expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

**(d) Impairment of non financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

**(e) Foreign currency translation**

**(i) Functional and presentation currency**

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is entity's functional and presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

**(f) Financial Instruments**

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

**Initial Recognition**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

**Classification and Subsequent Measurement: Financial Assets**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

**(i) Amortised Cost**

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) Fair Value through other comprehensive income**

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(iii) Fair Value through Profit or Loss**

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Classification and Subsequent Measurement: Financial liabilities**

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

**(i) Financial Liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

**(ii) Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Impairment of financial assets**

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

**Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

**Derecognition of financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**Derivative financial instruments**

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

**(g) Trade Receivables**

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

**(h) Financial liabilities and equity instruments**

**Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

**(i) Taxes**

**(i) Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**(ii) Deferred tax**

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**(iii) Minimum alternate Tax**

MAT payable for a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available in the statement of profit and loss as deferred tax with a corresponding asset only to the extent that there is probability that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The said asset is shown as 'MAT Credit Entitlement' under Deferred Tax. The Company reviews the same at each reporting date and writes down the asset to the extent the Company does not have probable certainty that it will pay normal tax during the specified period.

**(j) Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

**Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First In First Out (FIFO) basis.

**Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on FIFO basis.

**Stores and Spares:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First In First Out (FIFO) basis.

**Materials in transit:** cost incurred to date.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

**(k) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Effective April 1, 2018, the Company adopted Ind AS 115, Revenue from Contracts with Customers, using the cumulative catch-up transition method, applied to contracts that werenot completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

**Recognising revenue from major business activities**

**(i) Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

**(ii) Job work**

Revenue from job work is recognised on completion of assigned job. 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) Interest income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR).

**(iv) Export Incentives**

Export Benefits (DEPB) are accounted on accrual basis.

**(l) Employee benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(iii) Post-employment obligations**

The company operates the following post-employment schemes:

(a) defined benefit plans viz gratuity,

(b) defined contribution plans viz provident fund.

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Defined contribution plans**

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**(iv) Termination benefits**

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

**(m) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**(i) As a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**(ii) As a lessor**

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**(n) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

**(o) Borrowing costs**

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate (EIR) applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

"Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted."

All other borrowing costs are recognised as an expense in the period which they are incurred.

**(p) Segment Reporting - Identification of Segments**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

**(q) Earnings per share**

**Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

**Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**(r) Cash and cash equivalents**

"Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management."

**(s) Non-current assets (or disposal groups) classified as held for disposal:**

Assets are classified as held for disposal and stated at the lower of carrying amount and fair value less costs to sell.

To classify any Asset as "Asset held for disposal" the asset must be available for immediate sale and its sale must be highly probable. Such assets or group of assets are presented separately in the Balance Sheet, in the line "Assets held for disposal". Once classified as held for disposal, intangible assets and PPE are no longer amortised or depreciated.

**(t) Current/non current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

**(u) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**(v) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakh as per the requirement of Schedule III, unless otherwise stated.

## 3 Significant accounting judgments, estimates and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

**(i) Fair value measurement of Financial Instruments**

When the fair values of financials assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.

**(ii) Estimation of net realizable value for inventories**

"Inventory is stated at the lower of cost and net realizable value (NRV).

NRV for completed inventory is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified."

**(iii) Impairment of non - financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

**(iv) Recoverability of trade receivables**

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

**(v) Useful lives of property, plant and equipment/intangible assets**

The Company reviews the useful life of property, plant and equipment/intangible assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**(vi) Valuation of deferred tax assets**

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note above.

**(vii) Defined benefit plans**

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 4. PROPERTY, PLANT AND EQUIPMENT

(Amount in INR Lakhs)

| Particulars | Land | Buildings | Staff Quarters | Plant and Machinery | Furniture and Fixtures | Vehicles | Erection and Office Equipment | Computer | Capital Work in Progress | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **GROSS CARRYING VALUE** | | | | | | | | | | |
| **As at March 31, 2018** | **6.98** | **52.46** | **0.20** | **1,214.37** | **5.17** | **1.03** | **5.81** | **0.13** | **16.53** | **1,302.68** |
| Additions | - | 64.44 | - | 458.17 | - | - | 1.00 | - | 611.10 | 1,134.72 |
| Disposals | - | - | - | - | - | - | - | - | (532.35) | (532.35) |
| Other Adjustments | - | - | - | - | - | - | - | - | - | - |
| **As at March 31, 2019** | **6.98** | **116.91** | **0.20** | **1,672.54** | **5.17** | **1.03** | **6.81** | **0.13** | **95.28** | **1,905.04** |
| Additions | - | 15.56 | - | 425.44 | 5.99 | - | 2.52 | 1.63 | 381.38 | 832.53 |
| Disposals | - | - | - | (68.01) | - | - | - | - | (440.65) | (508.66) |
| Other Adjustments | - | - | - | - | - | - | - | - | | - |
| **As at March 31, 2020** | **6.98** | **132.47** | **0.20** | **2,029.98** | **11.16** | **1.03** | **9.33** | **1.76** | **36.01** | **2,228.91** |
| **ACCUMULATED DEPRECIATION/IMPAIRMENT** | | | | | | | | | | |
| **As at March 31, 2018** | **0.27** | **6.69** | **0.02** | **211.87** | **4.26** | **1.01** | **2.56** | **0.13** | **-** | **226.81** |
| Depreciation for the year | 0.14 | 5.66 | 0.01 | 114.11 | 0.72 | - | 1.48 | 0.00 | - | 122.12 |
| Disposals | - | - | - | - | - | - | - | - | - | - |
| **As at March 31, 2019** | **0.41** | **12.36** | **0.03** | **325.98** | **4.99** | **1.01** | **4.04** | **0.13** | **-** | **348.93** |
| Depreciation for the year | 0.14 | 6.01 | 0.01 | 127.77 | 0.61 | - | 3.34 | 0.46 | - | 138.34 |
| Disposals | - | - | - | (2.14) | - | - | - | - | - | (2.14) |
| **As at March 31, 2020** | **0.55** | **18.37** | **0.04** | **451.61** | **5.60** | **1.01** | **7.38** | **0.59** | **-** | **485.13** |
| **Net Carrying value as at March 31, 2020** | **6.44** | **114.10** | **0.16** | **1,578.37** | **5.57** | **0.02** | **1.96** | **1.17** | **36.01** | **1,743.78** |
| **Net Carrying value as at March 31, 2019** | **6.58** | **104.55** | **0.17** | **1,346.56** | **0.18** | **0.02** | **2.77** | **(0.00)** | **95.28** | **1,556.11** |

**Notes:**

**i. Leased Assets**

Property, Plant and Equipment includes the following amounts where the company is a lessee under finance lease :

(Amount in INR Lakhs)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Land** | | |
| Cost | 6.98 | 6.98 |
| Accumulated Depreciation | (0.55) | (0.41) |
| **Net carrying amount** | **6.44** | **6.58** |

The company has entered into long-term leasing arrangements for land with government authorities which are in the nature of finance lease. These arrangements do not involve any material recurring payments, hence other disclosures are not given.

**ii. Property, Plant and Equipment given as collateral security against borrowings by the company**

Refer to Note 38 for information on property, plant and equipment given as collateral security by the company.

**iii. Contractual Obligations**

Refer to Note 32 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

## 5. FINANCIAL ASSETS

(Amount in INR Lakhs)

| Particulars | | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| **(A) INVESTMENTS** | | | |
| **Current** | | | |
| **Investments carried at Amortised Cost** | | | |
| **Investments in Government or trust securities** | | | |
| **Unquoted** | | | |
| National Savings Certificate | | 0.50 | 0.50 |
| | **Total** | **0.50** | **0.50** |
| Aggregate amount of quoted investments | | - | - |
| Market value of quoted investments | | - | - |
| Aggregate amount of unquoted investments | | 0.50 | 0.50 |
| Aggregate amount of impairment in the value of investments | | - | - |
| **Investments carried at amortised cost** | | 0.50 | 0.50 |
| **(B) LOANS** | | | |
| Current | | | |
| ***Unsecured, considered good unless otherwise stated*** | | | |
| Loans to Employees | | 1.55 | 0.07 |
| | **Total** | **1.55** | **0.07** |
| **(C) OTHER FINANCIAL ASSETS** | | | |
| **Non Current** | | | |
| **Financial assets carried at amortised cost** | | | |
| Deposits with HDFC Limited more than 12 months maturity | | 1,489.24 | 639.50 |
| Interest Accrued on deposit | | 63.83 | 16.95 |
| Bank Deposits with more than 12 months maturity | | 1.00 | - |
| Interest Accrued on Bank deposit | | 0.02 | - |
| | **Total** | **1,554.09** | **656.45** |
| **Current** | | | |
| Financial assets carried at amortised cost | | | |
| Interest Accrued on Bank deposit and others | | 5.08 | 3.32 |
| Unbilled Revenue | | - | 11.66 |
| Doubtful | | | |
| Other receivables | | - | 3.60 |
| less: Loss allowance | | - | (3.60) |
| | Total | 5.08 | 14.98 |

## 6. INVENTORIES

(Amount in INR Lakhs)

| Particulars | | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| **(Valued at lower of Cost and Net Realisable value)** | | | |
| Raw materials | | 147.60 | - |
| Steam Coal | | 10.47 | 5.11 |
| Diesel Oil | | 5.31 | 2.46 |
| Furnace Oil | | 11.46 | 8.02 |
| Work-in-process | | 101.47 | - |
| Finished goods | | 309.20 | - |
| Stores and spares | | 17.28 | 18.06 |
| Packing Material | | 0.14 | 0.03 |
| | Total | **602.94** | **33.69** |

## 7. TRADE RECEIVABLES

(Amount in INR Lakhs)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Current** | | |
| Trade Receivables from customers | 2,022.96 | 579.83 |
| | **2,022.96** | **579.83** |
| **Breakup of Security details** | | |
| Secured, considered good | - | - |
| Unsecured, considered good | | |
| -From Related Parties* | 140.93 | 132.23 |
| -From Others | 1,882.03 | 447.60 |
| Which have significant increase in credit risk | 52.01 | 52.01 |
| Credit Impaired | - | - |
| | **2,074.97** | **631.84** |
| Loss Allowance (allowance for bad and doubtful debts) | | |
| Loss Allowance | 52.01 | 52.01 |
| | **52.01** | **52.01** |
| **Total** | **2,022.96** | **579.83** |

* The amounts for the current year are disclosed as net amount party wise.

Trade or Other Receivable due from directors or other officers of the company either severally or jointly with any other person amounted to NIL (Previous year INR NIL)

Trade or Other Receivable due from firms or private companies in which any director is a partner, a director or a member amounted to INR NIL (Previous year INR NIL)

## 8. CASH AND CASH EQUIVALENTS

(Amount in INR Lakhs)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Balances with banks on current accounts | 82.22 | 108.19 |
| Cash on hand | 3.73 | 3.47 |
| **Total** | **85.95** | **111.66** |

## 9. OTHER BANK BALANCES

(Amount in INR Lakhs)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Margin money deposits with original maturity for more than 12 months* (Margin money to secure Bank Guarantee) | 31.94 | 31.30 |
| Bank Deposits with less than 12 months maturity | 90.52 | 27.22 |
| **Total** | **122.46** | **58.53** |

*Margin money deposits amounted to INR 31.94 Lakhs (March 31, 2019 INR 31.30 Lakhs) are lien marked against secure Bank Guarantee.

## 10. OTHER ASSETS

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Non Current** | | |
| Capital Advances | 13.82 | 40.36 |
| **Advances other than Capital advances** | | |
| - Security Deposits | 1.80 | 2.60 |
| - Advances to creditors | 54.84 | 30.36 |
| Others | | |
| Prepaid expenses | 1.77 | 14.13 |
| Payment of taxes (net of provisions) | 167.92 | 171.82 |
| **Total** | **240.15** | **259.27** |
| **Current** | | |
| Prepaid expenses | 25.01 | - |
| Balances with Statutory, Government Authorities | 3.13 | 4.70 |
| **Total** | **28.14** | **4.70** |

## 11. INCOME TAX

**Deferred Tax**

(Amount in INR Lakhs)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Deferred tax relates to the following:** | | |
| Temporary difference in the carrying amount of property, plant and equipment | (107.24) | (125.65) |
| Temporary difference in the carrying amount of financial instruments at amortised cost | (6.31) | - |
| Provision for employee benefits | 14.07 | 18.47 |
| Loss allowances on financial assets | 13.09 | 15.47 |
| **Net Deferred Tax Assets / (Liabilities)** | **(86.39)** | **(91.71)** |

**Movement in deferred tax liabilities/assets**

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Opening balance as of April 1** | (91.71) | - |
| Tax income/(expense) during the period recognised in profit or loss | 5.35 | (91.66) |
| Tax income/(expense) during the period recognised in OCI | (0.03) | (0.05) |
| **Closing balance as at March 31** | **(86.39)** | **(91.71)** |

| | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Unrecognised deferred tax assets** | | |
| Unrecognised tax losses | - | - |

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Considering the probability of availability of future taxable profits in the period in which tax losses expire, deferred tax assets have not been recognised in respect of tax losses carried forward by the Company.

**Major Components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are as follows:**

| i. Income tax recognised in profit or loss | | (Amount in INR Lakhs) |
|---|---|---|
| | **2019-20** | **2018-19** |
| Current income tax charge | 763.55 | 87.00 |
| Adjustment in respect of current income tax of previous year | - | - |
| **Deferred tax** | | |
| Relating to origination and reversal of temporary differences | (5.35) | 91.66 |
| **Income tax expense recognised in profit or loss** | **758.20** | **178.66** |

| ii. Income tax recognised in OCI | | |
|---|---|---|
| | **March 31, 2020** | **March 31, 2019** |
| Net loss/(gain) on remeasurements of defined benefit plans | (0.03) | (0.05) |
| Income tax expense recognised in OCI | **(0.03)** | **(0.05)** |

| **Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2020 and March 31, 2019** | | |
|---|---|---|
| | **March 31, 2020** | **March 31, 2019** |
| Accounting profit before income tax | 3,125.66 | 819.56 |
| Enacted tax rate in India | 25.17% | 20.59% |
| Income tax on accounting profits | 786.67 | 168.75 |
| Tax Effect of | | |
| Other non taxable income | | |
| Depreciation | (34.76) | 6.38 |
| Expenses not allowable or considered separately under Income Tax | (6.75) | (12.12) |
| MAT provisions | - | 87.00 |
| Carried forward losses & tax adjusted | - | (71.39) |
| Other Adjustments | 13.05 | 0.04 |
| Tax at effective income tax rate | 758.20 | 178.66 |

**Changes in tax rate**

The Company has exercised the option of lower tax permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 ('the Amendment Act'). Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020 basis the rate provided in the said Amendment Act.

The applicable tax rate changed during the year, the adjustments to the deferred tax balances appear as another reconciling item in the reconciliation of accounting profit multiplied by tax rate to income tax expense.

## 12. SHARE CAPITAL

**i. Authorised Share Capital**

(Amount in INR Lakhs)

| Particulars | Equity Shares of INR 5 each | | Preference Shares of INR 100 each | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| **At April 1, 2018** | 27,200,000 | 1,360.00 | 30,000 | 30.00 |
| Increase/(decrease) during the year | - | - | - | - |
| **At March 31, 2019** | 27,200,000 | 1,360.00 | 30,000 | 30.00 |
| Increase/(decrease) during the year | - | | - | |
| **At March 31, 2020** | **27,200,000** | **1,360.00** | **30,000** | **30.00** |

| Particulars | Unclassified Shares of INR 5 each | |
|---|---|---|
| | Number | Amount |
| **At April 1, 2018** | 22,200,000 | 1,110.00 |
| Increase/(decrease) during the year | - | - |
| **At March 31, 2019** | 22,200,000 | 1,110.00 |
| Increase/(decrease) during the year | - | - |
| **At March 31, 2020** | **22,200,000** | **1,110.00** |

**Terms/rights attached to equity shares**

The company has only one class of equity shares having par value of INR 5 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend.

On May 18, 2020, a Dividend of Rs. 1.65 per equity share (Face value of Rs. 5/- each) amounting to Rs. 239.72 Lakhs has been recommended by the Board of Directors which is subject to approval of the Shareholders. The amounts calculated are based on the number of shares likely to be entitled for dividend as estimated on May 18, 2020. The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT) hence DDT is not applicable.

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 proportion to the number of equity shares held by the shareholders.

**ii. Issued, Subscribed and Paid up Capital**

(Amount in INR Lakhs)

| Particulars | Number | Amount |
|---|---|---|
| **Equity shares of INR 5 each issued** | | |
| **At April 1, 2018** | 14,528,702 | 726.44 |
| Issued during the period | - | - |
| **At March 31, 2019** | 14,528,702 | 726.44 |
| Issued during the period | - | - |
| **At March 31, 2020** | **14,528,702** | **726.44** |

| Particulars | Number | Amount |
|---|---|---|
| **Equity shares of INR 5 each subscribed and paid up** | | |
| **At April 1, 2018** | 14,528,702 | 726.44 |
| Less: Calls unpaid (other than directors) | - | (0.04) |
| | **14,528,702** | **726.40** |
| **At March 31, 2019** | 14,528,702 | 726.44 |
| Less: Calls unpaid (other than directors) | - | (0.04) |
| | **14,528,702** | **726.40** |
| **At March 31, 2020** | 14,528,702 | 726.44 |
| Less: Calls unpaid (other than directors) | - | (0.04) |
| | 14,528,702 | 726.40 |

| iii. Details of shareholders holding more than 5% shares in the company | | | | |
|---|---|---|---|---|
| **Name of the shareholder** | **As at March 31, 2020** | | **As at March 31, 2019** | |
| | **Number** | **% holding** | **Number** | **% holding** |
| **Equity shares of INR 5 each fully paid** | | | | |
| Yuhan Corporation | 3,850,000 | 26.50% | 3,850,000 | 26.50% |
| Pharmaceutical Business Group India Limited | 3,582,000 | 24.65% | 3,582,000 | 24.65% |
| Themis Medicare Limited | 3,369,605 | 23.19% | 3,369,605 | 23.19% |

**iv. Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL**

**v. Shares reserved for issue under options**

None of the above shares are reserved for the issue under option/contract/commitments for sale of shares or disinvestment.

**vi. The Company does not have any holding /ultimate holding company.**

## 13. OTHER EQUITY

**Reserves and Surplus** (Amount in INR Lakhs)

| **Particulars** | **March 31, 2020** | **March 31, 2019** |
|---|---|---|
| Capital Reserve | 15.69 | 15.69 |
| Securities Premium | 216.44 | 216.44 |
| Retained Earnings | 3,260.99 | 893.43 |
| **Total** | **3,493.11** | **1,125.55** |

| **(a) Capital Reserve** | (Amount in INR Lakhs) | |
|---|---|---|
| | **March 31, 2020** | **March 31, 2019** |
| Opening balance | 15.69 | 15.69 |
| Add/(Less): changes during the year | - | - |
| **Closing balance** | 15.69 | 15.69 |
| Capital reserves represents cash subsidy received from the Government of Gujarat. | | |

| **(b) Securities Premium** | (Amount in INR Lakhs) | |
|---|---|---|
| | March 31, 2020 | March 31, 2019 |
| Opening balance | 216.44 | 216.44 |
| Add/(Less): changes during the year | - | - |
| Closing balance | 216.44 | 216.44 |

The amount received in excess of face value of the equity shares is recognised in Share Premium Reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

| **(c) Retained Earnings** | (Amount in INR Lakhs) | |
|---|---|---|
| | March 31, 2020 | March 31, 2019 |
| Opening balance | 893.43 | 252.41 |
| Net Profit for the year | 2,367.46 | 640.90 |
| Add/(Less): | | |
| Prior period items adjusted | - | - |
| *Items of Other Comprehensive Income directly recognised in Retained Earnings* | | |
| Remeasurement of post employment benefit obligation, net of tax | 0.10 | 0.12 |
| **Closing balance** | **3,260.99** | **893.43** |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 14. BORROWINGS

(Amount in INR Lakhs)

| Particulars | | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| **Non Current Borrowings** | | | |
| **Unsecured** | | | |
| (a) Term Loans From Others | | | |
| Loan from Optimus Drugs Pvt. Ltd. (Refer Note 1) | | 815.01 | - |
| Loan from Lupin Limited (Refer Note 2) | | - | 600.00 |
| | (A) | **815.01** | **600.00** |
| **Current Maturity of Non Current Borrowings** | | | |
| Unsecured | | | |
| (a) Term Loans From Others | | | |
| Loan from Optimus Drugs Pvt. Ltd. (Refer Note 1) | | 496.55 | - |
| Loan from Lupin Limited (Refer Note 2) | | - | 600.00 |
| | (B) | **496.55** | **600.00** |
| | **Total (A-B)** | **318.46** | **-** |
| **Current Borrowings** | | | |
| **Secured** | | | |
| Loans repayable on demand from Banks | | | |
| - Cash Credit | | - | 1.00 |
| | **Total** | **-** | **1.00** |

**NON CURRENT BORROWING**

**Note 1:** Optimus Drugs Pvt. Ltd. has granted a unsecured Loan @ 7.5% interest bearing amount of Rs. 400 Lakhs for a period of 30 months with a moratorium on repayment of this principal and interest till October 31, 2019. The Loan is repayable in 24 monthly installments.

**Note 2:** Lupin Limited has advanced a returnable, non-interest bearing loan of INR 598.70 Lakhs for utilization exclusively towards the purchase of new equipment by the Company. As per agreement, the Company was to complete all the documents and procedures necessary to hypothecate the equipment as and by way of first charge in favour of Lupin Limited. However,the first charge in favour of Lupin Limited in respect of the said loan is now not required as the entire loan has been repaid by the Company after the end of financial year but before the date of signing of this Balance Sheet.

**CASH CREDIT FROM BANK**

Cash Credit from Bank (Secured) are repayable on demand and carries interest at (1Y MCLR + 1.30% ) i.e. ranging 9.05% p.a. to 10.00% p.a. (March 2019: ranging 10.65% 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 90 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) Limited is given to the Company's Banker.

**Net Debt Reconciliation**

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented

| Particulars | March 31, 2020 |
|---|---|
| Current Borrowings | - |
| Non-current Borrowings | 815.01 |
| Interest accrued | 4.74 |
| **Net Debt** | **819.76** |

| Particulars | Liabilities from financing activities | | Total |
|---|---|---|---|
| | Non Current Borrowings | Current Borrowings | |
| **Net Debt as at March 31, 2018** | 58.86 | - | **58.86** |
| Cash Inflow | 610.00 | 500.87 | **1,110.87** |
| Cash Outflow | (68.69) | (499.87) | (568.56) |
| Net change in current borrowings | | - | - |
| Interest Expense | 0.20 | 3.16 | **3.36** |
| Interest Paid | (0.37) | (3.16) | **(3.53)** |
| **Net Debt as at March 31, 2019** | **600.00** | **1.00** | 601.00 |
| Cash Inflow | 1,000.00 | 134.52 | 1,134.52 |
| Acquisitions - Finance Leases | | | - |
| Equity Components of convertible bonds | | | - |
| Cash Outflow | (756.46) | (135.52) | (891.98) |
| Net change in current borrowings | | | - |
| Interest Expense | 28.81 | 0.75 | 29.57 |
| Interest Paid | (24.07) | (0.75) | (24.82) |
| - Fair Value Adjustments | (28.53) | - | (28.53) |
| **Net Debt as at March 31, 2020** | 819.76 | - | 819.76 |

## 15. OTHER FINANCIAL LIABILITIES

(Amount in INR Lakhs)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Current** | | |
| **Financial Liabilities at amortised cost** | | |
| Current maturities of long term debts | 496.55 | 600.00 |
| Interest accrued and due on borrowings | 4.74 | - |
| Sundry creditors for capital asset | 12.19 | 0.50 |
| Liability for expenses | 371.20 | 74.44 |
| **Total** | **884.67** | **674.94** |

## 16. TRADE PAYABLES

(Amount in INR Lakhs)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Current** | | |
| Trade Payables to Micro enterprises and Small enterprises | 8.64 | 7.49 |
| Trade Payables to Creditors other than micro enterprises and small enterprises | 736.15 | 552.36 |
| **Total** | **744.79** | **559.85** |

## 17. OTHER LIABILITIES

(Amount in INR Lakhs)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Current** | | |
| Advance received from Customers | 0.20 | 0.28 |
| Statutory Liabilities* | 30.75 | 37.69 |
| **Total** | **30.94** | **37.97** |

* Includes Goods and service tax, TDS, PF, ESIC and PT etc.

## 18. PROVISIONS

(Amount in INR Lakhs)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Non Current** | | |
| Provision for employee benefits (Refer Note 31) | | |
| Gratuity | 33.86 | 35.54 |
| Leave encashment | 15.34 | 15.27 |
| **Total** | **49.20** | **50.81** |
| **Current** | | |
| Provision for employee benefits (Refer Note 31) | | |
| Gratuity | 3.41 | 5.96 |
| Leave encashment | 1.60 | 1.60 |
| **Total** | **5.01** | **7.56** |

## 19. CURRENT TAX LIABILITY(NET)

(Amount in INR Lakhs)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Opening balance** | - | - |
| Add: Current tax payable for the year | 763.55 | - |
| Less: Taxes paid | (694.93) | - |
| **Closing Balance** | **68.63** | **-** |

## 20. REVENUE FROM OPERATIONS

(Amount in INR Lakhs)

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Sale of products | | |
| Finished Products | 6,769.19 | 107.75 |
| Operating Revenues | | |
| Conversion / Job Work Charges Received | 1,728.50 | 3,982.61 |
| Other Operating Revenues | | |
| Scrap sales | 14.74 | 14.62 |
| **Total** | **8,512.44** | **4,104.99** |

## 21. OTHER INCOME

(Amount in INR Lakhs)

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Interest income | | |
| - On Deposits including margin money | 75.62 | 36.33 |
| Excess provision written back | 1.86 | - |
| Sundry balance written off | 8.04 | 176.72 |
| Notice pay recovery | 2.88 | 2.69 |
| Insurance claim | - | 5.40 |
| Miscellaneous Income | 0.50 | 0.25 |
| Ind AS adjustment | | |
| Financial assets at amortised cost | 81.52 | - |
| **Total** | **170.42** | **221.39** |

## 22. COST OF MATERIALS CONSUMED

(Amount in INR Lakhs)

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| **Raw Material** | | |
| Raw Material | 1,508.72 | - |
| Laboratory consumables and chemicals | 15.93 | 26.45 |
| Freight on raw materials | 7.76 | 6.75 |
| Packing material consumed | 12.03 | 0.31 |
| **Total** | **1,544.45** | **33.50** |

## 23. PURCHASES OF STOCK-IN-TRADE

(Amount in INR Lakhs)

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Lova Boronate | - | 96.99 |
| **Total** | **-** | **96.99** |

## 24. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(Amount in INR Lakhs)

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| **Inventories as at the beginning of the year** | | |
| Work - in - process | - | - |
| Finished goods | - | - |
| Stock-in-trade | - | - |
| **Total** | - | - |
| **Less : Inventories as at the end of the year** | | |
| Work - in - process | 101.47 | - |
| Finished goods | 309.20 | - |
| Stock-in-trade | - | - |
| **Total** | **410.67** | **-** |
| **Net decrease / (increase) in inventories** | **(410.67)** | **-** |

## 25. EMPLOYEE BENEFITS EXPENSE

(Amount in INR Lakhs)

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Salaries, wages and bonus | 600.47 | 480.32 |
| Contribution to provident and other funds | 23.28 | 22.51 |
| Gratuity Expense | 3.75 | 3.56 |
| Staff welfare expenses | 15.66 | 10.31 |
| **Total** | **643.17** | **516.69** |

## 26. FINANCE COST

(Amount in INR Lakhs)

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Interest Expenses | | |
| - Interest paid on Term loans | 28.81 | 0.20 |
| - Interest paid on Other borrowings | 0.75 | 3.16 |
| - Interest cost on gratuity | 3.17 | 2.89 |
| Bank and other finance Charges | 4.96 | 5.94 |
| Other Borrowings costs | 1.64 | 3.66 |
| Ind AS adjustment | | |
| Unwinding of finance cost | 52.99 | - |
| **Total** | **92.33** | **15.85** |

## 27. DEPRECIATION AND AMORTISATION EXPENSE

(Amount in INR Lakhs)

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Depreciation on tangible assets | 136.20 | 122.12 |
| **Total** | **136.20** | **122.12** |

## 28. OTHER EXPENSES

(Amount in INR Lakhs)

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Consumption of stores and spares | 413.13 | 308.95 |
| Power charges | 1,730.12 | 1,558.95 |
| Fuel charges | 458.81 | 387.95 |
| Water charges | 96.70 | 72.71 |
| Insurance | 20.97 | 8.49 |
| Rates and taxes | 11.43 | 15.67 |
| Donation | 3.10 | 1.05 |
| Legal and professional fees | 21.29 | 17.55 |
| Repairs and maintenance | | |
| Building | 45.38 | 23.51 |
| Plant and Machinery | 79.20 | 58.40 |
| Others | 3.60 | 1.51 |
| Disposal Charges for removal of waste material | 455.28 | 95.33 |
| Central Effluent Treatment Charges | 56.21 | 40.82 |
| Drainage Cess Charges | 8.01 | 6.79 |
| Vehicle Expenses | 3.83 | 2.89 |
| Payments to auditors (Refer note below) | 4.30 | 4.35 |
| Security Charges | 15.81 | 15.77 |
| Testing and Analytical Charges | 4.18 | 1.98 |
| Printing and Stationary Expenses | 7.15 | 5.90 |
| Travelling and conveyance expenses | 1.57 | 5.35 |
| Hire Charges | 12.24 | 6.66 |
| Postage and Telegram Charges | 1.37 | 1.47 |
| Telephone and Telex Charges | 1.11 | 1.00 |
| Net loss on sale of investments | - | 0.10 |
| Freight and Forwarding | 50.62 | 29.10 |
| Sundry balances written off | 3.52 | 16.90 |
| Research and Development Expense | - | 3.04 |
| Settlement of Disposal charges | - | 12.78 |
| Miscellaneous expenses | 42.77 | 16.70 |
| **Total** | **3,551.72** | **2,721.67** |

**Details of Payments to auditors**

(Amount in INR Lakhs)

| | 2019-20 | 2018-19 |
|---|---|---|
| As auditor | | |
| Audit Fee | 2.50 | 2.50 |
| In other capacity | | |
| Tax Audit Fee | 0.75 | 0.75 |
| Limited Review | 1.05 | 1.05 |
| Others | - | 0.05 |
| **Total** | **4.30** | **4.35** |

## 29. RESEARCH AND DEVELOPMENT COSTS

The Company during the period has incurred cost on research and development activities which are not eligible for capitalisation in terms of Ind AS 38 and therefore they are recognised in other expenses under statement of profit and loss. Amount charged to profit or loss during the period ended March 31, 2020 is Nil (March 31, 2019: 0.36 Lakhs) details of which are as follows:

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| **To outside agencies** | | |
| - Quantumzyme Lip | - | - |
| - Kailash Cancer Hospital - Baroda | - | 0.36 |
| **Total Research and Development Expenditure** | **-** | **0.36** |

## 30. EARNINGS PER SHARE

(Amount in INR Lakhs)

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| **(a) Basic and Diluted earnings per share (INR)** | **16.30** | **4.41** |
| **(b) Reconciliations of earnings used in calculating earnings per share** | | |
| Profit attributable to the equity holders of the company used in calculating basic earnings per share | 2,367.46 | 640.90 |
| Adjustments for calculation of diluted earnings per share: | - | - |
| Profit attributable to the equity holders of the company used in calculating diluted earnings per share | **2,367.46** | **640.90** |
| **(c) Weighted average number of shares used as the denominator** | | |
| Weighted average number of equity shares used as the denominator in calculating basic earnings per share | 14,528,702 | 14,528,702 |
| Adjustments for calculation of diluted earnings per share: | - | - |
| **Weighted average number of equity shares used as the denominator in calculating diluted earnings per share** | **14,528,702** | **14,528,702** |

## 31. EMPLOYEE BENEFIT OBLIGATIONS

(Amount in INR Lakhs)

| | March 31, 2020 | | | March 31, 2019 | | |
|---|---|---|---|---|---|---|
| | Current | Non Current | Total | Current | Non Current | Total |
| **Provisions** | | | | | | |
| Leave Encashment | 1.60 | 15.34 | 16.94 | 1.60 | 15.27 | 16.87 |
| Gratuity | 3.41 | 33.86 | 37.28 | 5.96 | 35.54 | 41.50 |
| Employee Benefit Obligations | 5.01 | 49.20 | 54.21 | 7.56 | 50.81 | 58.37 |

(i) Other Long term employee benefits - Leave Obligations

The leave obligations cover the company's liability for sick and earned leave.

The amount of the provision of INR 1.60 Lakhs (March 31, 2019: INR 1.60 Lakhs ) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations.

(ii) Post Employment obligations

a) Defined benefit plan - Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service.

The gratuity plan is an unfunded plan.

**The amount recognised in the balance sheet and the movement in the net defined benefit obligation over the period are as follows**

(Amount in INR Lakhs)

| | Present value of obligation |
|---|---|
| **As at March 31, 2018** | **37.36** |
| Current service cost | 3.56 |
| Interest expense/(income) | 2.89 |
| **Total amount recognised in profit or loss** | **6.45** |
| Remeasurements | |
| Actuarial (Gain)/Loss on arising from Change in Financial Assumption | (0.40) |
| Actuarial (Gain)/Loss on arising from Experience Adjustment | 0.23 |
| **Total amount recognised in other comprehensive income** | **6.27** |
| Employer contributions | - |
| Benefit payments | (2.13) |
| As at March 31, 2019 | 41.50 |
| Current service cost | 3.80 |
| Interest expense/(income) | 3.17 |
| **Total amount recognised in profit or loss** | **6.97** |
| Remeasurements | |
| Actuarial (Gain)/Loss on arising from Change in Financial Assumption | 1.63 |
| Actuarial (Gain)/Loss on arising from Experience Adjustment | (1.80) |
| **Total amount recognised in other comprehensive income** | **6.80** |
| Employer contributions | - |
| Benefit payments | (11.03) |
| **As at March 31, 2020** | **37.28** |

| **The significant actuarial assumptions were as follows:** | **March 31, 2020** | **March 31, 2019** |
|---|---|---|
| Discount rate | 6.91% | 7.65% |
| Salary growth rate | 5.00% | 5.00% |
| Retirement Age | 58 years | 58 years |

**A quantitative sensitivity analysis for significant assumption as at March 31, 2019 and March 31, 2020 is shown below:**

(Amount in INR Lakhs)

| **Assumptions** | **Discount rate** | | **Employee turnover rate** | |
|---|---|---|---|---|
| Sensitivity Level | 0.5% increase | 0.5% decrease | 0.5% increase | 0.5% decrease |
| March 31, 2020 | | | | |
| Impact on defined benefit obligation | (0.97) | 1.03 | 1.04 | (1.00) |
| % Impact | -2.61% | 2.76% | 2.80% | -2.67% |
| March 31, 2019 | | | | |
| Impact on defined benefit obligation | (1.14) | 1.20 | 1.22 | (1.17) |
| % Impact | -2.74% | 2.88% | 2.94% | -2.82% |

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

**The following payments are expected to the defined benefit plan in future years:**

(Amount in INR Lakhs)

| | March 31, 2020 | March 31, 2019 |
|---|---|---|
| 1st following year | 15.61 | 7.69 |
| 2nd following year | 4.66 | 15.62 |
| 3rd following year | 9.06 | 5.23 |
| 4th following year | 6.17 | 4.83 |
| 5th following year | 7.64 | 7.05 |
| **Total expected payments** | **43.14** | **40.42** |

The average duration of the defined benefit plan obligation at the end of the reporting period is 19.95 years.

**b) Defined contribution plans - Provident fund**

The company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is INR 13.81 Lakhs (March 31, 2019: INR 13.09 Lakhs).

## 32. COMMITMENTS AND CONTINGENCIES

### A. Commitments

(Amount in INR Lakhs)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for | 19.00 | 37.06 |
| Total | 19.00 | 37.06 |

### B. Contingent Liabilities

(Amount in INR Lakhs)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **i. Claim against the company not acknowledged as debt** | | |
| Civil cases liabilities | 28.16 | 28.16 |
| **ii. Guarantees excluding financial guarantees** | | |
| Bank Guarantee given by UBI to DGVCL | 197.75 | 197.75 |
| **ii. Other money for which the company is contingently liable** | | |
| (i) Income tax under dispute | 0.00 | 0.00 |
| (ii) TDS default payment | - | - |
| (iii) Fringe benefit tax under dispute | - | 2.02 |
| (iv) Disputed Labour Dues | 146.13 | 136.23 |
| | 372.04 | 364.16 |

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.

## 33. RELATED PARTY TRANSACTIONS

**(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures**

| Name of Related Party | Country of Incorporation |
|---|---|
| **Entities having significant influence over the Company** | |
| Pharmaceutical Business Group (India) Limited (PBG) | India |
| Themis Medicare Limited | India |
| Themis Distributors Private Limited | India |
| Vividh Distributors Private Limited | India |
| Vividhmargi Investment Private Limited | India |
| Themis Lifestyle Private Limited | India |
| Long Island Nutritionals Private Limited | India |
| Richter Themis Medicare (India) Private Limited | India |
| **Venturer in Joint Venture** | |
| Yuhan Corporation | South Korea |

**Directors**

Dinesh Shantilal Patel
Sachin Dinesh Patel
Vijay Gopi Kishan Agarwal (Independent)
Preeti Kaushik Trivedi (Independent)
Siddharth Yogesh Kusumgar (Independent)
Vikram Dulerai Sanghvi (Independent)
Si Sung Lee
Namjin Seung Park (W.e.f. 08.08.2018)
Hinesh Rameshchandra Doshi, Alternate To Mr. Namjin Seung Park (W.e.f. 08.08.2018)

**Key Management Personnel**

Jagdish G. Kaujalgi (Chief Executive Officer) (W.e.f. 09.05.2018)
Bharat A. Desai (Chief Finance Officer)
Abhishek D. Buddhadev (Company Secretary) (Upto 15.11.2019)
Parag Bodha (Company Secretary) (W.e.f. 06.01.2020)

**(ii) Transactions with related parties**

(Amount in INR Lakhs)

| Name | Nature of Transaction | 2019-20 | 2018-19 |
|---|---|---|---|
| Themis Medicare Limited | Purchase of Raw Material | 0.95 | 114.44 |
| | Purchase of Electric Motor | 0.35 | - |
| | Sales of Lova Boronate | - | 127.150 |
| | Purchase Inaculom Reactor | - | 4.72 |
| | Sales Inaculom Reactor | - | 4.72 |
| | Purchase of Membrance Filter Press | - | 4.2 |
| Jagadish G Kaujalgi | Remuneration (including reimbursement) | 13.16 | 10.78 |
| Bharat A Desai | Remuneration (including reimbursement) | 7.30 | 6.92 |
| Parag Bodha | Remuneration (including reimbursement) | 1.05 | - |
| Abhishek Buddhadev | Remuneration (including reimbursement) | 4.04 | 5.39 |

**(iii) Outstanding trade related balances**

| Name | March 31, 2020 | March 31, 2019 |
|---|---|---|
| ***Trade Receivables*** | | |
| Themis Medicare Limited | 140.93 | 46.69 |

**(iv) Outstanding balances** **(Amount in INR Lakhs)**

| Name | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Other receivables** | | |
| Pharmaceutical Business Group (India) Limited | 0.19 | 0.19 |
| **Remuneration Payable** | | |
| Jagadish G Kaujalgi | 1.08 | 0.91 |
| Bharat A. Desai | 0.59 | 0.51 |
| Abhishek Buddhadev | - | 0.41 |
| Parag Bodha | 0.39 | - |

**(v) Key management personnel compensation** **(Amount in INR Lakhs)**

| | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Short term employee benefits | 25.55 | 23.09 |
| Post-employment benefits* | - | - |
| Long term employee benefits* | - | - |
| Directors sitting fees | 3.90 | 3.75 |
| | **29.45** | **26.84** |

* The amounts of Long term employee benefits and post-employment benefits cannot be seperately identified from the composite amount advised by the actuary/valuer.

**(vi) Terms and conditions of transactions with related parties**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. The Company has not issued any financial guarantees to the lenders on behalf of its related parties. For the year ended March 31, 2020, the Company has not recorded any impairment of receivables relating to amount owed by related parties (March 31, 2019: NIL). This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operates.

## 34. SEGMENT REPORTING

The company primarily operates in one business segment only i.e. Manufacturing of bulk drugs for its own and for job work basis for others, which is the only reportable segment. There is no other segment which requires reporting as per Ind AS 108 "Operating Segments".

Revenue arising from sale of products to two customers amounted to INR 3,309.85 Lakhs and 3,459.34 Lakhs (March 31, 2019: two customer amounted to INR NIL ), exceeds 10% of revenue from operations of the Company.

## 35. FAIR VALUE MEASUREMENTS

**i. Financial Instruments by Category**

(Amount in INR Lakhs)

| Particulars | Carrying Amount | | Fair Value | |
|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| **FINANCIAL ASSETS** | | | | |
| **Amortised cost** | | | | |
| Investments in Government Securities | 0.50 | 0.50 | 0.50 | 0.50 |
| Trade Receivables | 2,022.96 | 579.83 | 2,022.96 | 579.83 |
| Cash and Cash Equivalents | 85.95 | 111.66 | 85.95 | 111.66 |
| Other Bank Balances | 122.46 | 58.53 | 122.46 | 58.53 |
| Loans | 1.55 | 0.07 | 1.55 | 0.07 |
| Other Financial Assets | 1,559.18 | 671.43 | 1,559.18 | 671.43 |
| **Total** | **3,792.60** | **1,422.01** | **3,792.60** | **1,422.01** |

| | | | | |
|---|---|---|---|---|
| **FINANCIAL LIABILITIES** | | | | |
| **Amortised cost** | | | | |
| Borrowings | 815.01 | 601.00 | 815.01 | 601.00 |
| Trade Payables | 744.79 | 559.85 | 744.79 | 559.85 |
| Other financial liabilities | 388.13 | 74.94 | 388.13 | 74.94 |
| **Total** | **1,947.92** | **1,235.79** | **1,947.92** | **1,235.79** |

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair values of current and non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

**Fair value measurement**

**Level 1 -**Hierarchy includes financial instruments measured using quoted prices.

**Level 2 -** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3 -** If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

**ii. Valuation technique used to determine fair value**

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

**iii. Valuation processes**

The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every three months, in line with the company's quarterly reporting periods.

## 36. FINANCIAL RISK MANAGEMENT

The Company's activity exposes it to market risk, liquidity risk and credit risk. Company's overall risk management focuses on the unpredictibility of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. This note explains the sources of risk which the entity is exposed to and how the company manages the risk.

**(A) Credit risk**

Credit risk is the risk that the counterparty will not meet its obligations leading to a financial loss. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

**i. Credit risk management**

Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

A default on a financial asset is when the counterparty fails to make contractual payments of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

**ii. Provision for expected credit losses**

The company follows 'simplified approach' for recognition of loss allowance on Trade receivables

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

**iii. Reconciliation of loss allowance provision - Trade receivables**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company consistently generated sufficient cash flows from operations to meet its financial obligations. Also, the Company has unutilized credit limits with banks.
Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. In addition, the company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements.

**Maturities of financial liabilities**

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. In the table below, borrowings includes principal cash flows only.

**(Amount in INR Lakhs)**

| Contractual maturities of financial liabilities | | Contractual cash flows | | | |
|---|---|---|---|---|---|
| **Particulars** | **Carrying Amount** | **Total** | **Less than 12 months** | **1 year to 5 years** | **More than 5 years** |
| **March 31, 2020** | | | | | |
| Borrowings | 815.01 | 815.01 | 496.55 | 318.46 | - |
| Trade payables | 744.79 | 744.79 | 744.79 | - | - |
| Other financial liabilities | 388.13 | 388.13 | 388.13 | - | - |
| **Total financial liabilities** | **1,947.92** | **1,947.92** | **1,629.46** | **318.46** | **-** |
| March 31, 2019 | | | | | |
| Borrowings | 601.00 | 601.00 | 601.00 | - | - |
| Trade payables | 559.85 | 559.85 | 559.85 | - | - |
| Other financial liabilities | 74.94 | 74.94 | 74.94 | - | - |
| Total financial liabilities | **1,235.79** | **1,235.79** | **1,235.79** | **-** | **-** |

**(C) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk such as commodity risk.

**(i) Foreign currency risk**

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the external commercial borrowings and export receivables.

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies and standard operating procedures to mitigate the risks.

**(ii) Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing instruments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing instruments will fluctuate because of fluctuations in the interest rates.

However, during the years presented in these financial statements, the Company had primarily borrowed funds under fixed interest rate arrangements with banks and financial institutions and therefore the Company is not exposed to interest rate risk.

**(iii) Commodity Price risk**

The Company is not exposed to other price risk during the years presented in these financial statements.

## 37. CAPITAL MANAGEMENT

For the purpose of the company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(Amount in INR Lakhs)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Borrowings | 815.01 | 601.00 |
| Trade payables | 744.79 | 559.85 |
| Other Financial Liabilities | 388.13 | 74.94 |
| Less: Cash and cash equivalents | (85.95) | (111.66) |
| Less: Other Bank Balance | (122.46) | (92.68) |
| Net Debt | 1,739.51 | 1,031.44 |
| Equity Share capital | 726.40 | 726.40 |
| Other Equity | 3,493.11 | 1,125.55 |
| Total Capital | 4,219.50 | 1,851.95 |
| Capital and net debt | 5,959.01 | 2,883.40 |
| Gearing ratio | 29.19 | 35.77 |

## 38. ASSETS GIVEN AS COLLATERAL SECURITY AGAINST BORROWINGS

**The carrying amount of assets given as collateral security for current and non current borrowings are:**

**(Amount in INR Lakhs)**

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **NON CURRENT ASSETS** | | |
| Property, plant and equipment | 1,699.07 | 1,457.86 |
| **Total non current assets** | **1,699.07** | **1,457.86** |

## 39. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)

**(Amount in INR Lakhs)**

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Principal amount due to suppliers under MSMED Act, 2006* | 6.27 | 5.01 |
| Interest accrued and due to suppliers under MSMED Act, on the above amount** | - | - |
| Payment made to suppliers ( other than interest ) beyond the appointed day, during the year | - | - |
| Interest paid to suppliers under MSMED Act, ( other than Section 16 ) | - | - |
| Interest paid to suppliers under MSMED Act, ( Section 16 ) | - | - |
| Interest due and payable to suppliers under MSMED Act, for payment already made | - | - |
| Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006 | - | - |

*The Company makes payment to all the Parties (Including MSMEs) as per the payment terms negotiated with each party.
**Interest due on the outstanding amount will be considered on actual basis i.e. payment basis

Note : The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.

## 40. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The amendment to standard issued up to the date of issuance of the Company's financial statements, but not yet effective as of the date of the Company's financial statements is disclosed below. The Company intends to adopt the amendment to standard when it becomes effective.

The amendments are proposed to be effective for reporting periods beginning on or after 1 April 2020.

**A. Issue of Ind AS 117 – Insurance Contracts**

Ind AS 117 supersedes Ind AS 104 Insurance contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk. Application of this standard is not expected to have any significant impact on the Company's financial statements.

**B. Amendments to existing Standards**

Ministry of Corporate Affairs has carried out amendments of the following accounting standards:

1. Ind AS 103 – Business Combination
2. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
3. Ind AS 40 – Investment Property

The Company is in the process of evaluating the impact of the new amendments issued but not yet effective.

## 41. IMPACT OF COVID-19 PANDEMIC ON BUSINESS

COVID-19 pandemic affected our industries badly; we give below the details of impact on our business due to this pandemic.

1. Government declared lockdown on 22nd March 2020.
2. We could not shut the plant immediately as we are a continuous process industry and shutting down the plant takes about 15 days.
3. On 26th March, 2020 the Company was granted permission to operate the plant by the District Collector and Magistrate (as we fall under the category of Essential Services)
4. There after the plant production levels declined slowly as we were unable to procure raw materials due to stoppage of transportation and production by most raw material suppliers.
5. The plant came to a complete shutdown with effect from 08th April 2020.
6. In the meanwhile raw material procurement was restored and we restarted the plant on 19th April 2020.
7. The nature of the process as such that we have to charge the batches slowly. Also the manufacturing cycles are very long and it takes 23 days to bring the plant to full capacity operation.
8. The demand from our customers has also slow down.

**THE FOLLOWING STEPS HAVE BEEN TAKE FOR SMOOTH FUNCTIONING OF THE OPERATIONS OF THE COMPANY**

1. We have started a regular bus service to pick up & drop employees to ensure that they don't travel by common transport.
2. All premises are sanitized regularly.
3. All employees are screened by thermal gun while entering the premises.
4. Sanitizers are provided at the gate and in all functional areas.
5. It is compulsory that all employees should be wearing the face mask at plant premises.
6. Social distancing norms are followed while entering & leaving the premises, work place, canteen etc.
7. All vehicles entering the premises are sanitized.
8. All persons coming from outside are screened for all above items.

## 42. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification

**Significant Accounting Policies and Notes Forming Part of the Financial Statements** 1 to 42

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

**For GMJ & Co**
Chartered Accountants

Firm Registration No: 103429W

Sd/-
**CA Sanjeev Maheshwari**
Partner
Membership No: 038755

Place: Mumbai
Date: May 18, 2020

**For and on behalf of the Board**

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

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

Sd/-
**Jagdish G. Kaujalgi**
Chief Executive Officer

Sd/-
**Parag K. Bodha**
Company Secretary
Membership No. A51284

Place: Mumbai
Date: May 18, 2020

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

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