THEMIS
MEDICARE

TML: CS: 2018-19:

21st September, 2018

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

Listing Department,
National Stock Exchange of India Ltd.
"Exchange Plaza", Bandra – Kurla Complex,
Bandra – East, Mumbai- 400 051

Dear Sir/Madam,

Sub : Annual Report 2017-18
Ref : 1. BSE Scrip Code: 530199;
2. NSE Scrip Code: THEMISMED.

In accordance with the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI (LODR) Regulations, 2015), we submit herewith the soft copy of the Annual Report for the financial year 2017-18 duly approved and adopted by the shareholders of the Company at the 48th Annual General Meeting of the Company held on Friday, 7th September, 2018 at 10.30 AM at Registered Office of the Company situated at 69-A, GIDC Industrial Estate, Dist. Valsad, Vapi – 396 195, Gujarat.

Kindly consider this as compliance under Regulation 34 of the SEBI (LODR) Regulations, 2015.

Thanking you,
Yours faithfully,

For **THEMIS MEDICARE LTD.**

THEMIS MEDICARE LTD. MUMBAI

SANGAMESHWAR IYER
COMPANY SECRETARY & COMPLIANCE OFFICER



THEMIS
MEDICARE

QUALITY YOU CAN TRUST

ANNUAL REPORT
2017 - 2018

Board of Directors

Shri. Hoshang N. Sinor
Chairman

Shri. Vijay G. Agarwal
Director

Shri. Hariharan Subramaniam
Director

Shri. Humayun Dhanrajgir
Director

Shri. Rajneesh K. Anand
Director

Mr. Lajos Kovacs
Representative of Foreign Collaborator

Dr. Gabor Gulacsi
Representative of Foreign Collaborator
(w. e. f. 28th Mar, 2018)

Smt. Jayshree D. Patel
Additional Director

Smt. Reena S. Patel
Alternate Director to Mr. Lajos Kovacs

Dr. Sachin D. Patel
Managing Director & CEO

Dr. Dinesh S. Patel
Executive Vice Chairman

Shri. Prakash D. Naringrekar
M.Com., ACS
Company Secretary, Legal & Finance
(Upto 30th June, 2017)

Shri. Sangameshwar Iyer
M.Com., ACS & LLB
Company Secretary
(w. e. f. 21st Aug, 2017)

Shri. Tushar J. Dalal
ACA
Chief Financial officer

REGISTERED OFFICE
Plot No. 69A, G.I.D.C. Industrial Estate,
Vapi, Dist. Valsad, Gujarat - 396 195.
CIN: L24110GJ1969PLC001590

CORPORATE OFFICE
11/12 Udyog Nagar Industrial Estate, S. V. Road,
Goregaon (W), Mumbai - 400 104.

STATUTORY AUDITORS
M/s. R. P. Sardar & Co. (Chartered Accountants)

COST AUDITORS
M/s. B. J. D. Nanabhoy & Co. (Cost Accountants)

SECRETARIAL AUDITORS
M/s. Shirish Shetye & Associates (Company Secretaries)

REGISTRARS & SHARE TRANSFER AGENTS
Link Intime India Pvt. Ltd
C 101, 247 Park, L B S Marg, Vikhroli West,
Mumbai 400 083.
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

BANKERS
Union Bank of India
Bank of Baroda

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Message from

The Managing Director & CEO

Dear Stakeholders,

I have pleasure in once again communicating to you as Managing Director & CEO of your Company. The Management, as always, continues to enjoy your confidence as we steer Themis Medicare Limited on a path of growth. I hope you will continue to extend your support as we face new challenges, take new initiatives and sustain the momentum that has been built over the past decades. As we ended the year under review, your Company completed 48 years of serving patients in India. The year gone by has been a challenging, exciting and at times a stressful one, but has been underlined by a deep sense of satisfaction. Your Company is laying a strong foundation to build a legacy for the future to provide quality affordable products for our customers. New avenues for growth and profitability are being explored in line with the opportunities thrown up by the economic ecosystem in the country and abroad.

The Goods and Service Tax (GST), the biggest indirect tax reform of India, was rolled-out effective from July 1, 2017 which impacted all areas of business across various sectors including the pharmaceutical industry. While your Company was swift and smooth in transitioning to the new tax regime, given the backdrop of this large transition that the country underwent, the operating environment for your Company during the year remained challenging and your Company's Sales were impacted for a period of 60-90 days. Nevertheless, your Company has reported below financial figures.

During the year under review, your Company has achieved turnover of Rs. 21,170.67 lakhs as compared to Rs. 22,614.85 lakhs during last financial year. Your Company has earned a net profit after tax of Rs. 914.54 lakhs for the year as compared to net profit after tax of Rs. 1,479.74 lakhs during the previous financial year.

Besides our customers and employees, we are proud to be continuing our contribution to the society in which we live.

We believe that regulatory approvals are business driving factors. The year under review was challenging with respect to regulatory inspections at two of our locations viz. Hyderabad and Haridwar. API facility at Hyderabad faced a stringent EDQM (European Directorate for Quality of Medicines) re-inspection and our formulation unit at Haridwar also went through equally stringent EU GMP (European Good Manufacturing Practices) inspection. The EDQM inspection at Hyderabad was successfully carried out in December 2017 and we have already received approval and certificate for the same. The EU GMP inspection at Haridwar was conducted by Medicines Authority Malta in the month of January 2018. Both the inspections challenged our GMP and Quality operations critically and the inspectors crucially went through our products, processes and systems to finally grant us approval. The certificate of EU GMP at Haridwar is expected shortly. We believe that Quality at Themis Medicare is a continuing journey towards perfection and we shall strive for the same.

Introduction of a dedicated fermentation block and introduction of new product line in our Vapi Unit is expected to bring in promising growth and increase in your Company's API Business.

Our focus will continue to be on delivering results on our promise of unwavering commitment to our shareholders. We will reciprocate the trust placed in us by creating long-term value for your investment.

I thank you for your continued encouragement as always and look forward to your constant support in our journey of charting success. I take this opportunity to place on record my acknowledge and gratitude to our other stakeholders like customers, suppliers, Government agencies, foreign collaborators and of course employees for their support and cooperation which I hope will continue going forward.

Yours sincerely,
SD/-
Dr. Sachin D. Patel
Managing Director & CEO

Notice to Members

NOTICE is hereby given that the 48th Annual General Meeting of the Members of **THEMIS MEDICARE LIMITED** will be held at the Registered Office of the Company at Plot No. 69-A, GIDC Industrial Estate, Vapi, Dist. Valsad, Gujarat-396 195 on Friday, 7th September, 2018 at 10.30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March 2018, together with the Auditors' Report and Directors' Report thereon.
2. To appoint a Director in place of Mr. Rajneesh Anand (DIN 00134856) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Ratification of Remuneration to Cost Auditor**

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

   "RESOLVED THAT pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), remuneration of ₹2,33,500/- plus applicable taxes and reimbursement of out of pocket expenses (at actuals), as approved by the Board of Directors of the Company, payable to M/s. B.J.D. Nanabhoy & Co., Cost Accountants (Firm Registration No. 0011) Mumbai, conducting the cost audit of the cost accounts maintained by the Company in respect of bulk drugs and formulations for the financial year ended 31st March, 2019, be and is hereby ratified."

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be necessary to give effect to this Resolution."

4. **Appointment of Dr. Gabor Gulacsi (DIN: 06975242) as a Non Executive Director, liable to retire by rotation.**

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

   "RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 ("the Act") read with The Companies (Appointment and Qualifications of Directors) Rules, 2014 ("the Rules"), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, Dr. Gabor Gulacsi (DIN: 06975242) who was appointed by the Board of Directors as an Additional Director of the Company with effect from March 27, 2018, pursuant to Section 161 of the Act and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation."

5. **Revision in Remuneration payable to Mrs. Jayshree D. Patel (DIN: 00033316) as a Whole-Time Director.**

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

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and in partial modification of the relevant resolution passed at the 47th Annual General Meeting of the Company held on 27.09.2017, consent of the Company be and is hereby accorded to the revision in the remuneration of Mrs. Jayshree D. Patel, (DIN: 00033316), Whole-Time Director of the Company, w.e.f. 01.09.2017 on the remuneration, terms and conditions as approved by the Nomination and Remuneration Committee and as set out in the explanatory statement annexed to the notice, for the remaining period of her tenure i.e. upto 27.03.2020.

   RESOLVED FURTHER THAT except for the aforesaid revision in salary/perquisites, all other terms and conditions of her appointment as the Whole-Time Director of the Company, as approved by the resolution passed at the 47th Annual General Meeting of the Company held on 27.09.2017, shall remain unchanged.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mrs. Jayshree D. Patel, Whole-Time Director, including the monetary value thereof, to the extent approved by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

RESOLVED FURTHER THAT the Board and / or its Committee be and is hereby authorised in its absolute discretion to decide/determine, fix and/or vary/alter/modify within the limit stated above, the remuneration (including Remuneration in the event of absence or inadequacy of profits in any financial year) payable to Mrs. Jayshree D. Patel (DIN: 00033316), from time to time and to comply with all legal provisions and to do all such acts, deeds, things and matters etc., as may be considered necessary, desirable, expedient or proper to give effect to this resolution."

6. **To accept deposits from Members and Public:**

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

"RESOLVED THAT pursuant to the provisions of Section 73 and 76 of the Companies Act, 2013, as amended, and the Companies (Acceptance of Deposits) Rules, 2014, as amended, and other applicable provisions, if any, and subject to such conditions, approvals, permissions as may be necessary, consent of the Members be and is hereby accorded to the Company for inviting and accepting, from time to time, deposits from Members of the Company and the Public to such extent that the deposits outstanding and the deposits to be accepted shall not exceed 10% of the aggregate paid-up share capital, free reserves and securities premium account of the Company as per the latest audited accounts, as adopted by the Company in the general meeting and 25% of the aggregate of paid-up share capital, free reserves and securities premium account of the Company as per the latest audited accounts, as adopted by the Company in the general meeting, in respect of the deposits to be accepted from the Members of the Company and public respectively.

RESOLVED FURTHER THAT in the event of any revision in the limits prescribed under Section 73 and 75 of the Companies Act, 2013 and / or rules laid down thereunder for acceptance of deposits from Public and Members, this approval by Members shall be deemed to include any such revisions as if it was originally approved by the members in this Annual General Meeting.

RESOLVED FURTHER THAT Directors be and is hereby severally authorised to finalize the terms and conditions of acceptance of deposits and without limitation to sign and file the necessary forms or documents with the statutory authorities concerned and to do all such acts, deeds, matters and things as may be necessary for giving effect to the above resolution.

7. **Continuation of Mr. Humayun Dhanrajgir (DIN: 00004006) as an Independent Director of the Company who has attained the age of Seventy-five years:**

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

"RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and other applicable provisions if any, consent of the members be and is hereby accorded for continuation of Directorship of Mr. Humayun Dhanrajgir (DIN: 00004006), who was appointed as Independent Director of the Company for a period of 5 years at the 44th Annual General Meeting of the Company held on September 29, 2014 till conclusion of 49th Annual General Meeting and who has attained the age of 75 years for the remaining period of his existing term of Directorship as Independent Director of the Company."

By order of the Board of Directors

SD/-
Sangameshwar Iyer
Company Secretary
Membership No. A6818

Place : MUMBAI
Date : 17th July, 2018
Regd. Office : Plot No. 69-A, GIDC Industrial Estate, Vapi-396 195, Dist. Valsad, (Gujarat).
CIN : L24110GJ1969PLC001590

NOTES:

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

1. At the 47th AGM, M/s. R. P. Sardar & Co., Chartered Accountants (Firm Registration No. 109273W) were appointed as Statutory Auditors of the Company for a period of 5 years untill the conclusion of the 52nd 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.
2. The Instrument appointing the Proxy, duly completed, stamped and signed, should reach the Registered Office of the Company not less than forty-eight hours before the time of the Annual General Meeting. Members are requested to note that a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. 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.
4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
5. In terms of Section 152 of the Companies Act, 2013, Mr. Rajneesh Anand (DIN: 00134856), Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment.
6. The details of the Directors seeking appointment/reappointment/fixation of remuneration under item nos. 2, 4, 5 and 7 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.
7. 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.
8. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
9. 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.
10. 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.
11. The Company has notified closure of Register of Members and Share Transfer Books from Saturday, 1st September, 2018 to Friday, 7th September, 2018 (both days inclusive).
12. Members are informed that the dividend amount for the year ended 2010-11 remaining unclaimed shall become due for transfer on October 5, 2018 to the Investor Education and Protection Fund [IEPF] established by the Central Government in terms of the Companies Act, 2013.

    Members are requested to note that no claim shall lie against the Company in respect of any amount of dividend remaining unclaimed / unpaid for a period of 7 years from the dates they became first due for payment.

The Company has been sending reminders to those members having the unpaid/unclaimed dividends before transfer of such dividend(s) to Investor Education and Protection Fund (IEPF). Details of the unpaid/unclaimed dividend are also uploaded as per the requirements, on the Company's website www.themismedicare.com. Members, who have not encashed their dividend, are advised to write to the Company immediately claiming dividends declared by the Company.

Any member, who has not claimed interim/final dividend in respect of the financial year ended 2010-11 onwards, is requested to approach the Company/the Registrar and Share Transfer Agents of the Company in this respect.

The Company has already transferred all shares (in respect of which dividend has not been paid or claimed for seven consecutive years or more) to designated Demat Account of the IEPF Authority maintained with NSDL. Members who have so far not claimed or collected their dividends for the said period may claim their dividend and shares from the Investor Education and Protection Fund, by submitting an application in the prescribed form.

13. 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 India Pvt Ltd (Company's Registrar & Share Transfer Agents) and complete their KYC formalities as mandated 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.

14. The instructions for shareholders voting electronically are as under:

(i) The voting period begins on Tuesday, 4th September, 2018 (at 9:00 AM) and ends on Thursday, 6th September, 2018 (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 of (record Date) i.e 31st August, 2018 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

(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) • 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. • 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 login 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 m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non – Individual Shareholders and Custodians**

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.

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. 3:

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records of the applicable products of the Company.

On the recommendation of the Audit Committee at its meeting held on 9th May, 2018, the Board has, considered and approved the appointment of M/s. B.J.D. Nanabhoy & Co., Cost Accountants, Mumbai as the cost auditor for the financial year 2018-19 at a remuneration of ₹2,33,500/- per annum plus applicable service tax and reimbursement of out of pocket expenses, if any, in connection with the Cost Audit.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise in this Resolution.

The Directors recommend the above resolution for passing by the shareholders.

Item No. 4:

Pursuant to the provisions of Sections 152, 161(1) and other applicable provisions of the Act read with applicable Rules framed thereunder and the Articles of Association of the Company, the Board of Directors had, on the recommendation of the Nomination and Remuneration Committee, appointed Dr. Gabor Gulacsi as an Additional Director of the Company with effect from March 27, 2018.

Dr. Gabor Gulacsi is an Economist and holds Doctorate in Economic Sciences and well experienced in the field of finance and management and general business administration.

Dr. Gabor Gulacsi is on the Board of Richter Themis Medicare (India) Private Limited.

The Board recommends passing of the Ordinary Resolution as set out in the Item no. 4 of the Notice for the appointment of Dr. Gabor Gulacsi as a Director, liable to retire by rotation.

Except Dr. Gabor Gulacsi 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.

Item No. 5:

The shareholders will recall the resolution passed at the meeting of the shareholders held on 27.09.2017 in respect of appointment of Mrs. Jayshree D. Patel as Whole-Time Director of the Company with effect from 28.03.2017 for a period of 5 years and for payment of remuneration to Mrs. Jayshree D. Patel as a Whole-Time Director of the Company for a period of 3 years with effect from 28.03.2017.

Since Mrs. Jayshree D. Patel was appointed as Whole-time Director of the Company effective from 28th March, 2017 and in line with the benefits extended to the Managing Director & CEO and also the Executive Vice Chairman, the Board of Directors at its meeting held on 27.09.2017, on the recommendations made by the Nomination and Remuneration Committee, has approved the proposal for revision in the remuneration of Mrs. Jayshree D. Patel to provide the benefit of Provident Fund and other benefits to Mrs. Jayshree D. Patel with effect from 1st September 2017 for the remaining period of her tenure i.e., upto 27.03.2020.

The revised Remuneration payable to Mrs. Jayshree D. Patel with effect from 01.09.2017 is as under:

1. Salary of ₹3.50 Lakhs per month.

2. Any increase in the salary will be decided on a yearly basis, as approved by the Nomination and Remuneration Committee and the Board of Directors in accordance with provisions of Schedule V and other applicable provisions of the Companies Act, 2013.

In addition to above, she shall be entitled to the following perquisites:

a) Provision of Car for use on Company's business
b) Reimbursement of Telephone expenses
c) Contributions to Provident Fund, Superannuation Fund, Annuity Fund, if any, to the extent these either singly or put together are not taxable under the Income tax Act, 1961
d) Encashment of earned leave at the end of the tenure
e) Such other allowances, benefits, amenities and facilities as per the Company's Rules

Except for the aforesaid revision in salary/perquisites, all other terms and conditions of her appointment as the Whole-Time Director of the Company as approved earlier, shall remain unchanged

As the terms for revision in remuneration proposed above are well in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, Central Government approval is not necessary for the above revision in remuneration.

Mrs. Jayshree D. Patel and her relatives (including Dr. Dinesh S. Patel, Executive Vice Chairman, Dr. Sachin D. Patel, Managing Director & CEO and Mrs. Reena S. Patel, Alternate Director to Mr. Lajos Kovacs) may be deemed to be concerned or interested in the said resolution. No other Director, Key Managerial Personnel or their relatives are concerned or interested financial or otherwise in the said resolution.

The Board has recommended to the members to pass the above resolution.

Item No. 6:

Considering the provisions of the Companies Act, 2013 and the provisions of the Companies (Acceptance of Deposits) Rules, 2014, if the Company decides to accept the deposits from the Members or Public, a resolution needs to be passed in the General Meeting of the Members of the Company permitting acceptance of deposits and approving the terms and conditions, subject to which such deposits shall be accepted. Considering the present financial position of the Company, the Company may not be required to accept deposits.

In order to enable the Board of Directors to take a decision about acceptance or renewal of deposits, from time to time, depending on the financial position of the Company and prevalent rate of interest, the Board of Directors recommend that powers be vested in the Directors of the Company to accept the deposits from the Members of the Company and from the Public, up to the permitted limits. Such deposits would be unsecured deposits carrying interest rate as prevalent from time to time. The term of deposits to be accepted shall not be less than six months and not more than thirty six months or such term as may be prescribed under the Companies Act, 2013.

The Company, before accepting deposits, shall comply with all other formalities as prescribed by the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended.

The Directors recommend the Ordinary Resolution to the Members for their approval.

None of the Directors or Key Managerial Personnel of the Company, including their relatives, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

Item No. 7:

Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on June 7, 2018 prescribes that no listed entity shall appoint a person or continue the Directorship of any person as a non-executive director who has attained the age of seventy five years unless a Special Resolution is passed to that effect.

Mr. Humayun Dhanrajgir (DIN: 00004006) who was appointed as an Independent Director of the Company at the 44th Annual General Meeting of the Company held on September 29, 2014 for a period of five years by way of special resolution has attained the age of 75 years.

Mr. Humayun Dhanrajgir has over 40 years of experience in Pharmaceutical business especially in Multinational Companies. He is on the Board of various Pharmaceutical Companies in India as an Independent Director. Our Company has immensely benefited from his experience in the field of Pharma business as well as Corporate Governance area.

Except for Mr. Humayun Dhanrajgir no other Director or Key Managerial Personnel or their relatives is concerned or interested financially or otherwise in this resolution.

The Board recommends the continuation of Mr. Humayun Dhanrajgir as a Director to the members.

By order of the Board of Directors

SD/-
Sangameshwar Iyer
Company Secretary & Compliance Officer
Membership No. A6818

Place : MUMBAI
Date : 17th July, 2018
Regd. Office : Plot No. 69-A, GIDC Industrial Estate,
Vapi-396 195, Dist. Valsad, (Gujarat).
CIN : L24110GJ1969PLC001590

Annexure to Items 2, 4, 5 and 7 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. Rajneesh Anand	Dr. Gabor Gulacsi
Date of Birth	05/03/1954	08/05/1958
Nationality	Indian	Hungary
Date of Appointment on the Board	27/04/2007	27/03/2018
Qualifications	B.E.(Mech), MIE, DMS	Economist, Doctorate in Economic Sciences.
Expertise in specific functional Area	Over 40 years of Industrial Experience in the areas of Production, Planning, Project implementation, Engineering, Finance, Administration etc.	Financial and Economic decision making
Number of shares held in the Company	5,600	Nil
List of the directorships held in other companies*	Nil	Nil
Number of Board Meetings attended during the year	6	0
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	Chairman Nil Member Themis Medicare Ltd. – Stakeholder Relationship Committee	Nil
Relationships between Directors inter-se	None	None
Remuneration details	Nil	Nil

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

Name of the Director	Mrs. Jayshree D. Patel	Mr. Humayun Dhanrajgir
Date of Birth	13/10/1951	02/12/1936
Nationality	Indian	Indian
Date of Appointment on the Board	20/05/1995	27/08/2004
Qualifications	B.A. (Hons.) with Psychology	B. Tech (Chem Eng.) Loughborough University, U.K.M.I Chem Eng. (London), A.M.P (Harwad)

Name of the Director	Mrs. Jayshree D. Patel	Mr. Humayun Dhanrajgir
Expertise in specific functional Area	Vast experience in finance as well as general administration and has, in the immediate past, served as a Consultant of the Company.	A respected personality in the Pharmaceutical Industry with over 40 years. He has held several senior positions including that of the Managing Director and Vice Chairman of Glaxo India Ltd. in the early 90's. He was the president of OPPI-Organization of Pharmaceutical Producers of India ('90-'92). He also served on the General Committee of the Bombay Chamber of Commerce and Industry and was the Chairman of its Indo-British Business Committee for 2 years. He was also the MD of Lupin Laboratories for 1 year from October 1994 to assist in the company's globalization plans. He was thereafter appointed by Eastman Kodak Company as Managing Director of Kodak India Ltd. for a 5 year term and retired in October 2000.
Number of shares held in the Company	667664	Nil
List of the directorships held in other companies*	1. Artemis Biotech Limited 2. Pharmaceutical Business Group (India) Limited	1. Zydus Wellness Limited 2. Cadila Healthcare Limited 3. Neuland Laboratories Ltd 4. Next Gen Publishing Private Limited 5. Emcure Pharmaceuticals Limited 6. Sami Labs Limited 7. HDFC Asset Management Company Limited
Number of Board Meetings attended during the year	6	7
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	Chairperson: None Member None	Chairman Zydus Wellness Ltd. – Audit Committee Member Zydus Wellness Ltd. – Stakeholder Relationship Committee Cadila Healthcare Ltd. – Audit Committee Neuland Laboratories Ltd. – Audit Committee Themis Medicare Ltd. – Audit & Risk Management Committee
Relationships between Directors inter-se	Mrs. Jayshree D. Patel is wife of Dr. Dinesh S. Patel, mother of Dr. Sachin D. Patel and mother-in-law of Mrs. Reena S. Patel.	None
Remuneration details	(For detailed remuneration, refer Explanatory Statement to Item No. 5)	Nil
*Directorship includes Directorship of other Indian Public Companies and Committee memberships includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Company (Whether Listed or not).		

Annexure to the Explanatory Statement

Information as required under Section II of Part II of Schedule V of the Companies Act, 2013 and forming part of the explanatory statement to the Notice convening the Annual General Meeting.

(For Item No. 5).

I. GENERAL INFORMATION

Nature of Industry:- Pharmaceuticals

Date or expected date of commencement of commercial production:-

The Company was incorporated on May 31, 1969 and commenced its business on August 16, 1969.

In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:- Not applicable.

Financial performance:-

(Based on Audited published financial statement) (₹ in Lakhs)

Particulars	31.03.2018	31.03.2017
Total Revenue	21,474.20	22,904.90
Less: Expenses	20,534.53	21,265.16
Profit/ (Loss) before tax	939.67	1,639.74
Less – Tax Expense	10.18	160.44
Profit/ (Loss) after tax	929.49	1,479.30
Total Comprehensive Income	914.54	1,479.74

Foreign Investments or Collaborators, if any:- Gedeon Richter

II. INFORMATION ABOUT THE APPOINTEES

Mrs. Jayshree D. Patel (Item No. 5 of the Notice)

1. Background details:-

   B.A. (Hons.) with Psychology. Actively associated with the day to day affairs of the Group for past 35 years. Managing Director of erstwhile Artemis Biotech Ltd. for 7 years which is merged with the Company. She was Managing Director of two group companies for 15 years.

2. Remuneration:-

   The Nomination & Remuneration Committee and Board of Directors of the Company have approved remuneration as per Companies Act, 2013 read with rules made there under and schedule V of the Act which is as under:

   1. Salary of ₹3.50 Lakhs per month.
   2. Any increase in the salary will be decided on a yearly basis, as approved by the Nomination and Remuneration Committee and the Board of Directors in accordance with provisions of Schedule V and other applicable provisions of the Companies Act, 2013.

   In addition to above, she shall be entitled to the following perquisites:

   a) Provision of Car for use on Company's business
   b) Reimbursement of Telephone expenses
   c) Contributions to Provident Fund, Superannuation Fund, Annuity Fund, if any, to the extent these either singly or put together are not taxable under the Income tax Act, 1961
   d) Encashment of earned leave at the end of the tenure
   e) Such other allowances, benefits, amenities and facilities as per the Company's Rules

3. Recognition and Awards:- Nil
4. Job Profile and his suitability:-

   Being Managing Director of erstwhile Artemis Biotech Ltd., she has experience of overall Pharma Industry operations. As a Whole Time Director, she is actively involved in day to day affairs of the Company such as financial and administrative operations.
5. Remuneration proposed:-

   The proposed remuneration is ₹3.50 Lakhs per month pursuant to provision of Companies Act, 2013 read with rules made thereunder and Schedule V of the Act.
6. Comparative remuneration profile with respect to industry, size of the company profile of the position and person:-

   Taking into consideration the size of the Company, profile of Mrs. Jayshree D. Patel, Whole-Time Director, and responsibility shouldered on her and the industry standard, the remuneration paid is commensurate with the remuneration packages paid to Managerial Personnel in other similar companies.
7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:-

   Mrs. Jayshree D. Patel does not have any other pecuniary relationship with the Company directly or indirectly. Mrs. Jayshree D. Patel is a relative of Dr. Dinesh S. Patel (Husband), Dr. Sachin D. Patel (Son) and Mrs. Reena S. Patel (Daughter in law).

III. OTHER INFORMATION

Reasons of loss or inadequate profits:- Not Applicable

Steps taken or proposed to be taken for improvement:-

The Company has taken up modernization and expansion from time to time.

Expected increase in productivity and profits in measurable terms:-

The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. With the measures taken from time to time in respect of product development, new product introduction in the market, capacity improvement, new market taping in India and overseas countries as well as measures of cost reduction being undertaken on a continuous basis. The management feels that the productivity and the profitability of the Company will improve over a period of time.

DISCLOSURES

All the relevant information required to be disclosed in the Board of Directors' Report under the heading "Report on Corporate Governance" attached to the Annual Report will be disclosed as and when required.

Directors' Report

The Members,

Themis Medicare Limited

Your Directors take pleasure in presenting the 48th Annual Report along with the Audited Financial Statements for the financial year ended 31st March, 2018. The Company operates only in one business segment viz., "Pharmaceuticals" and this report covers its Pharmaceutical business performance.

1. FINANCIAL STATEMENTS & RESULTS:

a. FINANCIAL RESULTS:

The Company's performance during the year ended 31st March, 2018 as compared to the previous financial year, is summarized below:

(₹ in lakhs)

Particular	2017-18	2016-17
Income	21,474.20	22,904.90
Less: Expenses	20,534.53	21,265.16
Profit/ (Loss) before tax	939.67	1,639.74
Deferred tax	10.18	160.44
Profit after Tax	929.49	1,479.30

APPROPRIATION

Final Dividend	-	-
Tax on distribution of dividend	-	-
Transfer to General Reserve	-	-
Balance carried to Balance sheet	929.49	1,479.30

b. OPERATIONS:

The Company continues to be engaged in the activities pertaining to manufacturing of pharmaceutical products, especially in Formulation and API activity.

There was no change in nature of the business of the Company, during the year under review.

c. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

During the year under review, the Company had entered into a Joint Venture Agreement (JVA) with Well Medical Limited (UK) and in pursuance of the said JVA, a Joint Venture Company in the name and style of Carpo Medical Limited was incorporated in the United Kingdom (UK)., Wherein Themis Medicare Limited and Well Medical Limited (UK) hold 90% and 10% of the share capital respectively.

As on the last day of the financial year, the Company had two non material subsidiaries namely, Artemis Biotech Limited and Themis Lifestyle Private Limited and two Joint Venture Companies namely, Richter Themis Medicare (India) Private Limited and Carpo Medical Limited (UK).

The performance and financial position of each of the subsidiaries, associates and joint venture companies for the year ended 31st March, 2018 in Form AOC-1 is attached and marked as Annexure - I and forms part of this Report.

d. DIVIDEND:

With a view to conserve resources, your Directors have not recommended dividend for the financial year under review.

e. TRANSFER TO RESERVES:

Your Board has not recommended transfer of any amount of profit to reserves during the year under review. Hence, the entire amount of profit for the year has been carried forward to the Statement of Profit and Loss.

f. REVISION OF FINANCIAL STATEMENT:

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

g. DEPOSITS:

Except for unclaimed deposits of ₹3.20 lakhs, the Company does not have outstanding deposits from public. The Company has repaid outstanding deposits from Directors and Promoter Members for which the Hon'ble Company Law Board, Regional Bench, Mumbai, had allowed repayment on or before 31.03.2018 on the original terms & conditions of deposits.

Your Company has not accepted any deposits falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details of deposits which are not in compliance with Chapter V of the Act is not applicable.

h. 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.

In terms of Special Resolution passed by members of the Company in Extra Ordinary General meeting held on 10th June, 2016, the Company had issued and allotted 1,25,000 Equity Shares upon conversion of Warrants at the rate of ₹500/- consisting of ₹10/- as Face value and ₹490/- as Premium, in accordance with SEBI (ICDR) Regulations, 2009. The said Warrants were issued subjected to the condition that an amount equivalent to at least 25% of the price shall become payable on or before the date of allotment of warrants and balance amount shall be paid before Conversion of warrants into equity shares.

The Company had raised ₹468.75 lakhs through preferential issue as the balance amount of ₹375/- per share was paid upon conversion of 1,25,000 warrants into Equity Shares allotted to promoters during the year.

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

The Board has received declarations from the Independent Directors under section 149(6) of the Companies Act, 2013 that they are not otherwise disqualified to be Independent Directors and meet the criteria of independence laid down in Regulation 25 of the Listing Regulations. The Board further states that all the Independent Directors are persons of integrity and possess relevant expertise and experience to discharge their duties and roles as Independent Directors of the Company.

j. STATEMENT UNDER SECTION 178:

Your Company has Constituted Nomination and Remuneration Committee as well as Stakeholders Relationship Committee as provided 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. In view of inadequacy of profits, remuneration is being paid to Managing and Whole time Directors in line with Schedule V of the Companies Act, 2013 as also only sitting fees are paid to other Directors for attending Board and Audit and Risk Management Committee meetings at present.

Nomination 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.

k. COMMENTS OF THE BOARD ON AUDITORS' REPORT:

i. Observations of Statutory Auditors on Accounts for the year ended 31st March, 2018: 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, 2018.

ii. Secretarial Audit Report for the year ended 31st March, 2018: Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from a Practicing Company Secretary. M/s. Shirish Shetye and Associates, Practicing Company Secretaries were appointed to conduct Secretarial Audit and issue Report for the financial year 2017-18.

Secretarial Audit Report issued by M/s. Shirish Shetye and Associates, Practicing Company Secretaries in Form MR-3 for the financial year 2017-18 forms part of this report. The Secretarial Audit Report does not contain any Qualifications/observations/ adverse remarks. The Secretarial Audit Report is annexed herewith as Annexure - III.

l. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

m. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

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 are placed for the approval before the Audit and Risk Management Committee and also before the Board wherever necessary in compliance with the provisions of the Act and Listing Regulations. The Audit & Risk Managment Committee had granted omnibus approval for Related Party Transactions as per the provisions contained in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 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.themismedicare.com/wp-content/uploads/2015/08/Related-Party-Policy.pdf

n. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:

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

The Internal Financial Controls followed by the Company are adequate and commensurate with the size and nature of the business and were operating effectively during the year under review.

Internal Audit function of the Company is carried out through Independent Chartered Accountants Firms to test and verify the Company's Internal Control System. The Company's assets are adequately safeguarded against significant misuse or loss. The Company has in place, adequate Internal Financial Controls with respect to maintenance of accounting records and financial transactions. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

o. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL:

There are no orders passed by the regulators or courts or Tribunals for/or against the Company during the year under review.

p. 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 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 is furnished.

q. 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.

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

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 and other applicable Regulations, details of equity shares issued under Employees Stock Option Scheme during the financial year under review is furnished in Annexure - IV attached herewith which forms part of this Report.

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

The provisions of Section 67(3) as well as disclosure under rule 16(4) of Companies (Share Capital and Debentures) Rules 2014 are not applicable in respect of Equity shares allotted against ESOPs granted to employees.

2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, following changes took place in the Board Composition and Key Managerial Personnel:

Mr. Prakash D. Naringrekar ceased to be associated with the Company as Company Secretary on attaining the age of superannuation with effect from close of office hours on 30th June, 2017. The Board places on record its appreciation for the services rendered by Mr. Prakash D. Naringrekar during his tenure as Company Secretary of the Company.

Mr. Sangameshwar Iyer was appointed as the Company Secretary and Compliance Officer of the Company w.e.f 21st August, 2017. Upon such appointment, Mr. Sangameshwar Iyer is considered as the Key Managerial Personnel pursuant to the provisions of Section 203 of the Companies Act, 2013 and also the Compliance Officer of the Company under Regulation 6(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Sangameshwar Iyer, is a Qualified Company Secretary & Law Graduate with an extensive experience of over 2 decades in Company Secretarial & Legal functions in various

types of companies, both in the manufacturing and service sector.

Dr. Gabor Gulacsi, ceased to be a Director of the Company on account of vacation of his office as Director of the Company pursuant to Section 167(1)(b) of the Companies Act, 2013 with effect from 27th March, 2018.

Dr. Gabor Gulacsi was appointed as an Additional Director by the Board with effect from 27th March, 2018, as a representative of Gedeon Richter Plc, Hungary, Joint Venture Partners of the Company. Dr. Gabor Gulacsi holds office upto the ensuing Annual General Meeting of the Company and is eligible for appointment as Director in compliance with Section 160 of the Companies Act, 2013. A brief profile of Dr. Gabor Gulacsi is given in the Notice convening the Annual General Meeting. The Company has received notice under Section 160 of the Companies Act, 2013 from a member company signifying its intention to propose the candidature of Dr. Gabor Gulacsi for the office of Director.The Board recommends to the members the appointment of Dr. Gabor Gulacsi as a Director in the ensuing Annual General Meeting of the Company.

The office of Mrs. Reena S. Patel, an Alternate Director to Mr. Lajos Kovacs, got vacated on arrival of Mr. Lajos Kovacs in India on 27th March, 2018 in accordance with the provisions of second proviso to section 161(2) of the Companies Act, 2013.

Mrs. Reena Patel was appointed as an Alternate Director to Mr. Lajos Kovacs to attend Board meetings of the Company during his absence with effect from 30th March, 2018.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Rajneesh K. Anand (DIN 00134856), Non – Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends to the members the appointment of Mr. Rajneesh K. Anand as a Director in the ensuing Annual General Meeting (AGM) of the Company.

In accordance with the provisions of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (effective from April 1, 2019), approval of members is sought through Special Resolution for continuation of Mr. Humayun Dhanrajgir (DIN : 00004006) as Director of the Company, who has already attained the age of Seventy-five years.

Necessary resolutions for the appointment/ re-appointment of the aforesaid Directors are included in the Notice convening the ensuing AGM and details of the proposal for re-appointment are mentioned in the Explanatory Statement to the Notice.

3. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

a. BOARD MEETINGS:

A calendar of regular meetings was prepared and circulated in advance to the Directors. Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder, the Board met seven (7) times during the year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. 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, 2018, 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 departure according to the accounting standards;

ii. such accounting policies have been selected and applied consistently and the Directors made judgements 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, 2018 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.

c. 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 31st March, 2018:

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.

d. VIGIL MECHANISM POLICY/ WHISTLE BLOWER POLICY FOR THE DIRECTORS AND EMPLOYEES:

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

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

The said Policy is available on the website of the Company at http://www.themismedicare.com/wp-content/uploads/whistle-blower-policy.pdf

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

e. RISK MANAGEMENT:

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

The Audit and Risk Management Committee and the Board discuss various aspects involved in Business risks to the Company and the manner to mitigate the same.

f. CORPORATE SOCIAL RESPONSIBILITY POLICY:

As per the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee.

The composition of the CSR Committee of the Company is as under:

i. Mr. Humayun Dhanrajgir, Chairman of the Committee,
ii. Mr. H. Subramaniam, Member and
iii. Dr. Sachin D. Patel, Member

The Company has formulated policy for CSR activities and is placed on the website of the Company at http://www.themismedicare.com/wp-content/uploads/2016/12/CSR-Policy.pdf

Annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as Annexure - V and forms an integral part of this Report.

In terms of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 as amended ("CSR Rules") and in accordance with the CSR Policy, during the financial year 2017-18, the Company has spent two percent of the average net profits of the Company during the three immediately preceding financial years. The detailed information on CSR activities are provided in the Annual Report on CSR activities.

g. ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD:

The Board of Directors at its meeting held on 27th March, 2018 has carried out an annual evaluation of its own performance, Board 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 was evaluated by the Board with the help of inputs received from all the Directors on the basis of the criteria such as the Board Composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board with the help of inputs

received from the Committee members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, etc. The Board concluded that all Board Committees were discharging its functions effectively.

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 of Executive Directors and 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 an 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.

Also, the Company had provided facility of performance evaluation to Directors on online platform for convenience of the Board members.

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

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year under review has been marked as Annexure - VI.

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

None of the managerial personnel i.e. Managing Director and Whole time Directors of the Company is in receipt of remuneration/ commission from the Holding or Subsidiary Company of the Company.

4. AUDITORS' REPORTS:

a. APPOINTMENT OF AUDITORS:

M/s. R. P. Sardar & Co., Chartered Accountants (FRN - 109273W), the Statutory Auditors of the Company, were appointed by the members at the 47th Annual General Meeting (AGM) to hold such office till conclusion of the 52nd AGM subject to ratification of their appointment by the members at every intervening AGM held after 47th AGM.

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. R. P. Sardar & Co., Chartered Accountants (FRN - 109273W), will continue to hold office till conclusion of the 52nd AGM and their appointment will not be subject to ratification by the members at every intervening AGM held after 47th AGM.

b. COST AUDITORS:

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors on recommendation of the Audit and Risk Management Committee, appointed M/s. B. J. D. Nanabhoy & Co., Cost Accountants as the Cost Auditors of the Company for the financial year 2018-19 for the applicable Product.

Pursuant to Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, appropriate resolutions seeking your ratification to the remuneration of the said Cost Auditors

are appearing in the Notice convening the 48th AGM of the Company.

5. OTHER DISCLOSURES

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

a. EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134(3) (a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March, 2018 made under the provisions of Section 92(3) of the Act is attached as Annexure - VII which forms part of this report.

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

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

c. CORPORATE GOVERNANCE:

Report on Corporate Governance and Certificate of Practising Company Secretary 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, are enclosed as a separate section and forms part of this report.

d. PREVENTION OF SEXUAL HARASSMENT:

We have zero tolerance for sexual harassment at the workplace and have adopted a Policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of Complaints of Sexual Harassment at the workplace.

During the financial year ended 31st March, 2018, your Company has not received any complaint relating to sexual harassment.

6. MANAGEMENT DISCUSSION & ANALYSIS:

(a) Industry structure and developments:

During the year under review, the Pharmaceutical Industry in India which was experiencing double digit growth was impacted to some extent due to demonetisation and implementation of Goods and Services (GST) Tax Act.

However, it is expected that the Industry will continue to grow going forward. In line with the National Health Policy, the Government of India has issued a draft Pharmaceutical Policy and sought opinions from various stakeholders. The draft policy aims to streamline the systems of manufacturing and marketing of pharmaceuticals/medicines to achieve the primary goals of the Health Policy to provide affordable health care to all. The Industry continued to face challenges due to imposition of price controls and bringing many products under the ambit of National List of Essential Medicines.

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. :

Pharma business being associated with basic human needs, introduction of newer and cost effective medicines in different therapeutic groups provides maximum opportunities in a densely populated country like India.

The share of generic drugs is expected to continue increasing; Due to their competence in generic drugs, growth in this market offers a great opportunity for Indian firms. Generic drug market is expected to grow in the next few years with many drugs going off-patent in the US and other countries.

With 70 per cent of India's population residing in rural areas, pharma companies have immense opportunities to tap this market. Demand for generic medicines in rural markets has seen a sharp growth. Various companies are investing in the distribution network in rural areas.

Availability of sub-standards products in the market, fierce competition as well as Government intervention in the pricing policies are major threats to the business stability for a relatively small size Company like ours. However,

the management is taking all necessary steps and continuously adopting strategies not only to stand in the market but to perform impressively under the current scenario. Your Company's strong foothold on R&D has contributed for introduction of many new products over the years. The present thrust in mainly in introduction of marketing of differentiated injectables in India and abroad.

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 operates in a single segment i.e. Pharmaceuticals. However, the Company has given more thrust for last many years on Formulations SKUs as compared to API. The results of the Company under review also depict that Formulation business has grown at a much faster rate than APIs.

(d) Outlook: Due to the price cuts on various products, and temporary impact of demonetisation and GST, the growth of Indian Pharmaceutical Market was muted in the financial year 2017-18. The market research reports indicate that the Indian Pharmaceuticals Market is expected to continue to grow at about 9% per annum over the next five years. Your Company's capabilities are in introduction of new and differentiated pharmaceutical formulations. Fully aware of its strength, the Company is going ahead with hand holding strategy with Indian and International Pharmaceutical majors. This strategy has paid well in the recent past with introduction of the differentiated Pain management injections with support of an international major pharma company in India. The Company is also finding new avenues in the international market also and the work in this area is in advanced stage. Your Company will continue to work on productivity enhancement and efficiencies in supply chain management.

(e) Risks and concerns. The business of your 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.

The proposed Pharmaceutical Policy, 2017 has stricter requirements and compliances which will require the Company to change some of its processes. This may enhance the cost of operations.

The proposal on prescription of products only by generic name, without mentioning the brand name may change the way the pharmaceutical products are promoted in India. In case of implementation of this proposal, the Company will have to rework its promotional strategies.

Risks, liabilities and losses are part and parcel of any industry and need to be tackled through well forecasted strategies and actions. To mitigate and avoid risks in the current scenario, the Company is focusing on shifting API to Formulation business and also improving its market access for the existing products.

Besides, the risks in Domestic market there are various risks in the International markets as well, an important one being regulatory risk, Plant inspections, vendor approvals, etc.

(f) Internal control systems and their adequacy. : The Company ensures the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013. The Statutory Auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit Committee of the Board. Internal Financial Control Audit is also conducted on continuous basis to plug the loop holes in the system, if any. Other statutory requirements especially, in respect of pharmaceutical business are also vigorously followed in order to have better internal controls over the affairs of the Company.

(g) Discussion on financial performance with respect to operational performance.

The operational performance during the year under review was on expected lines. Shift of business focus to Formulation activity has started showing positive operational performance results. The financial performance is getting improved due to better margins, control over cost as well as reduction of interest cost in view of repayment of term loan instalments and Public Deposits. Your Company has wiped off past losses and expects to continue with good operational results in the years to come.

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

The core of the Human Resource philosophy at Themis is empowering human resources towards achievement of Company aspirations. The overall industrial relations atmosphere continued to be cordial. Your Company has a diverse mix of youth and experience which nurtures the business. As on March 31, 2018 the total employee strength was 1229. Our objective to build organizational capability through skill development across levels ensures that we invest in training and enhancing people skills in line with the dynamic business needs. In our endeavour to be employee centric, your Company revamped existing HR policies to be more people friendly and offered them a better work life balance. We continued to rely on technology to reach out to employees and improve efficiencies by automating policies and work flows. During the current year, HR would focus on enabling change to deliver the desired business outcomes. The objective is to create an HR organisation focusing on responding to business challenges of tomorrow.

7. ACKNOWLEDGEMENTS AND APPRECIATION:

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, collaborators, employees, financial institutions and Central and State Governments for their consistent support and encouragement to the Company.

For and on behalf of the Board of Directors

SD/-
Dr. Sachin D. Patel
Managing Director & CEO
DIN - 00033353

SD/-
Mr. H. Dhanrajgir
Independent Director
DIN - 00004006

Place: Mumbai
Dated: 9th May, 2018

Annexure I

PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

(Information in respect of each subsidiary / Associate Companies / Joint Venture Companies to be presented with amounts in ₹)

Form AOC-1

Part-A

	Name of the subsidiary/Joint Venture/Associate Companies	Subsidiary Companies		
		Artemis Biotech Ltd. (CIN No. U24233 MH2011PLC212359)	Themis Lifestyle Pvt. Ltd (CIN No. U33111 MH2010PTC209797)	Carpo Medical Limited (UK)[3]
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA
2	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	INR	INR	GBP (£)
3	Share capital	INR. 5,00,000/-, 50000 Equity Shares of ₹10/- each	INR. 1,00,000/-, 10000 Equity Shares of ₹10/- each	INR 84,280/-, 1000 Equity Shares of GBP (£) 1 each.
4	Reserves and Surplus	(76,138.50)	(74644)	(66,46,543.89)
5	Total Assets	5,45,450.50	1,45,350	2,21,690.07
6	Total Liabilities	1,21,589	1,19,994	67,83,953.97
7	Investments	Nil	Nil	Nil
8	Turnover	Nil	Nil	Nil
9	Profit before taxation	(35,259.50)	(23,990)	(66,46,543.89)
10	Provision for taxation	Nil	Nil	Nil
11	Profit after taxation	(35,259.50)	(23,990)	(66,46,543.89)
12	Proposed Dividend	-	-	-
13	% of shareholding	95%	99%	90%

1) Financial reporting period of all subsidiaries is 31st March, 2018.

2) During the year under review, Carpo Medical Limited (UK) became Subsidiary of a Company w.e.f 12th April, 2017 (Incorporation Date). Exchange rate considered for translation of financial statement of Carpo Medical Limited (UK) is as per Ind AS 21.

3) Figures in the bracket indicates 'Negative' figures.

Names of the subsidiaries which are yet to commence operations.

- Artemis Biotech Ltd. (CIN No. U24233MH2011PLC212359)
- Themis Lifestyle Pvt. Ltd. (CIN No. U33111MH2010PTC209797)
- Carpo Medical Limited (UK) – Foreign Subsidiary

Names of subsidiaries which have been liquidated or sold during the year: NA

Part-B

Statement Pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associate / Joint Venture	Associates		Joint Venture
	Gujarat Themis Biosyn Ltd (CIN No. L24230 GJ1981PLC004878)	Long Island Nutritionals. Pvt. Ltd. (CIN No. U15500 MH1995PTC087434)	Richter Themis Medicare (India) Pvt. Ltd. (CIN No. U24230 GJ2004PTC044969)
1. Latest audited Balance Sheet Date	31.03.2018	31.03.2018	31.03.2018
2. Shares of Associate held by the company on the year end	Equity Shares	Equity Shares	Equity Shares
3. No. of Shares	3369605	26208	6860000
4. Amount of Investment in Associates (₹)	33696000	3806000	68600000
5. Extend of Holding%	23.19%	37.14%	49%
6. Description of how there is significant influence	Since there is 23.19% investment and also representing the Board	Since there is 37.14% investment and also representing the Board	Since it's a Joint Venture and Company holds 49% of Share Capital.
7. Reason why the associate / joint venture is not consolidated	Consolidated	Consolidated	Consolidated
8. Networth attributable to shareholding as per latest audited Balance Sheet	28,08,146	(2,17,17,519.19)	17,91,12,032.40
9. Profit/Loss for the year			
i. Considered in Consolidation	90,42,476.70	(39,83,991.10)	3,20,54,502.48
ii. Not Considered in Consolidation	2,99,50,523.30	67,42,963.94	3,33,62,849.52

Notes:

1. **Names of associates or joint ventures which are yet to commence operations: Nil**

2. **Names of associates or joint ventures which have been liquidated or sold during the year: Nil**

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 "Themis Medicare 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, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Themis Medicare Limited,

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Themis Medicare 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, minute books, forms and returns filed and other relevant records maintained by the Company and also the information provided by the Company, its officers, agents and authorised 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, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the Rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2013;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

  (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(vi) Employees Provident Fund and Miscellaneous Provisions Act, 1952;

(vii) Employees State Insurance Act, 1948;

(viii) Employers Liability Act, 1938;

(ix) Employment Exchange (Compulsory Notification of Vacancies) Rules, 1968;

(x) Environment Protection Act, 1986 and other environmental laws;

(xi) The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013;

(xii) Equal Remuneration Act, 1976;

(xiii) Factories Act, 1948 and the rules made there under;

(xiv) The Contract Labour (Regulation and Abolition) Act, 1970;

(xv) Water (Prevention & Control of Pollution) Act, 1974, Environment (Protection) Act, 1986, Air (Prevention & Control of Pollution) Act, 1981 and Hazardous Wastes (Management & Handling) Rules, 1989 and Amendment Rule, 2003, Hazardous Wastes (Management, Handling and Transboundry Movement) Rules, 2008 and amendments thereof;

(xvi) Indian Boiler Act, 1923;

(xvii) Indian Contract Act, 1872;

(xviii) Professional Tax Act, 1975;

(xix) Indian Stamp Act, 1999 read with The Bombay Stamp Act, 1958;

(xx) Industrial Dispute Act, 1947;

(xxi) Maternity Benefits Act, 1961;

(xxii) Minimum Wages Act, 1948;

(xxiii) Negotiable Instruments Act, 1881;

(xxiv) Payment of Bonus Act, 1965;

(xxv) Payment of Gratuity Act, 1972;

(xxvi) Payment of Wages Act, 1936 and other applicable labour laws;

(xxvii) The National & Festival Holidays Act, 1963;

(xxviii) Pharmacy Act, 1948;

(xxix) Drugs and Cosmetics Act, 1940;

(xxx) Drug (Prices Control) Order, 2013;

(xxxi) Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954;

(xxxii) Food Safety & Standard Act, 2006;

(xxxiii) Narcotic Drugs and Psychotropic Substances Act,1985;

(xxxiv) The Medicinal & Toilet Preparations (Excise Duties) Act, 1955;

(xxxv) Bombay Prohibition Act, 1949;

(xxxvi) Petroleum Act,1934;

(xxxvii) Poisons Act, 1919;

(xxxviii) The Indian Copyright Act,1957;

(xxxix) The Patents Act, 1970;

(xl) The Trade Marks Act, 1999.

I have also examined compliances with the applicable clauses of the following:

(f) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Director and Independent 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 Meeting, 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 meaningful participation at the meeting.

Majority decision is carried through with unanimous consent and recorded as part of the minutes.

I further report that there are adequate 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 allotted 4929 equity shares on 10th May, 2017, 1940 equity shares on 4th September, 2017, 1391 equity shares on 12th December, 2017 and 8249 equity shares on 27th March, 2018, pursuant to Themis Medicare Employees Stock Option Scheme, 2012. The Company also allotted, on 2nd December, 2017, 125000 equity shares of ₹10/- each to four promoters upon conversion of warrants allotted on preferential basis at a premium of ₹490/- per equity share.

SD/-
Shirish Shetye
Practicing Company Secretary
FCS 1926: CP No. 825

Place: Mumbai
Date: 9th May, 2018

Annexure to the Secretarial Auditors Report for the financial year ended March 31, 2018

To,
The Members,
Themis Medicare Limited,

9th May, 2018

My report of even date is to be read with this letter:

(1) Maintenance of Secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our 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 followed provide a reasonable basis for my opinion.

(3) I have not verified the correctness and appropriate of financial records and Books of accounts of the company.

(4) Wherever require I have obtained the Management representation about the compliance of laws, rules and regulations and happening of event etc.

(5) The compliance of the provisions of corporate and other applicable laws, rules, regulations, standard is the responsibility of management. My examination was limited to the verification of procedure on test basis.

(6) The Secretarial Audit report 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.

SD/-
Shirish Shetye
Practicing Company Secretary
FCS 1926: CP No. 825

Annexure IV

Disclosure of details pertaining to the shares allotted under Employees Stock Option Scheme under the provisions of Section 62(1) (b) of the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014 during the year under review:

Total No. of Shares covered by ESOP Scheme approved by the Shareholders	400,000 (Four Lakhs) Equity Shares	
Grant	I	II
Options granted (01.04.2017 to 31.03.2018)	0	0
Options vested (01.04.2017 to 31.03.2018)	0	17,319
Options exercised (01.04.2017 to 31.03.2018)	5,400	11,109
The total number of shares arising as a result of exercise of option	5,400	11,109
Options forfeited	0	0
Options lapsed (01.04.2017 to 31.03.2018)	0	7,860
Extinguishment or modification of options		
The exercise price	77.85	334.75
Pricing formula	As per the ESOS Scheme approved by the members of the Company.	
Variation of terms of options	NA	NA
Money realized by exercise of options (₹)	4,20,390	37,18,738
Total number of options in force (Themis ESOS 2012) as on 31.03.2018	40,028	
Employee wise details of options granted to:		
- Key Managerial Personnel & Senior Managerial Personnel	NA	Mr. Prakash D. Naringrekar (Former Company Secretary) - 400 Options Mr. Tushar D. Dalal (CFO) - 495 Options
- Any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during that year	NA	NA
Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	NA	NA

Annexure V

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.

During the year, the Company conducted CSR activities by spending ₹24,69,450/- towards Rural Development Programme of The Bombay Mothers and Children Welfare Society for providing Medical and Community Van, Kaman Water Scheme, Solar Power to houses, Vetale Water Scheme & Solar Energy for schools at Rajgurunagar, Pune.

The Policy on CSR adopted by the Company is available at http://www.themismedicare.com/wp-content/uploads/2016/12/CSR-Policy.pdf

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

- Mr. Humayun Dhanrajgir, (Chairman)
- Mr. H. Subramaniam, (Member)
- Dr. Sachin D. Patel, (Member)

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

Average Net Profit: 1231.18 Lakhs

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

Average net profit ₹1231.18 Lakhs

CSR spending @2% = ₹24.62 Lakhs

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

a) Total amount to be spent for the financial year: 24.62 Lakhs

b) Total amount spent for the financial year: 24.62 Lakhs

c) Amount unspent, if any : NA

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

CSR project or activity identified	Sector in which the project is covered (Schedule VII of the Companies Act, 2013) (Note 1)	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*
Promoting health care by contributing towards purchase of Medical and Community Van to be used to transport team members who assist in antenatal & postnatal care, medical checkups, share information on health & hygiene, gender sensatisation, sex education, menstrual hygiene, etc	(i)	State: Maharashtra Dist: Pune	8,62,240	8,62,240	8,62,240	Implementing Agency – 'The Bombay Mothers and Children Welfare Society'
Promoting health care by contributing towards setting up of Water Scheme to ensure availability of water to all villagers and for making available safe drinking water.	(i)	State: Maharashtra Dist: Pune	2,49,870	2,49,870	2,49,870	Implementing Agency – 'The Bombay Mothers and Children Welfare Society'
Promoting Environmental Sustainability by setting up Solar power in 30 houses of the tribal village and 25 schools	(iv)	State: Maharashtra Dist: Pune	13,57,340	13,57,340	13,57,340	Implementing Agency – 'The Bombay Mothers and Children Welfare Society'

Note 1:

(i) eradicating hunger, poverty and malnutrition (promoting healthcare including preventive healthcare) and sanitation (including contribution to the 'Swachh Bharat Kosh' set up by the Central Government for the promotion of sanitation) and making available safe drinking water;

(ii) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water (including contribution to the 'Clean Ganga Fund' set up by the Central Government for rejuvenation of river Ganga).

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

For and on behalf of the Board of Directors

SD/-
Dr Sachin D. Patel
Managing Director & CEO

SD/-
Mr. Humayun Dhanrajgir
Chairman – CSR Committee

Place: Mumbai
Dated: 9th May, 2018

Annexure VI

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 each Director, Chief Financial Officer and Company Secretary of the Company and ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2017-18:

Name	% Increase / (Decrease) in the remuneration	Ratio of the remuneration of each Director / to median remuneration of the employees.
Executive Directors		
Mrs. Jayshree Dinesh Patel [a]	-	35.31
Dr. Dinesh S. Patel [b] (Executive Vice Chairman)	(18.48)	52.28
Dr. Sachin D. Patel [b] (Managing Director & CEO)	(16.42)	49.11
Other KMPs		
Mr. Prakash Naringrekar [c] (Company Secretary)	NA	N/A
Mr. Sangameshwar Iyer [c] (Company Secretary)	NA	N/A
Mr Tushar Dalal [d] (Chief Financial Officer)	NA	N/A

Note:

a) Mrs. Jayshree D. Patel was appointed as Whole Time Director w.e.f 27th March, 2017. Therefore, percentage Increase in the remuneration disclosure is not applicable.

b) Percentage decrease in the remuneration of Dr. Dinesh S. Patel and Dr. Sachin D. Patel is due to arrears of the financial year 2015-16 received in the financial year 2016-17.

c) Mr. Prakash D. Naringrekar ceased to be Company Secretary & Compliance Officer with effect from close of office hours on 30th June, 2017. Mr. Mr. Sangameshwar Iyer was appointed as the Company Secretary and Compliance Officer of the Company w.e.f 21st August, 2017. Therefore, percentage Increase in the remuneration disclosure is not applicable for them.

d) Mr. Tushar Dalal was appointed as Chief Financial Officer (CFO) w.e.f 01.10.2016. He held the office of CFO for the part of the Financial year 2016-17. Therefore, the remuneration paid to him for the financial year 2017-18 is not comparable to remuneration paid to him during the year 2016-17 for part of that year. Therefore, percentage Increase in the remuneration disclosure is not applicable.

e) The Company has not paid any remuneration to its Non Executive and Independent Directors except sitting fees for attending Board and Board Committees meeting.

2) The percentage increase in the median remuneration of employees in the financial year: 18.60%

3) The number of permanent employees on the rolls of the Company: 1229

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 percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was 18%, while the increase in the remuneration of managerial personnel was (25.98) %. The decrease in Managerial remuneration was due to payment of arrears for 2015-16 to managerial personnel, in the financial year 2016-17.

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 VII

MGT-9 - EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March 2018

[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	:	L24110GJ1969PLC001590
Registration Date	:	31/05/1969
Name of the Company	:	THEMIS MEDICARE LIMITED
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-A, GIDC IND ESTATE, VAPI, DIST- VALSAD, Gujarat-396195 Contact Details: Tel: 91-22-67607080; Fax: 91-22-67607019 Email: themis@themismedicare.com | Website: www.themismedicare.com
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	**Link Intime India Pvt. Ltd,** C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai,Maharashtra,400083 Tel : +91 22 - 49186000 Fax : +91 22 – 49186060 E-mail: rnt.helpdesk@linkintime.co.in | Web site: www.linkintime.com

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

Sr. No.	Name, CIN & address of the Company	Subsidiary / Associate Company	% of shares held	Applicable section
1	**Artemis Biotech Ltd.** (CIN: U24233MH2011PLC212359) 11/12, Udyog Nagar, S.V.Road, Goregaon – West, Mumbai-400104, Maharashtra.	Subsidiary Company	95%	Sections 2(46) and 2(87) of Companies Act, 2013.
2	**Themis Lifestyle Pvt. Ltd.** (CIN:U33111MH2010PTC209797) 11/12, Udyog Nagar, S.V.Road, Goregaon – West, Mumbai-400104, Maharashtra.	Subsidiary Company	99%	Sections 2(46) and 2(87) of Companies Act, 2013.
3	**Carpo Medical Ltd.** (Parkhill Business Centre Walton Road, Wetherby, Leeds, West Yorkshire, United Kingdom, LS22 5DZ)	Subsidiary Company	90%	Sections 2(46) and 2(87) of Companies Act, 2013.
4	**Gujarat Themis Biosyn Ltd.** (CIN: L24230GJ1981PLC004878) Plot NO. 69-A, G.I.D.C. Industrial Estate, Vapi, Dist-Valsad-396 195, Gujarat.	Associate Company	23.19%	Section 2(6) of Companies Act, 2013.
5	**Long Island Nutritionals. Pvt. Ltd.** (CIN: U15500MH1995PTC087434) SSI Development Co-op. Society Ltd., Plot No. - 7, Gala No.102, Udyog Nagar, S.V. Road, Goregaon West, Mumbai- 400104, Maharashtra.	Associate Company	37.14%	Section 2(6) of Companies Act, 2013
6	**Richter Themis Medicare (India) Pvt. Ltd.** (CIN: U24230GJ2004PTC044969) Plot NO. 69-A, G.I.D.C. Industrial Estate, Vapi, Dist-Valsad-396 195, Gujarat.	Joint Venture	49%	Section 2(6) of Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

A. CATEGORY-WISE SHARE HOLDING:

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				% 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	2728041	0	2728041	30.18	2853041	0	2853041	31.08	0.90
(b)	Central Government / State Government(s)	0	0	0	0	0	0	0	0.00	0
(c)	Financial Institutions / Banks	0	0	0	0	0	0	0	0.00	0
(d)	Any Other (Specify)									
	Bodies Corporate	2442946	0	2442946	27.03	2442946	0	2442946	26.61	-0.42
	Sub Total (A)(1)	**5170987**	**0**	**5170987**	**57.20**	**5295987**	**0**	**5295987**	**57.68**	**0.48**
[2]	**Foreign**									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0	0	0.00	0
(b)	Government	0	0	0	0	0	0	0	0.00	0
(c)	Institutions	0	0	0	0	0	0	0	0.00	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0.00	0
(e)	Any Other (Specify)									
	Bodies Corporate	884308	0	884308	9.78	884308	0	884308	9.63	-0.15
	Sub Total (A)(2)	**884308**	**0**	**884308**	**9.78**	**884308**	**0**	**884308**	**9.78**	**-0.15**
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	**6055295**	**0**	**6055295**	**66.99**	**6180295**	**0**	**6180295**	**67.32**	**0.33**
(B)	**Public Shareholding**									
[1]	**Institutions**									
(a)	Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
(b)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(c)	Alternate Investment Funds	0	0	0	0	0	0	0	0	0
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(e)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
(f)	Financial Institutions / Banks	0	1000	1000	0.01	0	1000	1000	0.01	0.00
(g)	Insurance Companies	0	0	0	0	0	0	0	0	0
(h)	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0
(i)	Any Other (Specify)									
	Sub Total (B)(1)	**0**	**1000**	**1000**	**0.01**	**0**	**1000**	**1000**	**0.01**	**0**
[2]	**Central Government/ State Government(s)/ President of India**									
	Central Government / State Government(s)	0	0	0	0	22103	0	22103	0.24	0.24
	Sub Total (B)(2)	**0**	**0**	**0**	**0**	**22103**	**0**	**22103**	**0.24**	**0.24**

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[3]	**Non-Institutions**									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹1 lakh.	952808	120094	1072902	11.87	938688	95194	1033882	11.26	-0.61
(ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh	1217723	20000	1237723	13.69	1014384	20000	1034384	11.27	2.43
(b)	NBFCs registered with RBI	0	0	0	0.00	0	0	0	0	0
(c)	Employee Trusts	0	0	0	0.00	0	0	0	0	0
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0	0
(e)	Any Other (Specify)									
	Independent Relatives Of Director	0	0	0	0.00	2100	0	2100	0.02	0.02
	Hindu Undivided Family	89714	208	89922	0.99	143714	208	143922	1.57	0.57
	Non Resident Indians (Non Repat)	105297	0	105297	1.16	203855	0	203855	2.22	1.06
	Non Resident Indians (Repat)	11901	36500	48401	0.54	8517	36200	44717	0.49	-0.05
	Independent Director	24900	200	25100	0.28	10400	200	10600	0.12	-0.16
	Clearing Member	23741	0	23741	0.26	29792	0	29792	0.32	0.06
	Bodies Corporate	378951	1101	380052	4.20	472742	1100	473842	5.16	0.96
	Sub Total (B)(3)	**2805035**	**178103**	**2983138**	**33.00**	**2824192**	**152902**	**2977094**	**32.43**	**-0.57**
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	**2805035**	**179103**	**2984138**	**33.01**	**2846745**	**153902**	**3000647**	**32.68**	**-0.33**
	Total (A)+(B)	**8860330**	**179103**	**9039433**	**100**	**9027040**	**153902**	**9180942**	**100**	**0**
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0	0	0	0	0	0
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0	0	0
	Total (A)+(B)+(C)	**8860330**	**179103**	**9039433**	**100**	**9027040**	**153902**	**9180942**	**100**	

B. SHAREHOLDING OF PROMOTERS :

Sr No.	Shareholder's Name	Shareholding at the beginning of the year - 01.04.2017			Shareholding at the end of the year – 31.03.2018			% change in shareholding during the year
		No. Of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Vividhmargi Investments Private Ltd.	1452842	16.0723	0	1452842	15.8245	0	-0.2478
2	Gedeon Richter Investment Management Ltd.	884308	9.7828	0	884308	9.632	0	-0.1508
3	Vividh Distributors Private Ltd.	716100	7.922	0	716100	7.7999	0	-0.1221
4	Dinesh Shantilal Patel	676707	7.4862	0	707957	7.7112	0	0.225
5	Jayshree Dinesh Patel	636414	7.0404	0	667664	7.2723	0	0.2319
6	Sachin Dinesh Patel	520405	5.7571	0	551655	6.0087	0	0.2516
7	Reena Sachin Patel	340241	3.764	0	371491	4.0463	0	0.2823
8	Themis Distributors Private Ltd.	274004	3.0312	0	274004	2.9845	0	-0.0467
9	Madhuben Shantilal Patel	163996	1.8142	0	163996	1.7863	0	-0.0279
10	Anay Rupen Choksi	117689	1.302	0	117689	1.2819	0	-0.0201
11	Nysha Rupen Choksi	117689	1.302	0	117689	1.2819	0	-0.0201
12	Dinesh Shantilal Patel HUF	98900	1.0941	0	98900	1.0772	0	-0.0169
13	Shantilal Dahyabhai Patel HUF	55800	0.6173	0	55800	0.6078	0	-0.0095
14	Rupen Ashwin Choksi	200	0.0133	0	200	0.0131	0	-0.0002
	Total	**6055295**	**66.9875**	**0**	**6180295**	**67.3166**	**0**	**0.3291**

C. CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):

Sr No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		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	Vividhmargi Investments Private Ltd.	1452842	15.8388			1452842	15.8388
	At the end of the year					1452842	15.8388
2	Gedeon Richter Investment Management Ltd.	884308	9.6407			884308	9.6407
	At the end of the year					884308	9.6407
3	Vividh Distributors Private Ltd.	716100	7.8069			716100	7.8069
	At the end of the year					716100	7.8069
4	Dinesh Shantilal Patel	676707	7.3774			676707	7.3774
	Transfer			02 Feb 2018	31250	707957	7.7181
	At the end of the year					707957	7.7181
5	Jayshree D Patel	636414	6.9381			636414	6.9381
	Transfer			02 Feb 2018	31250	667664	7.2788
	At the end of the year					667664	7.2788
6	Sachin Dinesh Patel	520405	5.6734			520405	5.6734
	Transfer			02 Feb 2018	31250	551655	6.0141
	At the end of the year					551655	6.0141
7	Reena S Patel	340241	3.7093			340241	3.7093
	Transfer			02 Feb 2018	31250	371491	4.0500
	At the end of the year					371491	4.0500
8	Themis Distributors Private Ltd.	274004	2.9872			274004	2.9872
	At the end of the year					274004	2.9872
9	Madhuben Shantilal Patel	163996	1.7879			163996	1.7879
	At the end of the year					163996	1.7879
10	Anay Rupen Choksi	117689	1.2830			117689	1.2830
	At the end of the year					117689	1.2830
11	Nysha Rupen Choksi	117689	1.2830			117689	1.2830
	At the end of the year					117689	1.2830
12	Dinesh S Patel	98900	1.0782			98900	1.0782
	At the end of the year					98900	1.0782
13	Shantilal Dahyabhai Patel	55800	0.6083			55800	0.6083
	At the end of the year					55800	0.6083
14	Rupen Ashwin Choksi	200	0.0021			200	0.0021
	At the end of the year					200	0.0021

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year – 01.04.2017		Transactions during the year		Cumulative Shareholding at the end of the year – 31.03.2018	
		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	Anuj Anantrai Sheth	450000	4.9059			450000	4.9059
	At the end of the year					450000	4.9059
2	Zafar Ahmadullah	161907	1.7651			161907	1.7651
	At the end of the year					161907	1.7651
3	Urjita J Master	150250	1.6380			150250	1.6380
	Transfer			05 May 2017	(500)	149750	1.6326
	Transfer			29 Sep 2017	250	150000	1.6353
	At the end of the year					150000	1.6353
4	Rajiv M Doshi	115000	1.2537			115000	1.2537
	At the end of the year					115000	1.2537
5	India Infoline Limited	52249	0.5696			52249	0.5696
	Transfer			05 May 2017	18	52267	0.5698
	Transfer			12 May 2017	(13)	52254	0.5697
	Transfer			19 May 2017	(5)	52249	0.5696
	Transfer			09 Jun 2017	(52116)	133	0.0014
	Transfer			16 Jun 2017	2	135	0.0015
	Transfer			23 Jun 2017	(2)	133	0.0014
	Transfer			18 Aug 2017	1814	1947	0.0212
	Transfer			25 Aug 2017	(1814)	133	0.0014
	Transfer			20 Oct 2017	5	138	0.0015
	Transfer			27 Oct 2017	(5)	133	0.0014
	Transfer			03 Nov 2017	2	135	0.0015
	Transfer			10 Nov 2017	23256	23391	0.2550
	Transfer			08 Dec 2017	2	23393	0.2550
	Transfer			15 Dec 2017	(2)	23391	0.2550
	Transfer			30 Dec 2017	43323	66714	0.7273
	Transfer			05 Jan 2018	39000	105714	1.1525
	Transfer			12 Jan 2018	42	105756	1.1529
	Transfer			19 Jan 2018	151	105907	1.1546
	Transfer			26 Jan 2018	(179)	105728	1.1526
	Transfer			02 Feb 2018	26	105754	1.1529
	Transfer			09 Feb 2018	(40)	105714	1.1525
	Transfer			02 Mar 2018	100	105814	1.1536
	Transfer			09 Mar 2018	(100)	105714	1.1525
	Transfer			23 Mar 2018	(133)	105581	1.1510
	At the end of the year					105581	1.1510
6	Opportune Advisory Services LLP	100000	1.0902			100000	1.0902
	At the end of the year					100000	1.0902
7	Akshay Jayantilal Doshi	60000	0.6541			60000	0.6541
	At the end of the year					60000	0.6541

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year – 01.04.2017		Transactions during the year		Cumulative Shareholding at the end of the year – 31.03.2018	
		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
8	Jewels Advisory Services LLP	40000	0.4361			40000	0.4361
	At the end of the year					40000	0.4361
9	Manju Parekh	37850	0.4126			37850	0.4126
	Transfer			28 Jul 2017	2150	40000	0.4361
	At the end of the year					40000	0.4361
10	Za Capital Services India Pvt Ltd	0	0.0000			0	0.0000
	Transfer			07 Apr 2017	650	650	0.0071
	Transfer			14 Apr 2017	3242	3892	0.0424
	Transfer			12 May 2017	678	4570	0.0498
	Transfer			13 Oct 2017	678	5248	0.0572
	Transfer			20 Oct 2017	11517	16765	0.1828
	Transfer			24 Nov 2017	22304	39069	0.4259
	At the end of the year					39069	0.4259
11	Gagandeep Credit Capital Pvt Ltd	37487	0.4087			37487	0.4087
	At the end of the year					37487	0.4087

E. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year - 01.04.2017		Cumulative Shareholding during the year – 31.03.2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Mr. Hoshang N. Sinor (Independent Director)**				
	At the beginning of the year	7100	0.079	-	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the End of the year	-	-	7100	0.078
2	**Mr. Humayun Dhanrajgir (Independent Director)**				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the End of the year	-	-	-	-
3	**Mr. Rajneesh Anand (Non-Executive Director)**				
	At the beginning of the year	5600	0.062	-	-
	Increase in Share holding during the year (ESOP Share)	-	-		
	At the End of the year	-	-	5600	0.061
4	**Mr. Vijay Agarwal (Independent Director)**				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the End of the year	-	-	-	-
5	**Mr. Hariharan Subramaniam (Independent Director)**				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the End of the year	-	-	-	-
6	**Mrs. Jayshree Dinesh Patel (Whole – Time Director)**				
	At the beginning of the year	636414	7.040		
	Decrease in Share holding during the year	31250	0.34	667664	7.27
	At the End of the year	-	-	667664	7.27
7	**Mr. Lajos Kovacs (Non-Executive Director/Promoter)**				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the End of the year	-	-	-	-
8	**Dr. Gabor Gulacsi (Non-Executive Director/Promoter)** (Appointed w.e.f.27.03.2018)				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the End of the year	-	-	-	-

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year - 01.04.2017		Cumulative Shareholding during the year – 31.03.2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9	**Dr. Sachin D. Patel (Managing Director & CEO)**				
	At the beginning of the year	520405	5.757	-	-
	Increase / Decrease in Share holding during the year	31250	0.34	551655	6.01
	At the End of the year			551655	6.01
10	**Dr. Dinesh S. Patel (Executive Vice Chairman)**				
	At the beginning of the year	676707	7.486	-	-
	Increase / Decrease in Share holding during the year	31250	0.34	707957	7.71
	At the End of the year	-	-	707957	7.71
11	**Mrs. Reena Sachin Patel (Alternate Director to Mr. Lajos Kovacs)**				
	At the beginning of the year	340241	3.996	-	-
	Increase / Decrease in Share holding during the year	31250	0.34	371491	4.05
	At the End of the year	-	-	371491	4.05
12	**Mr. Prakash Naringrekar Company Secretary (upto 30th June, 2017)**				
	At the beginning of the year	5000	0.05	-	-
	Increase / Decrease in Share holding during the year (ESOP Shares)	(1000)	0.01	4000	0.04
	Increase in Share holding during the year (ESOP Shares)	1000	0.01	5000	0.05
	At the End of the year	-	-	5000	0.05
13	**Mr. Sangameshwar Iyer Company Secretary (w.e.f 21st August, 2017)**				
	At the beginning of the year	-	-	-	-
	Increase in Share holding during the year	-	-	-	-
	At the End of the year	-	-	-	-
14	**Mr. Tushar Dalal (Chief Financial Officer)**				
	At the beginning of the year	5000	0.055	-	-
	Increase in Share holding during the year (ESOP Shares)	495	0.005	-	-
	At the End of the year	-	-	5000	0.055

V. INDEBTEDNESS:

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

(₹ in Lakhs)

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5290.91	2312.81	632.39	8236.11
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**5290.91**	**2312.81**	**632.39**	**8236.11**
Change in Indebtedness during the financial year				
• Addition	637.55	-	-	637.55
• Reduction	-	241.33	632.39	(873.72)
Net Change	637.55	(241.33)	(632.39)	(236.17)
Indebtedness at the end of the financial year				
i) Principal Amount	5928.46	2071.48	-	7999.94
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**5928.46**	**2071.48**	**-**	**7999.94**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Remuneration to Managing Director, Whole-time Directors and/or Manager:

Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
Gross salary	**Dr. Dinesh S. Patel* (Executive Vice Chairman)**	**Mrs. Jayshree D. Patel (Additional Director)***	**Dr. Sachin D. Patel* (Managing Director & CEO)**	
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,000	42,45,161	57,00,000	1,59,45,161
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
Stock Option	-	-	-	-
Sweat Equity	-	-	-	-
Commission	-	-	-	-
- as % of profit	-	-	-	-
- others(Provident Fund)	7,20,000	2,94,000	6,12,000	16,26,000
Others, please specify	-	-	-	-
Total (A)	**67,20,000**	**45,39,161**	**63,12,000**	**1,75,71,161**
Ceiling as per the Act	As per Applicable Ceiling prescribed in Schedule V of the Companies Act, 2013	As per Applicable Ceiling prescribed in Schedule V of the Companies Act, 2013	As per Applicable Ceiling prescribed in Schedule V of the Companies Act, 2013	As per Applicable Ceiling prescribed in Schedule V of the Companies Act, 2013

VII. REMUNERATION/SITING FEES TO OTHER DIRECTORS:

Particulars of Remuneration	Name of Directors				Total Amount
1. Independent Directors	**Mr. H. N. Sinor**	**Mr. H. Dhanrajgir**	**Mr. Vijay Agarwal**	**Mr. H. Subramaniam**	
• Fee for attending board / committee meetings	400000	480000	400000	200000	1480000
• Commission	-	-	-	-	-
• Others, please specify	-	-	-	-	-
Total (1)	**400000**	**480000**	**400000**	**200000**	**1480000**
2. Other Non-Executive Directors	**Mr. Rajneesh Anand**	**Dr. Gabor Gulasci***	**Mr. Lajos Kovacs**		
• Fee for attending board / committee meetings	240000	-	40000		280000
• Commission	-	-	-	-	-
• Others, please specify	-	-	-	-	-
Total (2)	**240000**	**-**	**40000**		**280000**
Total (B)=(1+2)					**1760000**
Overall Ceiling as per the Act					1% of net profit

The Company maintains Non-Executive Chairman's office at its own expenses. The Company from time to time reimburses/pays the expenses in relation to the Chairman's office in connection with performance of his duties as the Chairman of the Company.

*Notes

1) Dr. Gabor Gulacsi was appointed as an additional director w.e.f 27th March, 2018

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

Sr. No.	Particulars of Remuneration	Prakash Naringrekar* (Company Secretary)	Sangameshwar Iyer* (Company Secretary)	Tushar Dalal (Chief Financial Officer)
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,90,765	7,59,615	20,28,116
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,74,615	-	1,38,850
	(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)	24,120	44,903	1,07,483
5	Others,	-	-	-
	Total	**7,89,500**	**8,04,518**	**22,74,449**

**Mr. Prakash D. Naringrekar ceased to be Company Secretary & Compliance Officer with effect from close of office hours on 30th June, 2017. Mr. Sangameshwar Iyer was appointed as the Company Secretary and Compliance Officer of the Company w.e.f 21st August, 2017.*

IX. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Annexure VIII

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:

Your Company has three manufacturing plants in India at Vapi. Hyderabad and Haridwar. Based on the energy consumption and requirements at plants this year special efforts were made to conserve energy at Haridwar Factory.

Steps taken or impact on conservation of energy	The Company attaches a great deal of importance to energy conservation. Efforts to conserve Energy continued during the year through timely preventive maintenance and inspection of major plant and Machinery. Company at its Haridwar Factory has taken steps for conservation energy by replacing CFL lights with LED lights which are extremely energy efficient and consume less power compared to CFL and other lights and have also installed Motion sensors to conserve electricity.
Steps taken by the Company for utilizing alternate sources of energy	-
Capital investment on energy conservation equipments	-

(B) Technology absorption:

Efforts made towards technology absorption	-
Benefits derived like product improvement, cost reduction, product development or import substitution	-
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
• 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	Rs. 528.35/- Lakhs

(C) Foreign exchange earnings and Outgo:

	1st April, 2017 to 31st March, 2018	1st April, 2016 to 31st March, 2017
	Amount in (₹ in Lakhs)	Amount in (₹ in Lakhs)
Actual Foreign Exchange earnings	4218.29	5581.23
Actual Foreign Exchange outgo	612.81	550.54

Report on Corporate Governance

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Governance Philosophy of your Company is based on strong foundations of ethical values and professionalism which over the past 49 years of the Company's existence has become a part of its culture. Indian Corporate Sector has witnessed various measures from Government and regulators for Transparency and Governance, especially in the Corporate Business Segment. Listed Corporate entities have assumed a great responsibility in this direction due to Globalization, knowledge sharing through social media as well as legislative measures followed in the Indian Scenario. Against this back drop, the Company has initiated maintaining and improving high level of commitment towards effective Corporate Governance. The Company has over the years, apart from following the statutory requirements on Corporate Governance has initiated systems on transparency, disclosure, control, accountability, establishing trust with all stakeholders including the investors, employees, suppliers, customers and the medical profession at large. The Company is regularly guided by the professionals on the Board as well as the representatives of the foreign collaborators in evolving the culture to comply with the Code of Corporate Governance. The innovative ideas on transparency and Internal Controls are being implemented with the Board approvals. In addition to compliance with regulatory requirements, the Company endeavours to ensure that highest standards of ethical and responsible conduct are met throughout the organisation. The Company's focus on sustainable development, its customer centric approach which ensures product quality and innovative value added service offerings coupled with its outreach through CSR activities and programmes to the communities in and around its area of operations has enabled your Company to earn the trust and goodwill of its investors, business partners, employees and other stakeholders.

2. BOARD OF DIRECTORS

I. Composition and Category :

→ The Board of the Company has an optimum combination of Professional Independent Directors as well as Executive and Non-Executive Directors to maintain the independence of the Board. The Independent Directors on the Board are as statutorily required, resulting in professional and business acumen of all fields at the Board level. The Chairman of the Board is an Independent Non- Executive Non-Promoter Director.

→ The present strength of the Board is Eleven Directors comprising four Indian Independent Professional Directors, Two Directors represent Foreign Collaborators/Promoters, Four Indian Promoter Directors of which one is Managing Director and CEO and two are Whole Time Directors and one is an Alternate Director. Besides the above, there is one Non-Executive Non-Independent Director.

II. Appointment and Tenure:

→ The Directors of the Company are appointed by members at General Meetings and two-third Directors, other than Independent Directors retire by rotation pursuant to the provisions of the Companies Act, 2013. The Executive Directors on the Board serve in accordance with the terms of their contract of service with the Company.

III. Board Independence:

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

IV. IV. 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	Directorships#	Number of Committee positions held in other listed Companies##	
						Chairman	Member
Mr. Hoshang N. Sinor	Chairman	Independent Director	6	**Yes**	6	2	2
Mr. Humayun Dhanrajgir	Director	Independent Director	7	**Yes**	7	2	3
Mr. Vijay Agarwal	Director	Independent Director	6	**Yes**	11	1	4
Mr. Hariharan Subramaniam	Director	Independent Director	3	**No**	0	1	-
Mr. Rajneesh Anand	Director	Non-Executive	6	**Yes**	1	-	-
Dr. Gabor Gulacsi*	Additional Director	Representing Promoter / Non-Executive	0	**No**	1	-	-
Mr. Lajos Kovacs	Director	Representing Promoter / Non-Executive	1	**No**	-	-	-
Dr. Dinesh S. Patel@	Executive Vice - Chairman	Promoter/ Executive Director	7	**Yes**	3	-	2
Dr. Sachin D. Patel @	Managing Director and CEO	Promoter / Executive Director	7	**Yes**	3	-	2
Mrs. Jayshree Dinesh Patel@*	Director (Executive)	Representing Promoter / Non-Executive	6	**Yes**	3	-	-
Mrs. Reena Sachin Patel*@	Alternate Director	Representing Promoter / Non-Executive	5	**Yes**	1	-	-

Notes:

1. #Excludes Directorships in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013
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. * Mr. Gabor Gulacsi was appointed as Additional Director w.e.f March 27, 2018.
4. @ Relatives as per provisions of Section 2(77) of The Companies Act, 2013.

- **Dates of Board Meetings held during the F.Y. 2017 -18**

  7 Board Meetings were held during the year on following dates:
  - 10th May, 2017
  - 21st August, 2017
  - 04th September, 2017
  - 27th September, 2017
  - 12th December, 2017
  - 05th February, 2018
  - 27th March, 2018

- **Risk Management**

  Risk Management is a process with methods and tools for managing risks. Business risks are regularly 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.

V. Shareholdings of Non - Executive Directors in the Company as on 31st March, 2018:

Sr. No.	Name of Director	No. of Equity shares of ₹10/- each held	% of holding
1.	Mr. Hoshang N. Sinor	7100*	0.08
2.	Mr. Humayun Dhanrajgir	NIL	NIL
3.	Mr. Rajneesh Anand	5600	0.06
4.	Mr. Vijay Agarwal	NIL	NIL
5.	Mr. Hariharan Subramaniam	NIL	NIL
6.	Dr. Gabor Gulacsi	NIL	NIL
7.	Mr. Lajos Kovacs	NIL	NIL
8.	Mrs. Reena S. Patel (Alternate Director to Mr. Lajos Kovacs)	371491	4.04
TOTAL		**384191**	**4.18**

*2100 Shares held as second holder.

VI. Separate Meeting of Independent Directors:

As stipulated by the Code for Independent Directors under the Companies Act, 2013 and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held once i.e. on 5th February, 2018 to inter alia review the performance of Non-independent Directors (including the Chairman) and the entire Board. At their meeting, the Directors reviewed the performance of Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors, assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

VII. Familiarization Programme for Independent Directors:

All Directors inducted on the Board are introduced to our Company culture through appropriate orientation sessions. Presentations are made by Executive Directors and 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, group structure and subsidiaries, constitution, Board procedures, matters reserved for the Boards and our major risks and 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 2017-2018 are available on the website of the Company at http://www.themismedicare.com/wp-content/uploads/2015/08/Directors-Familiarisation-Programme.pdf

VIII. 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 & Risk Management Committee:

Pursuant to Regulation 21 of the Listing Regulations, the Company does not come in the list of top 100 entities which have to mandatorily constitute a Risk Management Committee. However the Board of Directors in their meeting held on 5th November, 2015 renamed the Audit Committee as Audit and Risk Management Committee to monitor and review risk management plan on regular basis.

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

The terms of reference of the 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 Company has already constituted an Audit and Risk Management Committee comprising 5 members out of which 4 are Independent Directors and 1 is an Executive Director.

Meetings:

During the period under consideration, 5 (Five) Meetings of the Committee were held as follows:

- 10th May, 2017
- 21th August, 2017
- 4th September, 2017
- 12th December, 2017
- 5th February, 2018

Audit and Risk Management Committee attendance during the year are as under:

Name	Status	No. of Meetings Attended
Mr. Humayun Dhanrajgir	Chairman	5
Mr. Hoshang N. Sinor	Member	4
Mr. Vijay Agarwal	Member	4
Mr. Hariharan Subramaniam*	Member	2
Dr. Sachin D. Patel	Member	4

Note: * Mr. Hariharan Subramaniam was inducted as Audit and Risk Management Committee member w.e.f. 4th September, 2017

Invitees / Participants:

The Statutory, Internal and Cost Auditors were also invited to attend the meetings. The Company Secretary acted as Secretary to the Audit and Risk Management 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 Requirements) Regulation, 2015, deals with 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 and Remuneration Committee was constituted by the Board with 3 Independent Directors.

  The Company Secretary acts as the Secretary to the Committee.

- **Meetings:**

  During the period under consideration, 4 (Four) Meetings of the Nomination and Remuneration Committee of the Company were held as follows:

  - 10th May, 2017
  - 21st August, 2017
  - 27th September, 2017
  - 27th March, 2018

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

Name	Status	No. of Meetings Attended
Mr. Vijay Agarwal	Chairman	4
Mr. Humayun Dhanrajgir	Member	4
Mr. H. Subramaniam	Member	0

- **Board Evaluation**

  The Nomination and Remuneration Committee specified 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.

     The Company had provided facility of performance evaluation to Directors on online platform for convenience of the Board members.

  Retirement Policy for Directors of the Company:

  The age of retirement for all Executive Directors is 70 years as per Companies Act requirements. The Nomination and Remuneration Committee may, at its discretion and subject to shareholders' approval, determine their continuation as members of the Board upon superannuation/retirement.

  The term of retirement for Non-Executive Directors and independent Directors is as per the Companies Act requirements.

C. Remuneration of Directors:

a. Pecuniary relationship or transactions of the Non-Executive Directors.

   The Company has no pecuniary relationship or transaction with its Non-Executive and Independent Directors other than payment of sitting fees to them for attending Board and Committee meetings and fees for rendering services in their professional capacity.

   Non-Executive Directors are paid ₹40,000/- for attending each Board and Audit & Risk Management Committee Meetings.

b. Criteria of making payments to Non-Executive Directors.

   Criteria of making payments to Non-Executive Directors is disclosed and the same is available on http://www.themismedicare.com/wp-content/uploads/2016/05/Criteria-Of-Making-Payments-To-Non-Executive-Directors.pdf

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

   i. The Executive Directors are paid Salary as permissible under the provisions of the Companies Act, 2013 & Schedule V there to.

ii. Details of fixed component and performance linked incentives, along with the performance criteria : NA

iii. Service contracts, notice period, severance fees: For Executive Directors service contract is normally 5 years, renewable at the discretion of Board. Notice period is 90 days from either side.

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 Remuneration and Sitting Fees paid to Executive and Non-Executive Directors for the year 2018-19 are as follows:

Sr. No.	Name of Director	Salary	Perquisites	Sitting Fees (₹)	Total
1.	Mr. Hoshang N. Sinor	NA	NA	400000	400000
2.	Mr. Humayun Dhanrajgir	NA	NA	480000	480000
3.	Mr. Rajneesh Anand	NA	NA	240000	240000
4.	Mr. Vijay Agarwal	NA	NA	400000	400000
5.	Mr. Hariharan Subramaniam	NA	NA	200000	200000
6.	Mrs. Jayshree Dinesh Patel	4539161	NA	0	4539161
7.	Mrs. Reena Sachin Patel	NA	NA	0	0
8.	Dr. Gabor Gulacsi@	NA	NA	0	0
9.	Mr. Lajos Kovacs	NA	NA	40000	40000
10.	Dr. Sachin D. Patel	6312000	NA	NA	6312000
11	Dr. Dinesh S. Patel	6720000	NA	NA	6720000

Note:

1) @ Appointed at the Board Meeting held on 27th March, 2018

2) Mrs. Reena S. Patel is paid remuneration as a Whole Time employee.

D. STAKEHOLDERS RELATIONSHIP COMMITTEE:

- **Composition:**

  The Stakeholders Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act. 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 broad terms of reference of the Stakeholders' Relationship Committee are as under:

  → Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice / annual reports, etc. and all other securities-holders related matters.

  → Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc

  Five Stakeholders Relationship Committee meetings were held during the year 2017-18 of the Company as follows:

  - 10th May, 2017
  - 4th September, 2017
  - 27th September, 2017
  - 12th December, 2017
  - 5th February, 2018

- The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

Sr. No.	Name	Status	No. of Meetings Attended
1.	Mr. H. Subramaniam	Chairman	3
2.	Mr. Rajneesh Anand	Member	5
3.	Dr. Sachin D. Patel	Member	5

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

  Mr. Sangameshwar R. Iyer, Company Secretary.
  Themis Medicare Ltd.
  11/12 Udyog Nagar,
  S.V. Road, Goregaon (West),
  Mumbai - 400 104.

- **Details of investor complaints received and redressed during the year 2017- 18 are as follows:**

Number of shareholders' complaints received	Number not solved to the satisfaction of shareholders	Number of pending complaints
01	01	0

Code of Conduct

Whilst the Themis Code of Conduct is applicable to the Whole-time 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, 2018 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the Managing Director, forms part of this report.

IX. General Body Meetings:

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

AGM / EGM	Date & Time	Location	Special Resolution
45th AGM	21.09.2015 at 10:30 am	Registered Office	Appointment of Dr. Dinesh S.Patel as Managing Director and CEO, Dr. Sachin D. Patel as Whole Time Director Power to borrow money u/s 180(1)(c) of the Companies Act, 2013
EGM	10.06.2016 at 10.30 am	Registered Office	Special Resolution passed under Section 42 and 62 of the Companies Act, 2013 to authorize Board to issue and allot 5,00,000 Equity Shares having face value of ₹10/- each, on preferential basis, to Non promoters and issue of 1,25,000 Warrants convertible into equal number of Equity Shares to promoters.
46th AGM	14.09.2016 at 10.30 am	Registered Office	NA
47th AGM	27.09.2017 at 10.30 am	Registered Office	Special Resolution passed under Section 148 of the Companies Act, 2013 for ratification of Remuneration of Cost Auditor, Appointment of Mr. Gabor Gulacsi as a Non Executive Director, Appointment of Mrs. Jayshree D. Patel as a Whole time Director, Re-Designation of Dr. Dinesh S. Patel as Executive Vice Chairman and Re-Designation of Dr. Sachin D. Patel as a Managing Director and CEO of the Company.

- whether any Special Resolution passed last year through postal ballot – details of voting pattern: **NA**
- whether any Special Resolution is proposed to be conducted through postal ballot : **NA**
- procedure for postal ballot: **NA**

X. Means of Communication:

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

(a) and (b) The Quarterly, Half yearly and Annual results were published in widely circulated newspapers viz, Times of India and Economic 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.themismedicare.com/investors/reports

(d) The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS) and 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.

XI. General Shareholders Information:

Annual General Meeting Date & Time	:	7th September, 2018 at 10.30 AM
Venue	:	Plot no. 69A, G.I.D.C. Vapi, Dist - Valsad, Gujarat – 396195
Financial Calendar (Tentative)	:	April to March
Results for the Quarter ending **(With Limited Review by the Statutory Auditors)** **First Quarter Results** **Half yearly Results** **Third Quarter Results** **Audited Results for the year**	:	 On or before 14th August, 2018 On or before 14th November, 2018 On or before 14th February, 2019 On or before 30th May, 2019
Dates of Book Closure/ Record Date	:	1st September, 2018 to 7th September, 2018 (both days inclusive)
Listing on Stock Exchanges at	:	**BSE Limited.** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 **National Stock Exchange of India Ltd.** Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.
Listing Fees paid for 2017-18	:	The Company has paid listing fees to the above Stock Exchanges
Stock Code Bombay Stock Exchange, Mumbai National Stock Exchange, Mumbai	:	 530199 THEMISMED
DEMAT ISIN Number for NSDL & CDSL	:	INE083B01016
Websites	:	www.bseindia.com www.nseindia.com

XII. 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 and National Stock Exchange, Mumbai during the financial year 2017-18 is furnished below:

STOCK PRICE & BSE SENSEX DATA							
Month	Bse Sensex	Bse Limited , Mumbai			National Stock Exchange Of India Limited		
		High Price	Low Price	Monthly Volume (Nos.)	High Price	Low Price	Monthly Volume (Nos.)
Apr-17	29,918.4	650.00	576.6	10907	655.90	583.05	27796
May-17	31,145.8	605.00	506.00	28173	609.00	502.95	29947
Jun-17	30,921.61	567.95	509.25	29395	561.90	507.75	33525
Jul-17	32,514.94	599.95	511.05	23073	566.85	512.50	38598
Aug-17	31,730.49	540.00	380.00	13827	534.00	387.60	38330
Sep-17	31,283.72	469.95	425.00	7069	499.00	402.90	17238
Oct-17	33,213.13	512.90	435.50	9068	525.95	439.00	33162
Nov-17	33,149.35	550.00	4670	9112	549.00	464.40	62157
Dec-17	34,056.83	649.95	516.05	21471	649.90	525.10	62459
Jan-18	35,965.02	798.10	586.00	40380	799.00	580.00	322327
Feb-18	34,184.04	619.00	502.60	7481	615.00	500.00	61826
Mar-18	32,968.68	645.00	518.80	31255	639.20	549.95	41465

Registrar & Share Transfer Agent : Link Intime India Pvt. Ltd.

(Unit: Themis Medicare Limited)
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

XIII. Share Transfer System:

All the transfers received are processed by the Registrar and Share Transfer Agent and are approved by the Share Transfer Committee, which normally meets as and when required. Share transfers are registered and returned within maximum of 15 days from the date of lodgment if documents are complete in all respects.

XIV. Distribution of Equity Shareholding:

As on 31st March, 2018						
Holding of shares (In Nos)			No. of Shareholders	% of Shareholders	Shares	% of Shareholders
1	to	500	3621	88.08	377851	4.12
501	to	1000	194	4.72	158261	1.72
1001	to	2000	109	2.65	164630	1.79
2001	to	3000	53	1.29	134507	1.47
3001	to	4000	32	0.78	114680	1.25
4001	to	5000	19	0.46	87978	0.96
5001	to	10000	35	0.85	230225	2.51
10001	and	Above	48	1.16	7912810	86.19
Total			**4111**	**100.00**	**9180942**	**100.00**

Dematerialisation of shares	:	9027040 Shares i.e. 98.32% of the paid-up capital has been dematerialized as on 31.03.2018.
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	:	**Vapi Plant** Plot no. 69A, G.I.D.C. Vapi – 396 195, Dist. Valsad, Gujarat
	:	**Hyderabad Plant** Plot no. 1 & 5, Industrial Development Area, Jeedimatla, Hyderabad – 500 855.
		Haridwar Plant Sector 6-A, Plot no.16, 17 & 18, IIE, BHEL, Haridwar-249 403
Address for Correspondence	:	Secretarial Department, Themis Medicare Ltd. 11/12 Udyog Nagar, S.V. Road, Goregaon (West), Mumbai-400 104. Tel No: 91-22-67607080 Fax No. 91-22-67607019
Contact person for Investors Complaints	:	Mr. Sangameshwar R. Iyer Company Secretary and Compliance Officer E-mail: sangameshwar.iyer@themismedicare.com
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

XV. Other Disclosures:

a) Materially significant related party transactions:

The related party transactions in case of our Company are not materially significant which requires Members' approval. However, the Management, Audit & 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.themismedicare.com/wp-content/uploads/2015/08/Related-Party-Policy.pdf

b) 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.

c) 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 & Risk Management Committee.

d) 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.

e) Non-Mandatory Requirements

i. The Company maintains Non-Executive Chairman's office at its own expense. The Company from time to time reimburses/pays the expenses in relation to the Chairman's office in connection with performance of his duties as Chairman of the Company.

ii. 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.

iii. Audit Qualification

There are no qualifications contained in the Audit Report.

iv. Separate Posts of Chairman and Managing Director and CEO.

The Chairman of the Board is an Independent Non-executive Director and his position is separate from that of the Managing Director and CEO.

v. Reporting of Internal Auditors

The Internal Auditors of the Company report to the Audit & Committee Ris Management and make detailed presentation / discussion at quarterly meetings.

vi. 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.

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

viii. 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.

ix. 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.

Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

I, Dr. Sachin D. Patel, Managing Director and CEO of Themis Medicare 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, 2018.

For Themis Medicare Limited

SD/-
Dr. Sachin D. Patel
Managing Director & CEO

Place: Mumbai
Date: 9th May, 2018

Certificate on Corporate Governance

The Members,
Themis Medicare Ltd.

I have examined the compliance of conditions of Corporate Governance by Themis Medicare Limited ("the Company") for the year ended on 31 March 2018, as stipulated as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in regulation 15(2) of the Listing Regulations for the year ended 31st March 2018.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. My 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 my opinion, and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable.

I 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 AND CO**
Practicing Company Secretaries

SD/-
Mr. Ketan R Shirwadkar
Proprietor
ACS No. 37829
COP No. 15386

Place: Mumbai
Date: 9th May, 2018

CEO-CFO CERTIFICATE

To,
The Board of Directors
Themis Medicare Limited,

We, the undersigned, in our respective capacities as Managing Director and Chief Executive Officer and Chief Financial Officer of Themis Medicare 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, 2018 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 & Risk Management 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 **Themis Medicare Ltd.**

SD/-
Dr. Sachin D. Patel
Managing Director & CEO

For **Themis Medicare Ltd.**

SD/-
Mr. Tushar Dalal
Chief Financial Officer (CFO)

Independent Auditors' Report

To the Members of
Themis Medicare Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **THEMIS MEDICARE LIMITED**, (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities which comprise the Consolidated Balance Sheet as at 31st March, 2018, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as, "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, as applicable. The respective Board of Directors of the Company included in the Group and of its associates and jointly controlled entities are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating

the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Other Matters

We did not audit the financial statements/financial information of three subsidiaries, whose financial statements/financial information reflect total assets of Rs 4.84 lakhs and Net assets of Rs.(53.01) Lakhs as at 31 March 2018, total revenues of Rs. NIL and net cash inflow amounting to Rs 0.27 lakhs for the year ended on that date, as considered in the Consolidated Ind AS financial results. Two subsidiaries are located in India. One subsidiary which is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles, generally accepted in their country. These financial statements of the aforesaid all subsidiaries are unaudited and have been furnished to us by the Management of the Holding company and our opinion on the Consolidated Ind AS financial results, in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. The consolidated financial statements also include the Group's share of net profit of Rs.259.30 Lakhs for the year ended 31st March, 2018 as considered in the Consolidated Financial Results, in respect of two associates and one Joint venture, whose financial statements have not been audited by us. Financial statements of one associate and joint venture are unaudited as on this date.

Our opinion on the consolidated Ind AS financial statements above, and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors wherever available and the financial statements/ financial information certified by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, to the extent applicable, 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 consolidated Ind AS financial statements.

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

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company, and as certified by the management of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group Companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A",

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Ind AS Financial statements disclose the impact, if any, of pending litigations as at 31-03-2018 on the consolidated financial position of the Group, its associates and jointly controlled entities as referred to in Note No.33 to the Consolidated Ind AS financial Statement.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

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

For **R. P. Sardar & Co.**
Chartered accountants
(Firm's Registration No.-109273W)

Raju P. Sardar
(Proprietor)
(Membership No. 37845)

Place: Mumbai
Date: 09th May, 2018

Annexure - A to the independent Auditors' Report

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

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

1. In conjunction with our audit of the Consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of **THEMIS MEDICARE LIMITED**, (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the "Internal control over financial reporting criteria established by the Company considering the essential component 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 respective 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 Act.

Auditors' Responsibility

3. 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") issued by The Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to our 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.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control 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.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies, its associate companies and jointly controlled companies.

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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 Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have 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 31 March 2018, based on the internal control over financial reporting criteria established by the respective companies 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 **R. P. Sardar & Co.**
Chartered accountants
(Firm's Registration No.-109273W)

Raju P. Sardar
(Proprietor)
(Membership No. 37845)

Place: Mumbai
Date: 09th May, 2018

Consolidated Balance Sheet as at 31st March, 2018

(₹ in Lakhs)

Particulars	Notes	March 31, 2018	March 31, 2017	April 1, 2016
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	4	12,404.17	12,163.36	12,735.74
(b) Capital Work-in-Progress	4	247.00	894.87	516.84
(c) Intangible Assets	5	186.24	208.08	229.92
(d) Investments accounted for using the equity method	6	2,412.06	2,151.98	2,032.98
(e) Financial Assets				
(i) Investments	6A	27.09	31.30	28.84
(ii) Other Financial Assets	6A	25.02	25.02	35.02
(f) Deferred Tax Asset (Net)	12	477.86	480.13	640.80
(g) Other Non-Current Assets	11	441.50	506.11	490.56
		16,220.94	**16,460.85**	**16,710.70**
Current assets				
(a) Inventories	7	4,957.53	4,844.08	4,511.35
(b) Financial Assets				
(i) Investments	6A	-	105.16	-
(ii) Trade Receivables	8	6,862.74	4,824.66	2,328.26
(iii) Cash and Cash Equivalents	9	448.50	578.19	616.04
(iv) Bank Balances Other than (iii) above	10	242.12	283.65	215.48
(v) Other Financial Assets	6A	393.84	356.06	324.50
(c) Other Current Assets	11	1,401.44	1,448.55	1,155.99
		14,306.17	**12,440.35**	**9,151.62**
Total		**30,527.11**	**28,901.20**	**25,862.32**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	13	918.09	903.94	851.50
(b) Other Equity	14	15,973.97	14,339.67	10,054.61
Equity attributable to equity holders of the parent		**16,892.06**	**15,243.61**	**10,906.11**
Non Controlling Interest		**(6.56)**	**-**	**-**
Total Equity		**16,885.50**	**15,243.61**	**10,906.11**
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	1,149.72	1,240.20	2,830.78
(b) Provisions	19	13.06	-	-
		1,162.78	**1,240.20**	**2,830.78**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	6,373.50	5,345.41	5,148.08
(ii) Trade Payables	17			
Micro, Small and Medium Enterprises		122.69	27.36	23.82
Others		2,932.48	3,135.99	3,228.70
(iii) Other Financial Liabilities	16	2,761.87	3,701.97	3,566.40
(b) Other Current Liabilities	18	211.73	111.33	81.39
(c) Provisions	19	76.56	95.33	77.04
		12,478.83	**12,417.39**	**12,125.43**
Total		**30,527.11**	**28,901.20**	**25,862.32**
Significant Accounting Policies and Notes Forming Part of the Financial Statements	**1 to 46**			

As per our report of even date attached

For R. P. Sardar & Co.
Chartered Accountants
Firm Registration No: 109273W

Raju P. Sardar
Proprietor
Membership No: 037845

Place: Mumbai
Date: May 9, 2018

For and on behalf of the Board

Sangameshwar Iyer
Company Sectretary
(Membership No.: ACS 6818)

Tushar J. Dalal
Chief Financial Officer

Humayun Dhanrajgir
Director
(DIN: 00004006)

Dr. Sachin Patel
Managing Director & CEO
(DIN: 00033353)

Consolidated Statement of Profit and Loss for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	Notes	2017-18	2016-17
REVENUE			
Revenue from operations (net)	20	21,170.67	22,614.85
Other income	21	301.03	287.55
Total Revenue (I)		**21,471.70**	**22,902.40**
EXPENSES			
Cost of materials consumed	22	5,326.79	5,448.19
Purchases of stock-in-trade	23	1,988.47	2,004.38
Changes in inventories of finished goods, work-in-process and Stock-in-Trade	24	(148.89)	(382.56)
Excise duty		220.34	948.93
Employee benefits expense	25	4,464.93	3,999.78
Finance costs	26	1,186.68	1,184.07
Depreciation and amortization expense	27	741.51	747.04
Other expenses	28	6,817.57	7,315.34
Total Expenses (II)		**20,597.40**	**21,265.17**
Profit/(loss) before share of profit/(loss) of an associates and a joint venture, exceptional items and tax(I-II)		**874.30**	**1,637.23**
Share of profit/(loss) of an associates and a joint venture		259.30	119.13
Profit/(loss) before exceptional items and tax		**1,133.60**	**1,756.36**
Exceptional Items		-	-
Profit/(loss) before tax		**1,133.60**	**1,756.36**
Tax expense:			
Current tax		-	-
Adjustment of tax relating to earlier periods		-	-
Deferred tax		10.18	160.44
Profit/(loss) for the period		**1,123.42**	**1,595.92**
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		(22.87)	0.67
Income tax effect		7.92	(0.23)
Share of Other Comprehensive Income of Associates and Joint Venture accounted using equity method		0.74	(0.12)
B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:			
Exchange differences in translating the financial statements of a foreign operation		1.77	-
Other Comprehensive income for the year, net of tax		**(12.44)**	**0.32**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**1,110.98**	**1,596.24**
Total comprehensive income for the year, net of tax attributable to:			
Profit for the year attributable to:			
Equity holders of the parent		1,129.71	1,595.92
Non-controlling interests		(6.29)	-
Other comprehensive income for the year attributable to:			
Equity holders of the parent		(12.08)	0.32
Non-controlling interests		(0.36)	-
Total comprehensive income for the year attributable to:			
Equity holders of the parent		1,117.63	1,596.24
Non-controlling interests		(6.65)	-
Earnings per share for profit attributable to equity shareholders	30		
Basic EPS		12.24	17.66
Diluted EPS		12.21	17.62

Significant Accounting Policies and Notes Forming Part of the Financial Statements **1 to 46**

As per our report of even date attached

For R. P. Sardar & Co.
Chartered Accountants
Firm Registration No: 109273W

Raju P. Sardar
Proprietor
Membership No: 037845

Place: Mumbai
Date: May 9, 2018

For and on behalf of the Board

Sangameshwar Iyer
Company Secretary
(Membership No.: ACS 6818)

Tushar J. Dalal
Chief Financial Officer

Humayun Dhanrajgir
Director
(DIN: 00004006)

Dr. Sachin Patel
Managing Director & CEO
(DIN: 00033353)

Consolidated Statement of Cash Flows for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	2017-18	2016-17
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(Loss) before income tax from:	1,133.60	1,756.36
Adjustments for:		
Depreciation and amortisation expense	741.51	747.04
Loss on sale of property, plant and equipment	-	4.73
Employee share-based payment expense	20.68	46.89
Changes in fair value of financial instruments at fair value through profit or loss	8.24	(7.61)
Dividend and interest income classified as investing cash flows	(207.08)	(219.39)
Finance costs	1,186.68	1,184.07
Reversal of loss allowance on financial assets	-	(44.17)
Share of (profit) Loss from joint ventures and associates	(257.53)	(119.13)
Change in operating assets and liabilities:		
(Increase)/Decrease in trade receivables	(2,038.02)	(2,452.23)
(Increase)/Decrease in inventories	(113.44)	(332.74)
Increase/(decrease) in trade payables	(108.18)	(89.18)
(Increase) in other financial assets	(38.58)	(21.56)
(Increase)/decrease in other assets	45.21	(302.58)
Increase/(decrease) in provisions	(28.60)	(12.67)
(Increase)/Decrease in Other bank balance	41.53	(68.17)
Increase/(decrease) in Other financial liabilities	233.67	(266.65)
Increase in other liabilities	100.39	29.94
Cash generated from operations	**720.08**	**(167.05)**
Less: (Income taxes paid)/ refund received (Net)	64.62	16.08
Net cash inflow from operating activities	**784.70**	**(150.97)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(960.51)	(543.80)
Proceeds from sale of investments (Payments for investments)(Net)	101.13	(100.00)
Proceeds from sale of property, plant and equipment	647.87	10.15
Dividends received	157.24	166.72
Interest received	50.63	52.68
Net cash outflow from investing activities	**(3.64)**	**(414.25)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issues of shares	510.14	2,538.12
Proceeds from current borrowings (Net)	1,028.09	197.33
Repayment of non Curent borrowings	(1,341.79)	(1,276.18)
Money received against ESOP/share warrants	-	156.25
Interest paid	(1,107.19)	(1,088.15)
Net cash inflow (outflow) from financing activities	**(910.75)**	**527.37**
Net increase (decrease) in cash and cash equivalents	(129.69)	(37.85)
Cash and Cash Equivalents at the beginning of the financial year	578.19	616.04
Cash and Cash Equivalents at end of the year	**448.50**	**578.19**
Reconciliation of cash and cash equivalents as per the cash flow statement:		
Cash and cash equivalents as per above comprise of the following:		
Balances with banks on current accounts	441.82	572.37
Cash on hand	6.68	5.82
Balances as per statement of cash flows	**448.50**	**578.19**

Significant Accounting Policies and Notes Forming Part of the Financial Statements **1 to 46**

As per our report of even date attached

For R. P. Sardar & Co.
Chartered Accountants
Firm Registration No: 109273W

Raju P. Sardar
Proprietor
Membership No: 037845

Place: Mumbai
Date: May 9, 2018

For and on behalf of the Board

Sangameshwar Iyer
Company Secretary
(Membership No.: ACS 6818)

Tushar J. Dalal
Chief Financial Officer

Humayun Dhanrajgir
Director
(DIN: 00004006)

Dr. Sachin Patel
Managing Director & CEO
(DIN: 00033353)

Consolidated Statement of Changes in Equity for the year ended 31st March, 2018

A EQUITY SHARE CAPITAL

(₹ in 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, 2017			
Numbers	8,515,000	524,433	**9,039,433**
Amount	851.50	52.44	**903.94**
March 31, 2018			
Numbers	9,039,433	141,509	**9,180,942**
Amount	903.94	14.15	**918.09**

B OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus										
	Capital Reserve	Securities Premium Reserve	General Reserve	Share Based Payment Reserve	Retained Earnings	Property, Plant and Equipment Reserve	Exchange differences on translating the financial statements of a foreign operation	Money Received against share warrants	Total other equity attributable to parent	Non Controlling Interest	Total other equity
As at April 1, 2016	**30.00**	**343.76**	**6,733.76**	**7.29**	**(717.50)**	**3,657.30**	**-**	**-**	**10,054.61**	**-**	**10,054.61**
Profit for the period	-	-	-	-	1,595.92	-	-	-	**1,595.92**	-	**1,595.92**
Other comprehensive income	-	-	-	-	0.32	-	-	-	**0.32**	-	**0.32**
Total comprehensive income for the year	30.00	343.76	6,733.76	7.29	878.74	3,657.30	-	-	**11,650.85**	-	**11,650.85**
Issue of equity shares	-	2,485.68	-	-	-	-	-	-	**2,485.68**	-	**2,485.68**
Share based payment expense	-	-	-	40.49	6.40	-	-	-	**46.89**	-	**46.89**
Money received against share warrants	-	-	-	-	-	-	-	156.25	**156.25**	-	**156.25**
Transfer from PPE Reserve to Retained Earnings	-	-	-	-	40.02	(40.02)	-	-	**-**	-	**-**
As at March 31, 2017	**30.00**	**2,829.44**	**6,733.76**	**47.78**	**925.16**	**3,617.28**	**-**	**156.25**	**14,339.67**	**-**	**14,339.67**
Profit for the period	-	-	-	-	1,129.71	-	-	-	**1,129.71**	(6.29)	**1,123.42**
Other comprehensive income	-	-	-	-	(13.85)	-	1.77	-	**(12.08)**	(0.36)	**(12.44)**
Total comprehensive income for the year	**30.00**	**2,829.44**	**6,733.76**	**47.78**	**2,041.02**	**3,617.28**	**1.77**	**156.25**	**15,457.30**	**(6.65)**	**15,450.65**
Issue of equity shares	-	652.24	-	-	-	-	-	-	**652.24**	0.08	**652.32**
Share based payment expense	-	-	-	6.40	14.28	-	-	-	**20.68**	-	**20.68**
Money received against share warrants	-	-	-	-	-	-	-	(156.25)	**(156.25)**	-	**(156.25)**
Transfer from PPE Reserve to Retained Earnings	-	-	-	-	40.02	(40.02)	-	-	**-**	-	**-**
As at March 31, 2018	**30.00**	**3,481.68**	**6,733.76**	**54.18**	**2,095.32**	**3,577.26**	**1.77**	**-**	**15,973.97**	**(6.56)**	**15,967.40**

Significant Accounting Policies and Notes Forming Part of the Financial Statements **1 to 46**

As per our report of even date attached

For R. P. Sardar & Co.
Chartered Accountants
Firm Registration No: 109273W

Raju P. Sardar
Proprietor
Membership No: 037845

Place: Mumbai
Date: May 9, 2018

For and on behalf of the Board

Sangameshwar Iyer
Company Sectretary
(Membership No.: ACS 6818)

Tushar J. Dalal
Chief Financial Officer

Humayun Dhanrajgir
Director
(DIN: 00004006)

Dr. Sachin Patel
Managing Director & CEO
(DIN: 00033353)

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

1 Corporate Information

These statements comprise consolidated financial statements of Themis Medicare limited (CIN: L24110GJ1969PLC001590) (the 'Holding Company') and its subsidiaries, associates and joint ventures (collectively, the 'Group' or the 'Company') for the year ended March 31, 2018. The Holding company is a public company domiciled in India and is incorporated on May 31, 1969 under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at Plot No 69A, G.I.D.C Industrial Estate, Vapi district Valsad, Gujarat -396 195.

The Group is principally engaged in the activities pertaining to manufacturing of pharmaceutical products, especially in Formulation and API activity.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 9, 2018.

2 Significant Accounting Policies

2.1 Basis of preparation

The consolidated financial statements of the group 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").

For all periods up to and including the year ended March 31, 2017, the Group prepared its consolidated financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These consolidated financial statements for the year ended March 31, 2018 are the first the Group has prepared in accordance with Ind AS. Refer to Note on 'First Time Adoption of Ind AS' for information on how the Group adopted Ind AS.

The consolidated 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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

2.2 Summary of significant accounting policies

(a) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. InterGroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(iii) Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has investment in joint ventures.

Joint ventures

Interests in joint ventures are accounted for using the equity method (see(iv) below), after initially being recognised at cost in the consolidated balance sheet.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

(iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in below.

(v) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(b) 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

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

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 asset's 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.

(c) Intangible assets

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

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.

Amortisation methods and periods

Intangible assets comprising of trade marks are amortized on a straight line basis over the useful life of ten years which is estimated by the management.

The estimated useful lives of intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

(d) 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.

(e) Impairment of non financial assets

The Group 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 Group 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 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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

(f) 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 Group'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).

(iii) Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(g) Financial Instruments

Financial assets and financial liabilities are recognised when a Group 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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

Classification and Subsequent Measurement: Financial Assets

The Group 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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

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 Group recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Group 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 Group to track changes in credit risk. The Group 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 Group 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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group 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.

(h) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group 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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

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 the Group are recognised at the proceeds received.

(i) Convertible financial instrument

Convertible instruments are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible instrument based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

(j) 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 Group 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.

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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

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.

(k) 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 weighted average 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 weighted average basis.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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.

(l) 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 Group 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 Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

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) 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).

(iii) Dividend income

Revenue is recognised when the company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(m) 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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

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 Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group 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 Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

(v) Share-based payments

Share-based compensation benefits are provided to employees via the Employee Option Plan.

Employee options

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted.

- including any market performance conditions
- excluding the impact of any service and non-market performance vesting conditions, and
- including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(n) 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 Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group 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 Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group'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 Group 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.

(o) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group 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 Group.

Claims against the Group 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.

(p) Borrowing costs

Borrowing costs are interest and other costs that the Group 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

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

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.

(q) Segment Reporting - Identification of Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group'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 Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

(r) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- 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.

(s) 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 Group's cash management.

(t) 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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

(u) Current/non current classification

The Group 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 Group 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 Group has identified twelve months as its operating cycle.

(v) 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.

(w) 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 judgements, 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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

(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 Consolidated Financial Statements for the year ended 31st March, 2018

4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Electric Installations	Capital Work in Progress	Total
GROSS CARRYING VALUE										
As at April 1, 2016	3,357.12	2,796.32	1,531.59	4,683.78	127.16	171.48	10.37	57.92	516.84	13,252.58
Additions	-	-	13.11	121.41	22.53	-	5.09	3.63	378.03	543.80
Disposals	-	-	-	-	-	(16.15)	-	-	-	(16.15)
Other Adjustments	-	-	-	1.92	-	-	-	-	-	1.92
As at March 31, 2017	**3,357.12**	**2,796.32**	**1,544.70**	**4,807.11**	**149.69**	**155.33**	**15.46**	**61.55**	**894.87**	**13,782.15**
Additions	-	-	303.90	550.76	101.16	-	3.04	1.65	-	960.51
Disposals	-	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	(0.02)	-	-	-	-	(647.87)	(647.89)
As at March 31, 2018	**3,357.12**	**2,796.32**	**1,848.60**	**5,357.85**	**250.85**	**155.33**	**18.50**	**63.20**	**247.00**	**14,094.77**
ACCUMULATED DEPRECIATION/IMPAIRMENT										
As at April 1, 2016										
Depreciation for the year	-	47.90	59.57	546.22	33.11	23.21	3.00	12.19	-	725.20
Disposals	-	-	-	-	-	(1.27)	-	-	-	(1.27)
As at March 31, 2017	**-**	**47.90**	**59.57**	**546.22**	**33.11**	**21.94**	**3.00**	**12.19**	**-**	**723.93**
Depreciation for the year	-	47.90	61.23	549.84	29.21	19.55	3.84	8.10	-	719.67
Disposals	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	**-**	**95.80**	**120.80**	**1,096.06**	**62.32**	**41.49**	**6.84**	**20.29**	**-**	**1,443.60**
Net Carrying value as at March 31, 2018	**3,357.12**	**2,700.52**	**1,727.80**	**4,261.79**	**188.53**	**113.84**	**11.66**	**42.91**	**247.00**	**12,651.17**
Net Carrying value as at March 31, 2017	**3,357.12**	**2,748.42**	**1,485.13**	**4,260.89**	**116.58**	**133.39**	**12.46**	**49.36**	**894.87**	**13,058.22**
Net Carrying value as at April 1, 2016	**3,357.12**	**2,796.32**	**1,531.59**	**4,683.78**	**127.16**	**171.48**	**10.37**	**57.92**	**516.84**	**13,252.58**

THEMIS MEDICARE

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

Notes:

i. Leased Assets

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

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Land			
Cost	2,796.32	2,796.32	2,796.32
Accumulated Depreciation	(95.80)	(47.90)	-
Net carrying amount	**2,700.52**	**2,748.42**	**2,796.32**
Vehicles			
Cost	90.68	90.68	90.68
Accumulated Depreciation	(26.29)	(14.38)	-
Net carrying amount	**64.39**	**76.30**	**90.68**

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.

The lease term in respect of vehicles acquired under finance lease are generally for three to five years.

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

Refer to Note 41 for information on property, plant and equipment given as collateral security by the company

iii. Deferral/Capitalisation Of Exchange Differences

The Ministry of Corporate Affairs (MCA) has issued the amendment dated December 29, 2011 to AS 11 'The Effects of Changes in Foreign Exchange Rates' , to allow companies deferral/capitalization of exchange differences arising on long-term foreign currency monetary items. In accordance with the amendment/earlier amendment to AS 11 read with Para D13AA of Ind AS 101 'First time adoption of Indian Accounting Standard', the Company has capitalised exchange loss, arising on long-term foreign currency loan to the cost of plant and equipment.

iv. Assets under Construction

Capital work in progress comprises new building and additions to manufacturing facilities being constructed in India

v. Contractual Obligations

Refer to Note 33 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

5. INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Trademarks / Patent
GROSS CARRYING VALUE	
As at April 1, 2016	229.92
Additions / Deductions	-
As at March 31, 2017	**229.92**
Additions / Deductions	-
As at March 31, 2018	**229.92**
ACCUMULATED AMORTISATION AND IMPAIRMENT	
As at April 1, 2016	
Amortisation for the year	21.84
As at March 31, 2017	21.84
Amortisation for the year	21.84
As at March 31, 2018	**43.68**
Net Carrying value as at March 31, 2018	**186.24**
Net Carrying value as at March 31, 2017	**208.08**
Net Carrying value as at April 1, 2016	**229.92**

6. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
(A) Investments in Associates			
Quoted			
3,369,605 shares of INR 5 each of Gujarat Themis Biosyn Limited fully paid up (March 31, 2017 : 3,369,605 and April 1, 2016 : 3,369,605)	741.13	650.72	549.31
Unquoted			
26,208 Equity Shares of INR 100 each fully paid up of Long Island Nutritionals Private Limited (March 31, 2017 : 26,208 and April 1, 2016 : 26,208)	(0.00)	(0.00)	8.94
(B) Investments in Joint Ventures			
Unquoted			
6,860,000 Equity shares of Richter Themis Medicare (India) Private Limited of INR 10 each fully paid up (March 31, 2017 : 6,860,000 and April 1, 2016 : 6,860,000)	1,670.93	1,501.26	1,474.73
Total	**2,412.06**	**2,151.98**	**2,032.98**

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

6A. FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
(A) INVESTMENTS			
Non Current			
(1) Investments carried at fair value through Profit and Loss			
(a) Investments in Equity Instruments			
Quoted			
505 Equity shares of Union Bank of India of INR 10 each fully paid (March 31, 2017 : 505 and April 1, 2016 : 505)	0.48	0.79	0.66
9,000 Equity Shares of Bank of Baroda of INR 2 each fully paid (March 31, 2017 : 9,000 and April 1, 2016 : 9,000)	12.80	15.57	13.24
Unquoted			
16,000 Equity Shares of the Kapol Cooperative Bank Limited of INR 10 each fully paid up (March 31, 2017 : 16,000 and April 1, 2016 : 16,000)	1.60	1.60	1.60
600 Equity Shares of Jeedimetla Effluent Treatment Limited of INR 100 each fully paid up (March 31, 2017 : 600 and April 1, 2016: 600)	0.60	0.60	0.60
100 Equity Shares of The Zoroastrian Cooperative Bank Limited of INR 25 each fully paid up (March 31, 2017 : 100 and April 1, 2016 : 100)	0.03	0.03	0.03
(b) Investments in bonds			
Unquoted			
20, 20 years Deep Discount Bonds of Sardar Sarovar Narmada Nigam Limited of INR 3,600 each fully paid up (March 31, 2017 : 20 and April 1, 2016 : 20)	10.00	10.00	10.00
Total	**25.51**	**28.59**	**26.13**
(2) Investments carried at Amortised Cost			
Investments in Government or trust securities			
Unquoted			
National Savings Certificates [including INR 0.33 lakhs (March 31, 2017 INR 0.33 lakhs and April 1, 2016 INR 0.33 lakhs) deposited as security with various Government and Semi Government departments](NSC worth INR 0.1 lakhs is held in the name of director of the Company)	0.43	0.43	0.43
5 1/2 years Kisan Vikas Patra (including INR 0.1 lakhs deposited as security with sales tax authority at Daman)	0.15	0.15	0.15
Total	**0.58**	**0.58**	**0.58**
(3) Investments carried at Cost			
Investments in Equity Instruments			
Subsidiaries			
Unquoted			
NIL held as quota capital in "HID-PUL KFT", Hungary a wholly owned Overseas limited liability Company (March 31, 2017 : HUF 500,000 and April 1, 2016 : HUF 500,000)	-	1.13	1.13
10,000 Equity Shares of Themis Life Style Private Limited INR 10 fully paid up (March 31, 2017 : 10,000 and April 1, 2016 : 10,000)	1.00	1.00	1.00
Total	1.00	2.13	2.13
Total	**27.09**	**31.30**	**28.84**

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

6A. FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Aggregate amount of quoted investments	754.40	667.07	563.21
Market value of quoted investments	1,421.77	1,763.49	1,725.66
Aggregate amount of unquoted investments	1,684.74	1,516.19	1,498.61
Aggregate amount of impairment in the value of investments	-	-	-
Investments carried at amortised cost	**0.58**	**0.58**	**0.58**
Investments carried at fair value through profit and loss	**25.51**	**28.59**	**26.13**
Investments carried at cost	**1.00**	**2.13**	**2.13**
Investments accounted using equity method	**2,412.06**	**2,151.98**	**2,032.98**
Current			
Investments carried at fair value through Profit and Loss			
Quoted			
Investments in Mutual Funds			
NIL units of Reliance Short Term Fund	-	105.16	-
(March 31, 2017 : 3,41,085.06 units and April 1, 2016 : NIL)			
Total	**-**	**105.16**	**-**
Aggregate amount of quoted investments	-	105.16	-
Market value of quoted investments	-	105.16	-
Aggregate amount of unquoted investments	-	-	-
Aggregate amount of impairment in the value of investments	-	-	-
Investments carried at fair value through profit and loss	**-**	**105.16**	**-**
(B) OTHER FINANCIAL ASSETS			
Non Current			
Financial assets carried at amortised cost			
Bank Deposits with more than 12 months maturity	25.02	25.02	35.02
Total	**25.02**	**25.02**	**35.02**
Current			
Financial assets carried at amortised cost			
Security Deposits	317.13	278.55	246.99
Interest/Dividend Receivable	16.61	17.41	17.41
Insurance Claim	60.10	60.10	60.10
Total	**393.84**	**356.06**	**324.50**

7. INVENTORIES

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
(Valued at lower of Cost and Net Realisable value)			
Raw materials			
In Stock	822.17	873.88	854.24
In Transit	95.69	-	-
Work-in-process	1,666.19	1,400.15	1,305.44
Finished goods	1,788.84	1,905.99	1,618.14
Stores and spares	14.37	15.01	15.01
Packing Material and Power and Fuel	570.27	649.05	718.52
Total	**4,957.53**	**4,844.08**	**4,511.35**

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

8. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Trade Receivables from customers	5,101.17	3,449.64	1,054.03
Receivables from related parties	1,761.57	1,375.02	1,274.23
	6,862.74	**4,824.66**	**2,328.26**
Breakup of Security details			
Secured, considered good	-	-	-
Unsecured, considered good	6,862.74	4,824.66	2,328.26
Doubtful	1,610.78	1,659.09	1,703.26
	8,473.52	**6,483.75**	**4,031.52**
Impairment Allowance (allowance for bad and doubtful debts)			
Unsecured, considered good	-	-	-
Doubtful	1,610.78	1,659.09	1,703.26
	1,610.78	**1,659.09**	**1,703.26**
Total	**6,862.74**	**4,824.66**	**2,328.26**

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 1,761.57 Lakhs (Previous year INR 1,375.02 Lakhs)

9. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Balances with banks:			
Balances with banks on current accounts	441.82	572.37	603.27
Cash on hand	6.68	5.82	12.77
Total	**448.50**	**578.19**	**616.04**

10. OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Balances with banks to the extent held as margin money	200.74	250.87	182.79
Balances with banks as security against bank guarantees	41.05	32.45	32.36
Deposit account towards share application	0.33	0.33	0.33
Total	**242.12**	**283.65**	**215.48**

11. OTHER ASSETS

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Non Current			
Payment of taxes (net of provisions)	236.74	301.37	317.45
Gratuity fund	204.76	204.74	173.11
Total	**441.50**	**506.11**	**490.56**
Current			
Advances other than Capital advances			
- Advances to related parties	79.81	86.17	212.04
- Staff advance and imprest cash	43.81	44.78	60.83
Others			
- Prepaid expenses	364.82	365.89	88.85
- Balances with Statutory, Government Authorities	816.69	862.93	703.24
- Other current assets	96.31	88.78	91.03
Total	**1,401.44**	**1,448.55**	**1,155.99**

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

12. INCOME TAX

Deferred Tax **(₹ in Lakhs)**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Deferred tax relates to the following:			
Depreciation for tax purposes	(1,624.84)	(1,659.04)	(1,707.91)
Land revalued at fair value on date of transition	(420.39)	(420.39)	(420.55)
Temporary difference in the carrying amount of investments	(1.91)	(2.70)	(1.91)
Provision for employee benefits	276.86	267.00	227.49
Temporary difference in the carrying amount of financial instruments at amortised cost	(16.79)	(43.64)	(74.03)
MAT Credit entitlement	303.08	303.08	303.08
Loss allowances on trade receivables	557.49	574.21	589.50
Losses available for offsetting against future taxable income	1,410.78	1,468.70	1,735.67
Others	(6.42)	(7.09)	(10.54)
Net Deferred Tax Assets / (Liabilities)	**477.86**	**480.13**	**640.80**

Movement in deferred tax liabilities/assets

Particulars	March 31, 2018	March 31, 2017
Opening balance as of April 1	**480.13**	**640.80**
Tax income/(expense) during the period recognised in profit or loss	(10.18)	(160.44)
Tax income/(expense) during the period recognised in OCI	7.92	(0.23)
Closing balance as at March 31	**477.86**	**480.13**

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

Major Components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are as follows:

i. Income tax recognised in profit or loss **(₹ in Lakhs)**

	2017-18	2016-17
Current income tax charge	-	-
Adjustment in respect of current income tax of previous year	-	-
Deferred tax		
Relating to origination and reversal of temporary differences	10.18	160.44
Income tax expense recognised in profit or loss	**10.18**	**160.44**

ii. Income tax recognised in OCI

	March 31, 2018	March 31, 2017
Net loss/(gain) on remeasurements of defined benefit plans	7.92	(0.23)
Income tax expense recognised in OCI	**7.92**	**(0.23)**

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2018 and March 31, 2017

	March 31, 2018	March 31, 2017
Accounting profit before income tax	**1,133.60**	**1,756.36**
Enacted tax rate in India	34.61%	34.61%
Income tax on accounting profits	**392.34**	**607.87**
Tax Effect of		
Depreciation	39.64	37.90
Expenses not allowable or considered separately under Income Tax	56.79	72.64
Expenses allowable and others	(39.03)	(43.23)
Losses carried adjusted during the year	(328.95)	(577.75)
Dividend income exempt from tax	(53.67)	(56.20)
Recognition of deferred tax relating to origination and reversal of temporary differences	10.18	160.44
Share of profit/(loss) of an associate and a joint venture	(89.75)	(41.23)
Other adjustments	22.63	-
Tax at effective income tax rate	**10.18**	**160.44**

Changes in tax rate

The increase in education cess from 3% to 4% was substantively enacted on February 1, 2018 and will be effective from April 1, 2018. As a result, the relevant deferred tax balance have been remeasured. The impact of the change in tax rate has been recognised in tax expense in profit or loss.

13. SHARE CAPITAL

i. Authorised Share Capital **(₹ in Lakhs)**

	Equity Share	
	Number	Amount
At April 1, 2016	10,000,000	1,000.00
Increase/(decrease) during the year	-	-
At March 31, 2017	10,000,000	1,000.00
Increase/(decrease) during the year	-	-
At March 31, 2018	**10,000,000**	**1,000.00**

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of INR 10 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.

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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

ii. Issued Capital **(₹ in Lakhs)**

	Number	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 1, 2016	**8,515,000**	**851.50**
Issued during the period	524,433	52.44
At March 31, 2017	**9,039,433**	**903.94**
Issued during the period	141,509	14.15
At March 31, 2018	**9,180,942**	**918.09**

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

Name of the shareholder	As at March 31, 2018		As at March 31, 2017	
	Number	% holding	Number	% holding
Equity shares of INR 10 each fully paid				
Dr. Dinesh S. Patel	707,957	7.71	676,707	7.49
Jayshree D. Patel	667,664	7.27	636,414	7.04
Dr. Sachin D. Patel	551,655	6.01	520,405	5.76
Vividh Margi Investment Private Limited	1,452,842	15.82	1,452,842	16.07
Vividh Distributors Private Limited	716,100	7.80	716,100	7.92
Gedeon Richter Investment Management Limited	884,308	9.63	884,308	9.78

Name of the shareholder	As at April 1, 2016	
	Number	% holding
Equity shares of INR 10 each fully paid		
Dr. Dinesh S. Patel	676,707	7.95
Jayshree D. Patel	636,414	7.47
Dr. Sachin D. Patel	520,405	6.11
Vividh Margi Investment Private Limited	1,452,842	17.06
Vividh Distributors Private Limited	716,100	8.41
Gedeon Richter Investment Management Limited	884,308	10.39

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

For details of shares reserved for issue under the Share based payment plan of the company, please refer note 32.

14. OTHER EQUITY

i. Reserves and Surplus **(₹ in Lakhs)**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Capital Reserve	30.00	30.00	30.00
Securities Premium Reserve	3,481.68	2,829.44	343.76
General Reserve	6,733.76	6,733.76	6,733.76
Share Based Payment Reserve	54.18	47.78	7.29
Retained Earnings	2,094.96	925.16	(717.50)
Property, Plant and Equipment Reserve	3,577.26	3,617.28	3,657.30
Total	**15,971.84**	**14,183.42**	**10,054.61**

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

(a) Capital Reserve **(₹ in Lakhs)**

	March 31, 2018	March 31, 2017
Opening balance	30.00	30.00
Add/(Less):	-	-
Closing balance	**30.00**	**30.00**

Capital reserve is created as per the provisions of the Companies Act, 2013.

(b) Securities Premium Reserve **(₹ in Lakhs)**

	March 31, 2018	March 31, 2017
Opening balance	2,829.44	343.76
Add/(Less):		
Issue of equity shares	652.24	2,485.68
Closing balance	**3,481.68**	**2,829.44**

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) General Reserve **(₹ in Lakhs)**

	March 31, 2018	March 31, 2017
Opening balance	6,733.76	6,733.76
Add/(Less):	-	-
Closing balance	**6,733.76**	**6,733.76**

(d) Share Based Payment Reserve **(₹ in Lakhs)**

	March 31, 2018	March 31, 2017
Opening balance	47.79	7.29
Add/(Less):		
Employee compensation expense recognised during the year	20.71	46.90
Transfer to retained earnings	(14.28)	(6.40)
Closing balance	**54.22**	**47.79**

The Company has two share option schemes under which options to subscribe for the company's shares have been granted to certain executives and senior employees.

The Share based payment reserve is used to recognise the value of equity settled share based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 32 for further details of these plans.

(e) Retained Earnings **(₹ in Lakhs)**

	March 31, 2018	March 31, 2017
Opening balance	925.16	(717.50)
Net Profit/(Loss) for the year	1,129.71	1,595.92
Add/(Less):		
Transfer from property, plant and equipment reserve in respect of depreciation	40.02	40.02
Transfer from share based payment reserve	14.28	6.40
Items of Other Comprehensive Income directly recognised in Retained Earnings		
Remeasurement of post employment benefit obligation, net of tax	(14.21)	0.32
Closing balance	**2,094.96**	**925.16**

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

(f) Property, Plant and Equipment Reserve (₹ in Lakhs)

	March 31, 2018	March 31, 2017
Opening balance	3,617.28	3,657.30
Add/(Less):		
Transfer to retained earnings in respect of depreciation on leasehold land	(40.02)	(40.02)
Closing balance	**3,577.26**	**3,617.28**

Property, Plant and Equipment Reserves represents reserve created on revaluation of freehold land on the date of transition to Ind AS. It is a non distributable reserve.

ii. Components of Other Comprehensive Income (₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Exchange differences on translating the financial statements of a foreign operation	2.13	-	-
Total	**2.13**	**-**	**-**

iii. Other Components of Equity (₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Money Received against share warrants	0.00	156.25	0.00
Total	**0.00**	**156.25**	**0.00**

15. BORROWINGS

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Non Current Borrowings			
Secured			
(a) Term Loans From Banks	206.40	757.98	1,520.47
(b) Long term maturity of Finance Lease Obligations	10.82	29.03	62.52
Unsecured			
(c) Deposits	-	632.39	677.42
(d) Foreign Currency Term Loan from a Foreign Promoter	1,409.22	1,471.29	1,818.64
(A)	**1,626.44**	**2,890.69**	**4,079.05**
Current Maturity of Non Current Borrowings			
Secured			
(a) Term Loans From Banks	205.58	722.16	726.35
(b) Long term maturity of Finance Lease Obligations	10.42	18.09	28.81
Unsecured			
(c) Deposits	-	423.75	95.55
(d) Foreign Currency Term Loan from a Foreign Promoter	260.72	486.49	397.56
(B)	476.72	**1,650.49**	**1,248.27**
Total (A)-(B)	**1,149.72**	**1,240.20**	**2,830.78**
Current Borrowings			
Secured			
(a) Loans repayable on demand from Banks			
- Cash Credit	3,655.71	3,067.28	2,763.75
- Bills Discounted	1,227.73	1,326.80	1,750.02
- Advance as Packing Credit for Export	827.80	109.81	422.38
Unsecured			
(b) Intercorporate Deposits	662.26	841.52	211.93
Total	**6,373.50**	**5,345.41**	**5,148.08**

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

NON CURRENT BORROWINGS

SECURED BORROWING

(A) TERM LOANS FROM BANKS

Secured by an equitable mortgage created by deposit of title deeds of the Company's factory land and buildings situated at Vapi, Hyderabad, Haridwar and Baroda and hypothecation of Plant & Machinery both present and future and also secured by personal guarantees of Directors of the Company

Terms of Repayment

(I) Term Loan from Bank of Baroda INR 228.66 lakhs which is Repayable in 16 quarterly installments after a holiday period of one year from first disbursement.

(II) Term Loan from The Zoroastrian Co-op. Bank Limited INR 46.05 lakhs Repayable in 34 monthly installments.

(III) Term Loan from Union Bank of India is INR 2306.88 lakhs and from Bank of Baroda is INR 430.33 lakhs Repayable in 20 quarterly installments commencing from September 2013.

(B) LONG TERM MATURITIES OF FINANCE LEASE OBLIGATION

Secured By hypothecation of vehicles acquired under hire purchase arrangement.

Repayable in 36 equated Monthly Installments as per various arrangements.

UNSECURED BORROWING

(A) TERM LOAN

Company have foreign currency loan from its foreign promoter which is repayable in 19 quarterly installments up to December 31, 2021.

(B) DEPOSITS

Company had fixed deposits which is repayable in 1,2, and 3 years, based on the deposits period.

CURRENT BORROWINGS

Cash Credit facility from banks

Cash Credits against hypothecation of raw materials, Stock in Process, finished goods, packing material and book debts and also guaranteed by the Directors of the Company.

Net debt Reconciliation

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

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017
Current Borrowings	6,373.50	5,345.41
Non-current Borrowings	1,626.44	2,890.69
Net Debt	**7,999.94**	**8,236.10**

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	Liabilities from financing activities		Total
	Non Current Borrowings	Current Borrowings	
Net Debt as at March 31, 2017	2,890.69	5,345.41	8,236.10
Foreign Exchange Adjustments	4.96	-	4.96
Cash Outflow	(1,341.78)	-	(1,341.78)
Net receipt from Current Borrowings	-	1,028.09	1,028.09
Fair valuation adjustments	72.57	-	72.57
Interest Expense			1,107.19
Interest Paid			(1,107.19)
Net Debt as at March 31, 2018	**1,626.44**	**6,373.50**	**7,999.94**

16. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Financial Liabilities at amortised cost			
Current maturities of long term debts	466.30	1,632.39	1,219.46
Current maturities of finance lease obligations	10.42	18.09	28.81
Unclaimed Dividends	3.72	3.72	3.72
Unclaimed matured deposits	3.34	-	-
Deposits from Dealers and Suppliers	443.49	443.49	382.49
Others			
Book Overdraft	1.31	-	36.38
Other Payables	1,833.29	1,604.28	1,895.54
Total	**2,761.87**	**3,701.97**	**3,566.40**

17. TRADE PAYABLES

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Trade Payables to Micro, Small and Medium Enterprises	122.69	27.36	23.82
Trade Payables to Others	2,932.48	3,135.99	3,228.70
Total	**3,055.17**	**3,163.35**	**3,252.52**

18. OTHER LIABILITIES

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Advance received from Customers	158.31	63.89	40.34
Statutory Liabilities*	53.42	47.44	41.05
Total	**211.73**	**111.33**	**81.39**

*Includes GST, Excise duty, Service tax and TDS

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

19. PROVISIONS

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Non Current			
Provision for employee benefits			
Leave encashment	13.06	-	-
Total	**13.06**	**-**	**-**
Current			
Provision for employee benefits			
Leave encashment	76.56	95.33	77.04
Total	**76.56**	**95.33**	**77.04**

20. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	2017-18	2016-17
Sale of products (inclusive of excise duty)		
Sale of Products	21,081.15	22,414.13
Other Operating Revenues		
Others	89.52	200.72
Total	**21,170.67**	**22,614.85**

Sale of goods includes excise duty collected from customers of INR 220.34 Lakhs (March 31, 2017: INR 948.93 Lakhs)

21. OTHER INCOME

(₹ in Lakhs)

Particulars	2017-18	2016-17
Interest income on Bank fixed deposits	49.84	52.68
Dividend income	157.24	166.72
Other Non Operating Income		
Fair value gain on financial instruments at fair value through profit and loss	-	7.61
Sundry balances written back	5.37	-
Miscellaneous Income	88.58	60.54
Total	**301.03**	**287.55**

22. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	2017-18	2016-17
Raw Material		
As at beginning of the year	873.88	854.24
Add: Purchases	4,102.81	4,169.58
Less: Samples classified under other expenses	(218.86)	(205.09)
Less : As at end of the year	(822.17)	(873.88)
	3,935.66	3,944.85
Packing Material	1,391.13	1,503.34
Total	**5,326.79**	**5,448.19**

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

23. PURCHASES OF STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	2017-18	2016-17
Traded Goods	1,988.47	2,004.38
Total	**1,988.47**	**2,004.38**

24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	2017-18	2016-17
Inventories as at the beginning of the year		
Work - in - process	1,400.15	1,305.44
Finished goods	1,905.99	1,618.14
Stock-in-trade	-	-
Total	**3,306.14**	**2,923.58**
Less : Inventories as at the end of the year		
Work - in - process	1,666.19	1,400.15
Finished goods	1,788.84	1,905.99
Total	**3,455.03**	**3,306.14**
Net decrease / (increase) in inventories	**(148.89)**	**(382.56)**

25. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	2017-18	2016-17
Salaries, wages and bonus	4,144.74	3,706.23
Contribution to provident and other funds	269.41	213.92
Share based payments to employees	20.68	46.89
Staff welfare expenses	30.10	32.74
Total	**4,464.93**	**3,999.78**

26. FINANCE COST

(₹ in Lakhs)

Particulars	2017-18	2016-17
Interest expense on debts and borrowings	1,042.74	1,057.69
Bank Charges	143.94	126.38
Total	**1,186.68**	**1,184.07**

27. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	2017-18	2016-17
Depreciation on tangible assets	719.67	725.20
Amortisation on intangible assets	21.84	21.84
Total	**741.51**	**747.04**

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

28. OTHER EXPENSES

(₹ in Lakhs)

Particulars	2017-18	2016-17
Consumption of stores and spares	134.18	142.86
Power and fuel	840.99	977.07
Processing charges	1,109.34	1,361.97
Rent	93.97	53.38
Repairs and maintenance		
Building	22.65	25.63
Plant and Machinery	35.55	53.33
Others	52.88	42.42
Insurance	70.58	58.33
Rates and taxes	35.48	24.77
Travelling and conveyance expenses	1,110.99	1,202.04
Freight and Forwarding charges	375.32	354.80
Legal and professional charges	543.64	539.80
Foreign exchange fluctuation loss	8.43	32.61
Commission	550.99	548.26
Advertisement and Sales promotion expenses	900.73	767.43
Allowance for doubtful debts and advances	(48.31)	(44.17)
Payments to Auditors (Refer Note below)	8.23	8.11
Fair value loss on financial instrument at Fair value through profit and loss	8.24	-
Management charges	29.04	-
Miscellaneous expenses	934.65	1,166.70
Total	**6,817.57**	**7,315.34**

(a) Details of Payments to auditors

(₹ in Lakhs)

	2017-18	2016-17
As auditor		
Audit Fee	7.80	7.50
In other capacity		
Other services (certification fees)	0.14	-
Re-imbursement of expenses	0.29	0.61
Total	**8.23**	**8.11**

(b) Corporate social responsibility expenditure

(₹ in Lakhs)

	2017-18	2016-17
Contribution to Rural Development Programme of the Bombay Mothers and Children Welfare Society	24.69	9.00
Contribution to Sanitary Manufacturing Unit at Jaiwadi Tribal Village	-	3.45
Total	**24.69**	**12.45**
Amount required to be spent as per Section 135 of the Act	24.62	11.49
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) on purposes other than (i) above	24.69	12.45

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

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, 2018: INR 528.35 Lakhs (March 31, 2017: INR 513.80 Lakhs) details of which are as follows:

(₹ in Lakhs)

Particulars	2017-18	2016-17
On Revenue Account :		
Manufacturing Expenses		
Material	80.05	226.19
Other Expenses	448.30	287.61
Total Research & Development Expenditure	**528.35**	**513.80**

30. EARNINGS PER SHARE

(₹ in Lakhs)

Particulars	2017-18	2016-17
(a) Basic earnings per share (INR)	12.24	17.66
(b) Diluted earnings per share (INR)	12.21	17.62
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	1,123.42	1,595.92
Diluted earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	1,123.42	1,595.92
Adjustments for calculation of diluted earnings per share:	-	-
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	**1,123.42**	**1,595.92**
(d) 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	9,180,942	9,039,433
Adjustments for calculation of diluted earnings per share:		
Employee Stock Options	17,740	20,220
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	**9,198,682**	**9,059,653**

31. EMPLOYEE BENEFIT OBLIGATIONS

(₹ in Lakhs)

	March 31, 2018			March 31, 2017		
	Current	Non Current	Total	Current	Non Current	Total
Provisions						
Leave obligations	76.56	13.06	**89.62**	95.33	-	**95.33**
Employee Benefit Obligations	**76.56**	**13.06**	**89.62**	**95.33**	**-**	**95.33**
Plan Assets						
Gratuity	-	204.76	**204.76**	-	204.74	**204.74**
Employee Benefit Plan Assets	**-**	**204.76**	**204.76**	**-**	**204.74**	**204.74**

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

(i) Leave Obligations

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

The amount of the provision of INR 76.56 Lakhs (March 31, 2017: INR 95.33 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) 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 a **funded plan** and the company makes contributions to recognised funds in India. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

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

	Present value of obligation	Fair value of plan assets	Net amount
As at April 1, 2016	155.49	302.74	147.25
Current service cost	24.89	-	(24.89)
Interest expense/(income)	12.44	26.29	13.85
Error in Reconciliation	-	25.86	25.86
Total amount recognised in profit or loss	**192.82**	**354.89**	**162.07**
Remeasurements			
Return of plan assets, excluding amount included in interest (income)	-	(16.03)	(16.03)
(Gain)/Loss from change in financial assumptions	3.48	-	(3.48)
Experience (gains)/losses	(20.18)	-	20.18
Total amount recognised in other comprehensive income	**(16.70)**	**(16.03)**	**0.67**
Employer contributions	-	42.00	42.00
Benefit payments	(22.57)	(22.57)	-
As at March 31, 2017	**153.55**	**358.29**	**204.74**
Current service cost	31.57	-	(31.57)
Interest expense/(income)	11.89	27.49	15.60
Error in Reconciliation	-	(3.14)	(3.14)
Total amount recognised in profit or loss	**43.46**	**24.35**	**(19.11)**
Remeasurements			
Return of plan assets, excluding amount included in interest (income)	-	(23.91)	(23.91)
(Gain)/Loss from change in financial assumptions	(5.49)	-	5.49
Experience (gains)/losses	4.45	-	(4.45)
Total amount recognised in other comprehensive income	**(1.04)**	**(23.91)**	**(22.87)**
Employer contributions	-	42.00	42.00
Benefit payments	(22.14)	(22.14)	-
As at March 31, 2018	**173.83**	**378.59**	**204.76**

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

The major categories of plan assets of the fair value of the total plan assets are as follows **(₹ in Lakhs)**

Particulars	March 31, 2018	March 31, 2017
Contribution to LIC	378.59	358.29

The significant actuarial assumptions were as follows:

	March 31, 2018	March 31, 2017	April 1, 2016
Discount rate	8.07%	7.74%	8.00%
Expected return on plan assets	8.07%	7.74%	8.00%
Salary growth rate	4.00%	4.00%	4.00%
Employee turnover rate	1.00%	1.00%	1.00%

A quantitative sensitivity analysis for significant assumption as at March 31, 2018 is shown below: **(₹ in Lakhs)**

Assumptions	Discount rate		Employee turnover rate		Salary growth rate	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
March 31, 2018						
Impact on defined benefit obligation	(7.76)	8.44	3.11	(3.37)	8.75	(8.09)
% Impact	-4.46%	4.86%	1.79%	-1.94%	5.03%	-4.65%
March 31, 2017						
Impact on defined benefit obligation	(6.56)	7.13	2.35	(2.55)	7.36	(6.81)
% Impact	-4.27%	4.65%	1.53%	-1.66%	4.80%	-4.44%

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 contributions to the defined benefit plan in future years: **(₹ in Lakhs)**

	March 31, 2018	March 31, 2017
1st following year	17.63	24.24
2nd following year	5.02	5.27
3rd following year	18.54	6.76
4th following year	10.36	16.66
5th following year	11.05	8.94
Sum of Years 6 to 10	84.06	65.90
Sum of Years 11 and above	340.57	NA
Total expected payments	**487.23**	**127.77**

The average duration of the defined benefit plan obligation at the end of the reporting period is 11 years (March 31, 2017: 11 years)

iii) Defined contribution plans

The company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic 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 214.59 Lakhs (March 31, 2017: INR 183.53 Lakhs)

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

32. SHARE BASED PAYMENTS

(a) Employee option plan

The Company implemented Themis Medicare Employee Stock Option Scheme 2012 (herein after referred to as ""Themis Medicare ESOS 2012"" or "the Scheme") as approved by the Shareholders of the Company and the Nomination and Remuneration Committee of the Board of Directors.

The purpose of this Scheme is to promote the success of the Company and its subsidiaries and the interest of its shareholders by rewarding, attracting, motivating, and retaining Employees for high levels of individual performance, for efforts to improve the financial performance of the Company.

The Employee Stock Option Plan (ESOP) is designed to provide incentives to eligible employees to deliver long term returns. Under the plan, participants are granted options which vest upon completion of 1 year of service from the grant date. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Once vested, the options remain exercisable for a period of 5 years. When exercisable, each option is convertible into one equity share.

Movement during the period

The number and weighted average exercise prices (WAEP) of the options and movement during the period is as follows

	March 31, 2018		March 31, 2017	
	Number of options	WAEP	Number of options	WAEP
Opening balance	64,397	293.26	199,730	163.68
Granted duing the period	-	-	-	-
Exercised during the period*	16,509	250.72	88,933	99.32
Forfeited during the period	-	-	5,000	77.85
Expired during the period	7,860	334.75	41,400	110.74
Closing balance	**40,028**	**302.66**	**64,397**	**293.26**
Vested and exercisable	21,108	273.90	21,858	212.52

* The weighted average share price at the date of exercise of options during the period ended March 31, 2018 was INR 567.23 (March 31, 2017: INR 547.43)

Share options outstanding at the end of the period have the following expiry date and exercise prices

Grant	Expiry date	Exercise price (INR)	Share options March 31, 2018	Share options March 31, 2017
G1-31/07/2012	31/07/2020	77.85	5,000	10,400
G2-10/02/2016	10/02/2024	334.75	35,028	53,997
Total			**40,028**	**64,397**
Weighted average remaining contractual life of options outstanding at the end of period			2.6 years	5.4 years

(b) Expense arising from share based payment transactions

Total expenses arising from share based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

(₹ in Lakhs)

	March 31, 2018	March 31, 2017
Employee stock option	20.68	46.89

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

33. COMMITMENTS AND CONTINGENCIES

A. Commitments **(₹ in Lakhs)**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-
(b) Uncalled liability on shares and other investments partly paid	-	-	-
(c) Other commitments			
(i) Liability on account of Custom duty on goods in bonded warehouse or in transit is, as per the Company's practice charged to Profit and Loss Account only in the year in which the goods are cleared from the Custom. This accounting policy has no effect on the Profit for the year.	-	-	-
(ii) Liability on account of Excise duty in respect of goods manufactured and liable to payment of Excise duty when cleared from the factory premises, is accounted at the time of removal of the goods from the place of manufacture for sale or for captive use. This accounting policy has no effect on the Profit for the year.	-	-	2.51
	-	-	**2.51**

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

B. Contingent Liabilities (₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
i. Claim against the company not acknowledged as debt			
(i) The Ministry of Chemicals & Fertilizers ,Government of India has raised demand under Drug Price Control Order,1979 / 1995 for difference in actual price and price of respective bulk drug allowed while fixing the prices of certain life saving formulations which are disputed by the Company. The Company has preferred Appeals before Honorable High Courts of Gujarat and Bombay in respect of Bulk Drug Rifampicin and Ethambutol respectively, for grant of ad interim stay. While allowing the stay, The Honorable High Court Gujarat directed the Company to deposit Principal Liability of INR 34.80 lakhs out of the total liability of INR 126.08 lakhs as worked out by the Department of Chemicals & Fertilizers, Govt. of India. The Company has already complied with the directions of the Honorable Court. In respect of Liability for Bulk Drug Ethambutol, the Honorable Bombay High Court had directed the Company to submit Bank Guarantee of Principle amount with Court & stayed the matter. The Company has complied with the direction of the Honorable High Court. Similarly, a demand notice is received during a previous year from NPPA, New Delhi, in respect of Formulation Tetracox, The Company has preferred Writ Petition at Honorable High Court Uttarakhand, Nainital, as well for stay of demand. The matter is pending before the High Court.	435.98	435.98	435.98
(ii) Others	0.87	0.87	0.87
ii. Guarantees excluding financial guarantees			
Bank Guarantees	136.47	125.57	145.49
iii. Other money for which the company is contingently liable			
(i) In respect of Letter of Credit	74.65	122.20	172.89
(ii) Disputed VAT Liability as the matters are in appeal	17.60	17.60	32.95
(iii) Customs duty payable on raw materials imported under duty exemption scheme in case of non-fulfillment of export obligation.	222.18	211.71	222.50
	887.75	**913.93**	**1,010.68**

C. Financial Guarantees (₹ in Lakhs)

	March 31, 2018	March 31, 2017	April 1, 2016
Long Island Nutritionals Private Limited (refer note)	250.00	250.00	250.00

Note: Financial guarantee given by Themis Medicare Limited to the lenders of Long Island Nutritionals Private Limited

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

34. INTEREST IN OTHER ENTITIES

(a) Subsidiaries

The group's subsidiaries at March 31, 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The county of incorporation or registration is also their principal place of business.

Name of entity	Place of business / incorporation	Principal activities	Ownership interest held by the group			Ownership interest held by non controlling interest		
			March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Carpo Medical Limited	United Kingdom		90%	-	-	10%	-	-
Themis Life Style Private Limited	India		90%	-	-	10%	-	-
HIDPUL-KFT, Hungary (Upto 5th October, 2016)	Hungary		0%	0%	100.00	0%	0%	0%

(b) Interest in associates and joint ventures

(i) Set out below are the associates and joint ventures of the group as at March 31, 2018 which, in the opinion of the directors, are material to the group. The entities listed below have share capital consisting solely of equity shares, which are held direclty by the ownership interest is the same as the proportion of voting rights held

Name of entity	Place of Business	% of ownership interest	Relationship	Accounting Method	Carrying Amount		
					March 31, 2018	March 31, 2017	April 1, 2016
Long Island Nutrionals Private Limited	India	37.14%	Associate	Equity Method	(0.00)	(0.00)	8.94
Gujarat Themis Biosyn Limited	India	23.19%	Associate	Equity Method	741.13	650.72	549.31
Richter Themis Medicare (India) Private Limited	India	49.00%	Joint Venture	Equity Method	1,670.93	1,501.26	1,474.73

Name of entity	Carrying Amount			Quoted Fair Value		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Long Island Nutrionals Private Limited **	(0.00)	(0.00)	8.94	-	-	-
Gujarat Themis Biosyn Limited	741.13	650.72	549.31	1,408.49	1,747.14	1,711.76
Richter Themis Medicare (India) Private Limited **	1,670.93	1,501.26	1,474.73	-	-	-

** Unlisted entity - no quoted price available

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

(ii) Summarised financial information for associates and joint ventures

The table below provides summarised financial information for those joint ventures and associates that are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustements made at the time of acquisition and modification for differences in accounting policies.

Summarised balance sheet	Long Island Nutrionals Private Limited			Gujarat Themis Biosyn Limited			Richter Themis Medicare (India) Private Limited		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Current assets									
Cash and cash equivalents	*	*	*	*	*	*	863.02	177.63	1,200.34
Other assets	*	*	*	*	*	*	5,467.19	4,639.92	4,318.34
Total current assets	**196.93**	**204.92**	**178.54**	**784.03**	**824.87**	**313.01**	**6,330.21**	**4,817.55**	**5,518.68**
Total non current assets	**232.46**	**252.14**	**258.16**	**1,265.14**	**1,318.19**	**1,154.85**	**6,022.94**	**6,410.85**	**6,671.45**
Current liabilities									
Financial liabilities(excluding trade payables)	*	*	*	*	*	*	920.49	954.40	951.23
Other liabilities	*	*	*	*	*	*	1,733.22	832.49	1,033.43
Total current liabilites	**207.55**	**192.99**	**133.84**	**791.85**	**1,189.91**	**931.64**	**2,653.71**	**1,786.89**	**1,984.65**
Non current liabilities									
Financial liabilities (excluding trade payables)	*	*	*	*	*	*	5,701.07	5,699.50	6,725.92
Other liabilities	*	*	*	*	*	*	343.01	370.12	469.88
Total non current liabilties	**806.59**	**741.55**	**683.55**	**46.40**	**132.16**	**151.83**	**6,044.08**	**6,069.62**	**7,195.80**
Net Assets	**(584.75)**	**(477.48)**	**(380.69)**	**1,210.92**	**820.99**	**384.39**	**3,655.36**	**3,371.89**	**3,009.68**

***indicates disclosures that are not required for investments in associates**

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

Reconciliation to carrying amounts

Particulars	Long Island Nutrionals Private Limited		Gujarat Themis Biosyn Limited		Richter Themis Medicare (India) Private Limited	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Opening net assets	**(477.48)**	**(380.69)**	820.99	**384.39**	**3,371.89**	**3,009.68**
Profit for the year	(107.27)	(96.79)	386.72	437.75	654.17	362.21
Other comprehensive income	-	-	3.21	(0.51)	-	-
Dividends paid	-	-	-	-	(308.00)	-
Other adjustments	-	-	-	(0.64)	(62.70)	-
Closing net assets	**(584.75)**	**(477.48)**	**1,210.92**	**820.99**	**3,655.36**	**3,371.89**
Group's share in %	37.14%	37.14%	23.19%	23.19%	49.00%	49.00%
Group's share in INR	(217.18)	(177.34)	280.81	190.39	1,791.13	1,652.22
Goodwill	-	-	460.32	460.33	-	-
Other adjustments	-	-	-	-	(120.20)	(150.92)
Carrying amount	**-**	**-**	**741.13**	**650.72**	**1,670.93**	**1,501.26**

Summarised statement of profit and loss	Long Island Nutrionals Private Limited		Gujarat Themis Biosyn Limited		Richter Themis Medicare (India) Private Limited	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Revenue from operations	63.04	84.56	3,879.99	3,569.16	8,031.05	5,819.40
Interest income	*	*	*	*	70.06	13.86
Depreciation and amortisation	*	*	*	*	499.66	633.11
Interest expense	*	*	*	*	117.53	45.89
Income tax expense	*	*	*	*	318.28	134.27
Profit for the year	**(107.27)**	**(96.79)**	**386.72**	**437.75**	**654.17**	**362.21**
Other comprehensive income	-	-	3.21	(0.51)	-	-
Total comprehensive income	**(107.27)**	**(96.79)**	**389.93**	**437.24**	**654.17**	**362.21**
Dividends paid	-	-	-	-	308.00	308.00

*** indicates disclosures that are not required for investments in associates**

	March 31, 2018	March 31, 2017
Share of profits from associates	89.68	92.57
Share of profits from joint ventures	169.62	26.56
Total share of profits from associates and joint ventures	**259.30**	**119.13**

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

35. DISCLOSURES REQUIRED BY SCHEDULE III

Name of the Entity in the Group	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Themis Medicare Limited	86.08%	14,534.49	82.74%	929.49	120.18%	(14.95)	82.32%	914.54
Subsidiaries								
Indian								
Themis Life Style Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Artemis Biotech Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign								
Carpo Medical Limited	-0.39%	(65.62)	-5.60%	(62.89)	28.75%	(3.58)	-5.98%	(66.47)
HIDPUL-KFT, Hungary (Upto 5th October, 2016)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non-controlling Interests in all subsidiaries	-0.04%	(6.56)	-0.56%	(6.29)	0.00%	-	-0.57%	(6.29)
Associates (Investment as per the equity method)								
Indian								
Long Island Nutrionals Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Gujarat Themis Biosyn Limited	4.39%	741.13	7.98%	89.68	-5.99%	0.74	8.14%	90.42
Joint Ventures(investment as per the equity method)								
Indian								
Richter Themis Medicare (India) Private Limited	9.90%	1,670.93	15.10%	169.64	0.00%	-	15.27%	169.64
Total Elimination/ consolidation adjustments	0.07%	11.16	0.34%	3.79	-43.03%	5.35	0.82%	9.14
Total	**100.00%**	**16,885.53**	**100.00%**	**1,123.42**	**99.92%**	**(12.44)**	**100.00%**	**1,110.98**

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

36. 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
Subsidiary	
Themis Life Style Private Limited	India
Carpo Medical Limited	United Kingdom
HIDPUL-KFT, Hungary (Upto 5th October, 2016)	Hungary
Artemis Biotech Limited	India
Associate	
Long Island Nutrionals Private Limited	India
Gujarat Themis Biosyn Limited	India
Joint Venture	
Richter Themis Medicare (India) Private Limited	India
Enterprises over which KMPs are able to exercise significant influence	
Themis Distributors Private Limited	India
Vividh Distributors Private Limited	India
Vividh Margi Investments Private Limited	India
Key Managerial Personnel	
Dr. Dinesh S. Patel (Executive Vice Chairman)	
Dr. Sachin D. Patel (Managing Director and CEO)	
Prakash D. Naringrekar (Company Secretary) (till June 30, 2017)	
Tushar J. Dalal (Chief Financial Officer)	
Sangameshwar Iyer (Company Secretary) (w.e.f August 16, 2017)	
Humayun Dhanrajgir (Director)	
Vijay Gopi Kishan Agarwal (Director)	
Hoshang Noshirwan Sinor (Director)	
Rajneesh Kedarnath Anand (Director)	
Hariharan Subramaniam (Director)	
Lajos Kovacs (Director)	
Gulasci Mihaly Gabor (Director)	
Relatives of Key Managerial Personnel	
Jayshree D. Patel	
Meena A. Patel	
Hemlata B. Patel	
Reena S. Patel	

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

(ii) Transactions with related parties **(₹ in Lakhs)**

Name	Nature of Transaction	March 31, 2018	March 31, 2017
Vividh Distributors Private Limited	Sale of finished goods	1,070.86	1,080.21
	Freight and other Expenses	2.37	1.25
	Electricity Charges	-	0.13
	Telephone Charges	-	0.01
Themis Distributors Private Limited	Sale of finished goods	2,028.32	1,912.49
	Freight and other Expenses	0.19	0.25
	Electricity Charges	0.18	-
	Telephone Charges	0.07	-
Vividh Margi Investments Private Limited	Sale of finished goods	892.49	722.84
	Freight and other Expenses	1.38	1.42
	Electricity Charges	3.10	2.59
	Telephone Charges	0.13	0.02
Richter Themis Medicare (India) Private Limited	Sale of finished goods	5.55	28.18
	Purchase of goods	191.87	102.17
	Dividend Income	150.92	150.92
Gujarat Themis Biosyn Limited	Sale of finished goods	219.37	134.78
	Purchase of goods	230.21	-
Long Island Nutrionals Private Limited	Purchase of goods	47.16	20.10
Dr. Dinesh S. Patel	Interest on Fixed Deposit	13.11	17.13
Dr. Sachin D. Patel	Interest on Fixed Deposit	6.01	9.73
Mrs. Jayashree D. Patel	Interest on Fixed Deposit	25.04	32.72
	Remuneration paid	45.39	30.65
	Consultancy	-	40.40
Mrs. Meena A. Patel	Interest on Fixed Deposit	0.64	0.65
Mrs Hemlata B.Patel	Interest on Fixed Deposit	0.69	0.80

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

(iii) Outstanding balances arising from sales/purchases of goods **(₹ in Lakhs)**

Name	March 31, 2018	March 31, 2017	April 1, 2016
Trade Receivables			
Vividh Distributors Private Limited	456.26	427.87	422.16
Themis Distributors Private Limited	1,025.34	747.28	631.53
Vividh Margi Investments Private Limited	279.65	199.88	203.48
Richter Themis Medicare (India) Private Limited	37.99	32.44	17.05
Gujarat Themis Biosyn Limited	80.78	134.78	-

(iv) Key management personnel compensation **(₹ in Lakhs)**

	March 31, 2018	March 31, 2017
Short term employee benefits	171.27	191.43
Post-employment benefits	-	8.50
Long term employee benefits*	-	-
Directors sitting fees	17.60	18.00
Employee share based payment	1.40	2.48
Total	**190.27**	**220.41**

*The amounts of Long term employee benefits cannot be seperately identified from the composite amount advised by the actuary/valuer.

(v) Terms and conditions of transactions with related parties

The sales to and purchases from 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 issued financial guarantees to the lender on behalf of its associate Company amounted to INR 250.00 Lakhs (March 31, 2017 : INR 250.00 Lakhs). For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amount owed by related parties (March 31, 2017: 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.

37. SEGMENT REPORTING

The Group primarily operates in one business segment only i.e. Pharmaceuticals, which is the only reportable segment. There is no other segment which requires reporting as per Ind AS 108 "Operating Segments".

Information about geographical areas

Revenue from external customers

The Holding company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

(₹ in Lakhs)

	March 31, 2018	March 31, 2017
India	16,862.86	16,832.90
Outside India	4,218.29	5,581.23
Total	**21,081.15**	**22,414.13**

Revenue arising from sale of products to two customers amounted to INR 2,374.16 Lakhs and 2,115.96 Lakhs (March 31, 2017: two customer amounted to INR 3,491.64 Lakhs and 2,738.73 Lakhs), exceeds 10% of revenue from operations of the Group.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

38. FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category (₹ in Lakhs)

Particulars	Carrying Amount			Fair Value		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
FINANCIAL ASSETS						
Amortised cost						
Investments in Government Securities	0.58	0.58	0.58	0.58	0.58	0.58
Trade Receivables	6,862.74	4,824.66	2,328.26	6,862.74	4,824.66	2,328.26
Cash and Cash Equivalents	448.50	578.19	616.04	448.50	578.19	616.04
Security Deposits	317.13	278.55	246.99	317.13	278.55	246.99
Other Bank Balances	242.12	283.65	215.48	242.12	283.65	215.48
Other Financial Assets	101.73	102.54	112.54	101.73	102.54	112.54
FVTPL						
Investment in Equity Instruments	15.50	18.58	16.12	15.50	18.58	16.12
Investments in Bonds	10.00	10.00	10.00	10.00	10.00	10.00
Investments in Mutual Funds	-	105.16	-	-	105.16	-
Total	**7,998.30**	**6,201.91**	**3,546.01**	**7,998.30**	**6,201.91**	**3,546.01**
FINANCIAL LIABILITIES						
Amortised cost						
Borrowings	7,999.94	8,236.10	9,227.13	7,999.94	8,236.10	9,227.13
Trade Payables	3,055.17	3,163.35	3,252.52	3,055.17	3,163.35	3,252.52
Other financial liabilities	2,285.15	2,051.49	2,318.14	2,285.15	2,051.49	2,318.14
Total	**13,340.26**	**13,450.94**	**14,797.79**	**13,340.26**	**13,450.94**	**14,797.79**

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 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.

ii. Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determing fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

Assets and liabilities measured at fair value - recurring fair value measurement: **(₹ in Lakhs)**

Particulars	March 31, 2018			Total	March 31, 2017			Total
	Fair value measurement using				Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Financial Assets								
Fair Value Through Profit and Loss								
Investment in Equity Instruments	13.27	-	2.23	15.50	16.35	-	2.23	18.58
Investments in Bonds and Debentures	-	-	10.00	10.00	-	-	10.00	10.00
Mutual Funds	-	-	-	-	105.16	-	-	105.16
Total Assets	**13.27**	**-**	**12.23**	**25.50**	**121.51**	**-**	**12.23**	**133.74**

Particulars	April 1, 2016			Total
	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Financial Assets				
Fair Value Through Profit and Loss				
Investment in Equity Instruments	13.89	-	2.23	16.12
Investments in Bonds and Debentures	-	-	10.00	10.00
Mutual Funds	-	-	-	-
Total Assets	**13.89**	**-**	**12.23**	**26.12**

There have been no transfers among Level 1, Level 2 and Level 3 during the period

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

iii. 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

The fair value of unquoted equity instruments and unquoted bonds is not significantly different from their carrying value and hence the management has considered their carrying amount as fair value.

iv. 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.

39. 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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

iii. Reconciliation of loss allowance provision - Trade receivables

(₹ in Lakhs)

Particulars	
Loss allowance on April 1, 2016	1,703.26
Changes in loss allowance	(44.17)
Loss allowance on March 31, 2017	**1,659.09**
Changes in loss allowance	(48.31)
Loss allowance on March 31, 2018	**1,610.78**

(B) Liquidity risk

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 include both interest and principal cash flows. To the extent that interest rates are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

(₹ in Lakhs)

Contractual maturities of financial liabilities		Contractual cash flows			
Particulars	Carrying Amount	Total	Less than 1 year	1 to 5 years	More than 5 years
March 31, 2018					
Borrowings	7,999.94	8,832.71	7,589.01	1,243.70	-
Trade payables	3,055.17	3,055.17	3,055.17	-	-
Other financial liabilities	2,285.15	2,285.15	2,285.15	-	-
Total financial liabilities	**13,340.26**	**14,173.03**	**12,929.33**	**1,243.70**	**-**
March 31, 2017					
Borrowings	8,236.10	9,592.59	7,133.38	2,459.21	-
Trade payables	3,163.35	3,163.35	3,163.35	-	-
Other financial liabilities	2,051.49	2,051.49	2,051.49	-	-
Total financial liabilities	**13,450.94**	**14,807.43**	**12,348.22**	**2,459.21**	**-**
April 1, 2016					
Borrowings	9,227.13	10,864.18	6,617.00	4,247.18	-
Trade payables	3,252.52	3,252.52	3,252.52	-	-
Other financial liabilities	2,318.14	2,318.14	2,318.14	-	-
Total financial liabilities	**14,797.79**	**16,434.84**	**12,187.66**	**4,247.18**	**-**

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

(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.

(a) The company exposure to foreign currency risk at the end of the reporting period expressed in INR lakhs, are as follows

(₹ in Lakhs)

	USD	EURO	AUD	Total
March 31, 2018				
Trade Receivables	890.20	40.43	-	**930.63**
Trade Payable	(295.33)	(0.57)	(19.72)	**(315.62)**
Foreign Currency Borrowings	(1,663.32)	-	-	**(1,663.32)**
Other receivables	-	-	-	**-**
Net exposure to foreign currency risk	**(1,068.45)**	**39.86**	**(19.72)**	**(1,048.31)**
March 31, 2017				
Trade Receivables	1,069.19	369.99	-	**1,439.18**
Trade Payable	(284.08)	(0.57)	(0.55)	**(285.20)**
Foreign Currency Borrowings	(2,347.87)	-	-	**(2,347.87)**
Other receivables	-	-	-	**-**
Net exposure to foreign currency risk	**(1,562.76)**	**369.42**	**(0.55)**	**(1,193.89)**
April 1, 2016				
Trade Receivables	1,219.98	321.87	-	**1,541.85**
Trade Payable	(594.33)	(0.57)	(27.68)	**(622.58)**
Foreign Currency Borrowings	(3,472.43)	-	-	**(3,472.43)**
Other receivables	-	-	-	**-**
Net exposure to foreign currency risk	**(2,846.78)**	**321.30**	**(27.68)**	**(2,553.16)**

(b) Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

	2017-18		2016-17	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	(10.68)	10.68	(15.63)	15.63
EURO	0.40	(0.40)	3.69	(3.69)
Net Increase/(decrease) in profit or loss	**(10.28)**	**10.28**	**(11.94)**	**11.94**

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

(ii) Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. Company policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During March 31, 2018, March 31, 2017 and April 1, 2016, the company's borrowings at variable rate were mainly denominated in USD.

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market

(a) Interest rate risk exposure

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Variable rate borrowings	1,409.22	1,471.29	1,818.64
Fixed rate borrowings	6,590.72	6,764.81	7,408.49
Total borrowings	**7,999.94**	**8,236.10**	**9,227.13**
% of borrowings at variable rate	**18%**	**18%**	**20%**

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ in Lakhs)

Particulars	Impact on profit before tax	
	March 31, 2018	March 31, 2017
Interest rates - increase by 50 basis points*	0.73	0.76
Interest rates - decrease by 50 basis points*	(0.73)	(0.76)

*holding all other variables constant.

(iii) Commodity Price risk

The Group's operating activities involve purchase and sale of Active Pharmaceutical Ingredients (API), whose prices are exposed to the risk of fluctuation over short periods of time. Commodity price risk exposure is evaluated and managed through procurment and other related operating policies. As of March 31, 2018, March 31, 2017 and April 1, 2016 the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

40. 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.

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Borrowings other than convertible preference shares	7,999.94	8,236.10	9,227.13
Trade payables	3,055.17	3,163.35	3,252.52
Other Financial Liabilities	2,285.15	2,051.49	2,318.14
Less: cash and cash equivalents	(448.50)	(578.19)	(616.04)
Less: Other Bank Balance	(242.12)	(283.65)	(215.48)
Net Debt	**12,649.64**	**12,589.10**	**13,966.27**
Equity Share capital	918.09	903.94	851.50
Other Equity	15,967.41	14,339.67	10,054.61
Total Capital	**16,885.50**	**15,243.61**	**10,906.11**
Capital and net debt	**29,535.14**	**27,832.71**	**24,872.38**
Gearing ratio	**42.83**	**45.23**	**56.15**

41. ASSETS GIVEN AS COLLATERAL SECURITY AGAINST BORROWINGS

The carrying amount of assets given as collateral security for current and non current borrowings are: **(₹ in Lakhs)**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
CURRENT ASSETS			
Trade Receivables	6,862.74	4,824.66	2,328.26
Inventories	4,957.53	4,844.08	4,511.35
Total current assets	**11,820.27**	**9,668.74**	**6,839.61**
NON CURRENT ASSETS			
Property, plant and equipment	12,404.17	12,163.36	12,735.74
Total non current assets	**12,404.17**	**12,163.36**	**12,735.74**

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

42. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Principal amount due to suppliers under MSMED Act, 2006*	122.69	27.36	23.82
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	-	-	-

*Amount includes due and unpaid of INR 122.69 Lakhs (March 31, 2017: INR 27.36 Lakhs)

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.

43. DEFERRAL/CAPITALISATION OF EXCHANGE DIFFERENCES

The Ministry of Corporate Affairs (MCA) has issued the amendment dated December 29, 2011 to AS 11 "The Effects of Changes in Foreign Exchange Rates", to allow companies deferral/capitalization of exchange differences arising on long-term foreign currency monetary items. In accordance with the amendment/earlier amendment to AS 11, the Company has capitalised exchange loss, arising on long-term foreign currency loan to the cost of plant and equipments.

Accordingly foreign exchange gain/(loss) adjusted against: (₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Cost of the assets / Capital work in progress	4.46	28.55	194.15
Amortised in the current year	14.50	20.22	-

44. DISCLOSURES REQUIRED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013

(₹ in Lakhs)

Name of the Party	Nature	Purpose	March 31, 2018	March 31, 2017	April 1, 2016
Long Island Nutritionals Private Limited	Corporate Guarantee	Borrowings	250.00	250.00	250.00

45. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 was issued in February 2016 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after April 1, 2018. The Company will adopt the new standard on the required effective date.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

46. FIRST TIME ADOPTION OF IND AS

These are the company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

i. Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets covered by Ind AS 38 - Intangible Assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value. except for land which are fair valued on the date of transition and used the fair value as deemed cost.

ii. Estimates

The estimates at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- FVTPL – unquoted investments
- Impairment of financial assets based on expected credit loss model

The estimates used by the company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2016, the date of transition to Ind AS and as of March 31, 2017.

iii. Share based payment transactions

A first-time adopter is encouraged, but not required, to apply Ind AS 102 Share-based Payment to equity instruments that were vested on or before the date of transition to Ind AS. However, if a first-time adopter elects to apply Ind AS 102 to such equity instruments, it may do so only if the entity has disclosed publicly the fair value of those equity instruments determined at the measurement date as defined in Ind AS 102. If a first-time adopter modifies the terms or conditions of a grant of equity instruments to which Ind AS 102 has not been applied, the entity is also not required to apply Ind AS 102's requirements for modifications of awards if the modification occurred before the date of transition to Ind AS.

Therefore, Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before April 1, 2016. For cash-settled share-based payment transactions, the Company has not applied Ind AS 102 to liabilities that were settled before April 1, 2016.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i. Reconciliation of equity as at date of transition (April 1, 2016) **(₹ in Lakhs)**

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind-AS
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	1	8,685.67	4,050.09	12,735.76
(b) Capital Work-in-Progress		516.83	-	516.83
(c) Intangible Assets		229.92	-	229.92
(d) Investments accounted for using the equity method		2,032.99	-	2,032.99
(e) Financial Assets				
(i) Investments	2	7.74	21.09	28.83
(ii) Other Financial Assets		35.02	-	35.02
(f) Deferred Tax Asset (Net)	6	173.01	467.79	640.79
(g) Other Non-Current Assets	7	317.45	173.11	490.56
		11,998.64	**4,712.08**	**16,710.72**
Current assets				
(a) Inventories		4,511.36	-	4,511.36
(b) Financial Assets				
(i) Trade Receivables	3	4,031.52	(1,703.26)	2,328.26
(ii) Cash and Cash Equivalents		616.04	-	616.04
(iii) Bank Balances Other than (ii) above		215.48	-	215.48
(iv) Other Financial Assets		324.49	-	324.49
(c) Other Current Assets		1,125.53	30.47	1,156.00
		10,824.42	**(1,672.79)**	**9,151.63**
Total		**22,823.06**	**3,039.29**	**25,862.35**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		851.50	-	851.50
(b) Other Equity	8	6,551.16	3,503.46	10,054.62
Equity attributable to equity holders of the parent		**7,402.66**	**3,503.46**	**10,906.12**
Non Controlling Interest		-	-	-
Total Equity		**7,402.66**	**3,503.46**	**10,906.12**
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	4	3,044.68	(213.89)	2,830.79
		3,044.68	**(213.89)**	**2,830.79**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		5,148.09	-	5,148.09
(ii) Trade Payables				
Micro, Small and Medium Enterprises		23.82	-	23.82
Others		3,228.70	-	3,228.70
(iii) Other Financial Liabilities		3,566.39	-	3,566.39
(b) Other Current Liabilities		81.39	-	81.39
(c) Provisions	7	327.32	(250.28)	77.04
		12,375.72	**(250.28)**	**12,125.44**
Total		**22,823.06**	**3,039.29**	**25,862.35**

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

ii. Reconciliation of equity as at March 31, 2017 **(₹ in Lakhs)**

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind-AS
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	1	8,148.13	4,015.21	12,163.35
(b) Capital Work-in-Progress		894.87	-	894.87
(c) Intangible Assets		208.08	-	208.08
(d) Investments accounted for using the equity method	11	2,227.98	(75.98)	2,152.00
(e) Financial Assets				
(i) Investments	2	7.74	23.55	31.29
(ii) Other Financial Assets		25.02	-	25.02
(f) Deferred Tax Asset (Net)	6	226.99	253.13	480.13
(g) Other Non-Current Assets	7	301.37	204.74	506.11
		12,040.18	**4,420.66**	**16,460.85**
Current assets				
(a) Inventories		4,844.08	-	4,844.08
(b) Financial Assets				
(i) Investments	2	100.00	5.16	105.16
(ii) Trade Receivables	3	6,483.75	(1,659.08)	4,824.66
(iii) Cash and Cash Equivalents		578.19	-	578.19
(iv) Bank Balances Other than (iii) above		283.65	-	283.65
(v) Other Financial Assets		356.05	-	356.05
(c) Other Current Assets		1,428.10	20.45	1,448.55
		14,073.82	**(1,633.46)**	**12,440.35**
Total		**26,114.00**	**2,787.20**	**28,901.20**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		903.94	-	903.94
(b) Other Equity	8	11,142.09	3,197.59	14,339.68
Equity attributable to equity holders of the parent		**12,046.03**	**3,197.59**	**15,243.62**
Non Controlling Interest		-	-	-
Total Equity		**12,046.03**	**3,197.59**	**15,243.62**
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	4	1,366.27	(126.08)	1,240.20
		1,366.27	**(126.08)**	**1,240.20**
Current Liabilities			-	-
(a) Financial Liabilities				
(i) Borrowings		5,345.42	-	5,345.42
(ii) Trade Payables				
Micro, Small and Medium Enterprises		27.36	-	27.36
Others		3,135.97	-	3,135.97
(iii) Other Financial Liabilities		3,701.97	-	3,701.97
(b) Other Current Liabilities		111.33	-	111.33
(c) Provisions	7	379.64	(284.31)	95.33
		12,701.70	**(284.31)**	**12,417.38**
Total		**26,114.00**	**2,787.20**	**28,901.20**

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

iii. Reconciliation of total comprehensive income for the year ended March 31, 2017 **(₹ in Lakhs)**

Particulars	Notes	IGAAP	Adjustments	IND AS Balance
REVENUE				
Revenue from operations (net)		22,614.85	-	22,614.85
Other income	2	279.94	7.61	287.55
Total Revenue (I)		**22,894.79**	**7.61**	**22,902.40**
EXPENSES				
Cost of materials consumed		5,448.19	-	5,448.19
Purchases of stock-in-trade		2,004.38	-	2,004.38
Changes in inventories of finished goods work-in-process and Stock-in-Trade		(382.56)	-	(382.56)
Excise duty		948.93	-	948.93
Employee benefits expense	5,7	4,017.88	(18.10)	3,999.78
Finance costs	4	1,088.15	95.91	1,184.07
Depreciation and amortization expense	1	710.25	36.79	747.04
Other expenses	3	7,359.49	(44.17)	7,315.34
Total Expenses (II)		**21,194.71**	**70.43**	**21,265.17**
Profit/(loss) before share of profit/(loss) of an associate and a joint venture, exceptional items and tax (I-II)		**1,700.08**	**(62.82)**	**1,637.23**
Share of profit/(loss) of an associate and a joint venture	11	194.92	(75.79)	119.13
Profit/(loss) before exceptional items and tax		**1,895.00**	**(138.61)**	**1,756.36**
Exceptional Items		-	-	-
Profit/(loss) before tax		**1,895.00**	**(138.61)**	**1,756.36**
Tax expense:				
Current tax		-	-	-
Deferred tax	6	(53.99)	214.42	160.44
Profit/(loss) for the period		**1,948.99**	**(353.07)**	**1,595.92**
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	7	-	0.67	0.67
Income tax effect	6	-	(0.23)	(0.23)
Share of Other Comprehensive Income of Associates and Joint Ventures accounted using equity method	9	-	(0.12)	(0.12)
Income tax effect		-	-	-
B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:		-	-	-
Other Comprehensive income for the year, net of tax		-	0.32	0.32
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**1,948.99**	**(352.75)**	**1,596.24**
Total comprehensive income for the year, net of tax attributable to:				
Profit for the year attributable to:				
Equity holders of the parent		1,948.99	(353.07)	1,595.92
Non-controlling interests		-	-	-
Other comprehensive income for the year attributable to:				
Equity holders of the parent		-	0.32	0.32
Non-controlling interests		-	-	-
Total comprehensive income for the year attributable to:				
Equity holders of the parent		1,948.99	(352.75)	1,596.24
Non-controlling interests		-	-	-

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

iv. Reconciliation of total equity as at March 31, 2017 and April 1, 2016 **(₹ in Lakhs)**

Particulars	Note	March 31, 2017	April 1, 2016
Total equity (shareholder's funds) as per previous GAAP		12,046.03	7,402.68
Adjustments:			
Fair value as deemed cost for property, plant and equipment	1	4,037.84	4,077.85
Fair valuation of financial instruments	2,4	132.17	207.23
Effect of changes in defined benefit obligations	7	489.05	423.39
Effect of expected credit loss on financial assets	3	(1,659.08)	(1,703.26)
Effect of Ind AS adoption by joint venture and associates	11	(75.97)	-
Other adjustments		20.45	30.45
Adjustment for taxes	6	253.13	467.79
Total adjustments		**3,197.59**	**3,503.44**
Total equity as per Ind AS		**15,243.62**	**10,906.12**

v. Reconciliation of total comprehensive income for the year ended March 31, 2017 **(₹ in Lakhs)**

Particulars	Note	March 31, 2017
Profit after tax as per previous GAAP		**1,948.99**
Adjustments:		
Fair valuation of financial instruments	2	7.61
Depreciation on property, plant and equipment measured at fair value as deemed cost on date of transition	1	(36.79)
Interest expenses on accounted using effective interest rate	4	(95.91)
Effect of Expected credit loss on financial assets	3	44.17
Acturial (gain)/ Loss on employee defined benefit fund recognised in Other Comprehensive Income	7	64.98
Employee Stock Option Expense	5	(46.88)
Effect of Ind AS adoption by joint venture and associates	11	(75.83)
Effect of deferred tax on adjustments	6	(214.42)
Total adjustments		**(353.07)**
Profit after tax as per Ind AS		**1,595.92**
Other comprehensive income	7	0.32
Total comprehensive income as per Ind AS		**1,596.24**

vi. Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2017

There are no material adjustments to the Statement of Cash flows as reported under the previous GAAP.

C. Notes to first-time adoption:

Note 1: Property, Plant and Equipment

The company has elected to measure certain items of property, plant and equipment viz. Land at fair value at the date of transition to Ind AS. Hence at the date of transition to Ind AS, an increase of INR 4,077.85 Lakhs was recognised in property, plant and equipment. This amount has been recognised against retained earnings.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

Note 2: Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2017.

Note 3: Trade Receivables

Under Indian GAAP, the company has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL).

Note 4: Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred.

Under the previous GAAP, below market rate borrowings from promoters are recorded at their transaction value. Under Ind AS, all financial liabilities are required to be recognised at fair value on initial recognition. Accordingly, the company has fair valued the below market rate borrowings and the difference between the fair value and transaction value has been recognised in retained earnings on the date of transition.

Note 5: Employee stock option expense

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date.

Note 6: Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

Note 7: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

Note 8: Retained earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

Note 9: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and share of other comprehensive income of associates and joint ventures accounted using equity method . The concept of other comprehensive income did not exist under previous GAAP.

Note 10: Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. There is no impact on the total equity and profit.

Note 11: Ind AS adoption by joint venture and associates

On adoption of Ind AS by associates and joint venture, adjustments have been made in carrying amount of investments in associates and joint venture to account for adjustments made by them on transition to Ind AS.

Significant Accounting Policies and Notes Forming Part of the Financial Statements — **1 to 46**

As per our report of even date attached

For R. P. Sardar & Co.
Chartered Accountants
Firm Registration No: 109273W

Raju P. Sardar
Proprietor
Membership No: 037845

Place: Mumbai
Date: May 9, 2018

For and on behalf of the Board

Sangameshwar Iyer
Company Sectretary
(Membership No.: ACS 6818)

Tushar J. Dalal
Chief Financial Officer

Humayun Dhanrajgir
Director
(DIN: 00004006)

Dr. Sachin Patel
Managing Director & CEO
(DIN: 00033353)

Independent Auditors' Report

To the Members of
Themis Medicare Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **THEMIS MEDICARE LIMITED**("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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

Auditor's Responsibility

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

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

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

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

We believe that the audit evidence obtainedby us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31st March,2018 and the transition date opening balance sheet as at 1st April, 2017 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March, 2017 and 31st March, 2016 dated 10th May, 2017 and 11th May, 2016 respectively expressed an unmodified opinion on those standalone financial statements, and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, to the extent applicable that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
   e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements as referred to in Note No.33 to the Ind AS financial Statement.
      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **R. P. Sardar & Co.**
Chartered accountants
(Firm's Registration No.-109273W)

Raju P. Sardar
(Proprietor)
(Membership No. 37845)

Place: Mumbai
Date: 09th May, 2018

Annexure "A" to the Independent Auditor's Report

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

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

We have audited the internal financial controls over financial reporting of **THEMIS MEDICARE LIMITED**, ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing an devaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on theauditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls system over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the respective 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 **R. P. Sardar & Co.**
Chartered accountants
(Firm's Registration No.-109273W)

Raju P. Sardar
(Proprietor)
(Membership No. 37845)

Place: Mumbai
Date: 09th May, 2018

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of conveyance deed and other relevant documents provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except the following:-

Particulars of the land and building	Carrying amount as at the balance sheet date at cost	Remarks (for exception)
Office Premises – Mumbai Admeasuring about 13770 sq.ft.	Rs.91,00,000/-	The title deeds are in the name of Indo French Timestar Company Ltd., erstwhile Company from which asset purchased in earlier year.
Training Centre Premises – Mumbai Admeasuring about 3000 sq.ft.	Rs.1,06,35,000/-	The title deeds are in the name of Indo French TimestarCompnay Ltd., erstwhile Company from which asset purchased in earlier year.

In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) (a) The Company has granted loan to a party covered in the register maintained under Section 189 of the Companies Act, 2013. In our opinion and according to the information and explanation provided to us, the terms and conditions of the grant of such loan are prima facie not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated for the loan granted and the repayment / receipt is regular.

(c) The Principal and interest are not overdue in respect of loans granted to Company, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, providing guarantees and securities, as applicable. The provisions of section 186 of the Act in respect of Investments have been complied with by the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value added Tax, Goods and Services Tax, cess and other material statutory dues applicable to it, to the appropriate authorities.

(b) According to the information and explanations given to us and based on the records of the company examined by us, the particulars of dues of Sales Tax as at 31st March, 2018 which have not been deposited on account of a dispute are as follows :-

Nature of the Statute	Nature of Dues	Rs. In Lacs	Period to which it relates	Forum where dispute is pending
Sales Tax Act/ VAT Act	Sales Tax / VAT	17.60	Various demands for 1987–88 to 1995-96, 1998-99 and 2011-12.	Various appellate stages in Sales Tax Dept.

According to the information and explanations given to us, there are no dues of income tax, service tax, duty of customs, duty of excise outstanding on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not borrowed any money from financial institutions and government. The Company has not issued any debentures.

(ix) In our opinion and according to the information and explanation given to us, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. Term loans raised during the year were applied for the purpose of which those were raised.

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

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Companies Act 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors, or directors of its holding, joint venture company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

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

For **R. P. Sardar & Co.**
Chartered accountants
(Firm's Registration No.-109273W)

Raju P. Sardar
(Proprietor)
(Membership No. 37845)

Place: Mumbai
Date: 09th May, 2018

Balance Sheet as at 31st March, 2018

(₹ in Lakhs)

Particulars	Notes	March 31, 2018	March 31, 2017	April 1, 2016
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	4	12,402.88	12,163.36	12,735.74
(b) Capital Work-in-Progress	4	247.00	894.87	516.84
(c) Intangible Assets	5	186.24	208.08	229.92
(d) Financial Assets				
(i) Investments	6	1,096.37	1,097.32	1,092.36
(ii) Other Financial Assets	6	25.02	25.02	35.02
(e) Deferred Tax Asset (Net)	12	477.86	480.13	640.80
(f) Other Non-Current Assets	11	441.50	506.11	490.56
		14,876.87	**15,374.89**	**15,741.24**
Current assets				
(a) Inventories	7	4,957.53	4,844.08	4,511.35
(b) Financial Assets				
(i) Investments	6	-	105.16	-
(ii) Trade Receivables	8	6,862.74	4,824.66	2,328.26
(iii) Cash and Cash Equivalents	9	448.23	578.19	616.04
(iv) Bank Balances Other than (iii) above	10	242.12	283.65	215.48
(v) Other Financial Assets	6	393.84	356.06	324.50
(c) Other Current Assets	11	1,462.04	1,448.55	1,155.99
		14,366.50	**12,440.35**	**9,151.62**
Total		**29,243.37**	**27,815.24**	**24,892.86**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	13	918.09	903.94	851.50
(b) Other Equity	14	14,684.92	13,253.71	9,085.15
		15,603.01	**14,157.65**	**9,936.65**
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	1,149.72	1,240.20	2,830.78
(b) Provisions	19	13.06	-	-
		1,162.78	**1,240.20**	**2,830.78**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	6,373.50	5,345.41	5,148.08
(ii) Trade Payables	17			
Micro, Small and Medium Enterprises		122.69	27.36	23.82
Others		2,931.75	3,135.99	3,228.70
(iii) Other Financial Liabilities	16	2,761.35	3,701.97	3,566.40
(b) Other Current Liabilities	18	211.73	111.33	81.39
(c) Provisions	19	76.56	95.33	77.04
		12,477.58	**12,417.39**	**12,125.43**
Total		**29,243.37**	**27,815.24**	**24,892.86**

Significant Accounting Policies and Notes Forming Part of the Financial Statements **1 to 44**

As per our report of even date attached

For R. P. Sardar & Co.
Chartered Accountants
Firm Registration No: 109273W

Raju P. Sardar
Proprietor
Membership No: 037845
Place: Mumbai
Date: May 9, 2018

For and on behalf of the Board

Sangameshwar Iyer
Company Secretary
(Membership No.: ACS 6818)

Tushar J. Dalal
Chief Financial Officer

Humayun Dhanrajgir
Director
(DIN: 00004006)

Dr. Sachin Patel
Managing Director & CEO
(DIN: 00033353)

Statement of Profit and Loss for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	Notes	2017-18	2016-17
REVENUE			
Revenue from operations (net)	20	21,170.67	22,614.85
Other income	21	303.53	290.05
Total Revenue (I)		**21,474.20**	**22,904.90**
EXPENSES			
Cost of materials consumed	22	5,326.79	5,448.19
Purchases of stock-in-trade	23	1,988.47	2,004.38
Changes in inventories of finished goods, work-in-process and Stock-in-Trade	24	(148.89)	(382.56)
Excise duty		220.34	948.93
Employee benefits expense	25	4,461.76	3,999.78
Finance costs	26	1,186.68	1,184.07
Depreciation and amortization expense	27	740.93	747.03
Other expenses	28	6,758.45	7,315.34
Total Expenses (II)		**20,534.53**	**21,265.16**
Profit before exceptional items and tax (I-II)		**939.67**	**1,639.74**
Exceptional Items		-	-
Profit before tax		**939.67**	**1,639.74**
Tax expense:			
Current tax		-	-
Deferred tax		10.18	160.44
Profit for the period		**929.49**	**1,479.30**
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		(22.87)	0.67
Income tax effect		7.92	(0.23)
B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:		-	-
Other Comprehensive income for the year, net of tax		**(14.95)**	**0.44**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**914.54**	**1,479.74**
Earnings per share for profit attributable to equity shareholders	30		
Basic EPS		10.12	16.36
Diluted EPS		10.10	16.31

Significant Accounting Policies and Notes Forming Part of the Financial Statements **1 to 44**

As per our report of even date attached

For R. P. Sardar & Co.
Chartered Accountants
Firm Registration No: 109273W

Raju P. Sardar
Proprietor
Membership No: 037845
Place: Mumbai
Date: May 9, 2018

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Dr. Sachin Patel
Managing Director & CEO
(DIN: 00033353)

Cash Flow Statement for the year ended 31st March 2018

(₹ in Lakhs)

Particulars	2017-18	2016-17
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax	**939.67**	**1,639.74**
Adjustments for:		
Depreciation and amortisation expense	740.93	747.03
Loss on sale of property, plant and equipment	-	4.73
Employee share-based payment expense	20.68	46.89
Changes in fair value of financial instruments at fair value through profit or loss	8.24	(7.61)
Fair valuation of financial guarantee	(2.50)	(2.50)
Dividend and interest income classified as investing cash flows	(207.08)	(219.39)
Finance costs	1,186.68	1,184.07
Reversal of loss allowance on financial assets	(48.31)	(44.17)
Change in operating assets and liabilities:		
(Increase)/Decrease in trade receivables	(1,989.76)	(2,452.23)
(Increase)/Decrease in inventories	(113.44)	(332.74)
Increase/(decrease) in trade payables	(108.90)	(89.18)
(Increase) in other financial assets	(38.58)	(21.56)
(Increase)/decrease in other assets	(15.40)	(302.58)
Increase/(decrease) in provisions	(28.60)	(12.67)
(Increase)/Decrease in Other bank balance	41.53	(68.17)
Increase/(decrease) in other financial liabilities	233.14	(266.65)
Increase in other current liabilities	100.39	29.94
Cash generated from operations	**718.69**	**(167.05)**
Less: (Income taxes paid)/ refund received (Net)	64.62	16.08
Net cash inflow from operating activities	**783.31**	**(150.97)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(958.63)	(543.80)
Proceeds from sale of investments (Payments for investments)(Net)	100.37	(100.00)
Proceeds from sale of property, plant and equipment	647.87	10.15
Dividends received	157.24	166.72
Interest received	50.63	52.68
Net cash outflow from investing activities	**(2.52)**	**(414.25)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issues of equity shares	510.14	2,538.12
Proceeds from current borrowings (Net)	1,028.09	197.33
Repayment of non Current borrowings	(1,341.79)	(1,276.18)
Money received against ESOP/share warrants	-	156.25
Interest paid	(1,107.19)	(1,088.15)
Net cash inflow (outflow) from financing activities	**(910.75)**	**527.37**
Net increase (decrease) in cash and cash equivalents	(129.96)	(37.85)
Cash and Cash Equivalents at the beginning of the financial year	578.19	616.04
Cash and Cash Equivalents at end of the year	**448.23**	**578.19**
Cash and cash equivalents as per above comprise of the following:		
Balances with banks on current accounts	441.55	572.37
Cash on hand	6.68	5.82
Balances as per statement of cash flows	**448.23**	**578.19**

Significant Accounting Policies and Notes Forming Part of the Financial Statements **1 to 44**

As per our report of even date attached

For R. P. Sardar & Co.
Chartered Accountants
Firm Registration No: 109273W

Raju P. Sardar
Proprietor
Membership No: 037845
Place: Mumbai
Date: May 9, 2018

For and on behalf of the Board

Sangameshwar Iyer
Company Secretary
(Membership No.: ACS 6818)

Tushar J. Dalal
Chief Financial Officer

Humayun Dhanrajgir
Director
(DIN: 00004006)

Dr. Sachin Patel
Managing Director & CEO
(DIN: 00033353)

Statement of Changes in Equity for the year ended 31st March, 2018

A EQUITY SHARE CAPITAL

(₹ in 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, 2017			
Numbers	8,515,000	524,433	**9,039,433**
Amount	851.50	52.44	**903.94**
March 31, 2018			
Numbers	9,039,433	141,509	**9,180,942**
Amount	903.94	14.15	**918.09**

B OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus							
	Capital Reserve	Securities Premium Reserve	General Reserve	Share Based Payment Reserve	Retained Earnings	Property, Plant and Equipment Reserve	Money Received against share warrants	Total
As at April 1, 2016	30.00	343.76	6,733.76	7.29	(1,686.96)	3,657.30	-	**9,085.15**
Profit for the period	-	-	-	-	1,479.30	-	-	**1,479.30**
Other comprehensive income	-	-	-	-	0.44	-	-	**0.44**
Total comprehensive income for the year	30.00	343.76	6,733.76	7.29	(207.22)	3,657.30	-	**10,564.89**
Issue of equity shares	-	2,485.68	-	-	-	-	-	**2,485.68**
Share based payment expense	-	-	-	40.49	6.40	-	-	**46.89**
Money received against share warrants	-	-	-	-	-	-	156.25	**156.25**
Transfer from PPE Reserve to Retained Earnings	-	-	-	-	40.02	(40.02)	-	-
As at March 31, 2017	**30.00**	**2,829.44**	**6,733.76**	**47.78**	**(160.80)**	**3,617.28**	**156.25**	**13,253.71**
Profit for the period	-	-	-	-	929.49	-	-	**929.49**
Other comprehensive income	-	-	-	-	(14.95)	-	-	**(14.95)**
Total comprehensive income for the year	30.00	2,829.44	6,733.76	47.78	753.74	3,617.28	156.25	14,168.25
Issue of equity shares	-	652.24	-	-	-	-	-	**652.24**
Share based payment expense	-	-	-	6.40	14.28	-	-	**20.68**
Money received against share warrants	-	-	-	-	-	-	(156.25)	**(156.25)**
Transfer from PPE Reserve to Retained Earnings	-	-	-	-	40.02	(40.02)	-	-
As at March 31, 2018	**30.00**	**3,481.68**	**6,733.76**	**54.18**	**808.04**	**3,577.26**	**-**	**14,684.92**

Significant Accounting Policies and Notes Forming Part of the Financial Statements **1 to 44**

As per our report of even date attached

For R. P. Sardar & Co.
Chartered Accountants
Firm Registration No: 109273W

Raju P. Sardar
Proprietor
Membership No: 037845
Place: Mumbai
Date: May 9, 2018

For and on behalf of the Board

Sangameshwar Iyer
Company Secretary
(Membership No.: ACS 6818)

Tushar J. Dalal
Chief Financial Officer

Humayun Dhanrajgir
Director
(DIN: 00004006)

Dr. Sachin Patel
Managing Director & CEO
(DIN: 00033353)

Notes to Financial Statements for the year ended 31st March, 2018

1 Corporate Information

These statements comprise financial statements of Themis Medicare limited (CIN: L24110GJ1969PLC001590) ('the company') for the year ended March 31, 2018. The company is a public company domiciled in India and is incorporated on May 31, 1969 under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at Plot No 69A, G.I.D.C Industrial Estate, Vapi district Valsad, Gujarat -396 195.

The Company is principally engaged in the activities pertaining to manufacturing of pharmaceutical products, especially in Formulation and API activity.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 9, 2018.

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").

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first the Company has prepared in accordance with Ind AS. Refer to Note 44 for information on how the Company adopted Ind AS.

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.

Notes to Financial Statements for the year ended 31st March, 2018

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 asset's 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.

Notes to Financial Statements for the year ended 31st March, 2018

(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.

Amortisation methods and periods

Intangible assets comprising of trade marks are amortized on a straight line basis over the useful life of ten years which is estimated by the management.

The estimated useful lives of intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

(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.

Notes to Financial Statements for the year ended 31st March, 2018

(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.

Notes to Financial Statements for the year ended 31st March, 2018

(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.

Notes to Financial Statements for the year ended 31st March, 2018

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.

Equity investment in subsidiaries, joint ventures and associates

Investment in subsidiaries, joint ventures and associates are carried at cost. Impairment recognized, if any, is reduced from the carrying value.

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) 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.

Notes to Financial Statements for the year ended 31st March, 2018

(h) Convertible financial instrument

Convertible instruments are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible instrument based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

(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.

Notes to Financial Statements for the year ended 31st March, 2018

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 weighted average 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 weighted average basis.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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.

Notes to Financial Statements for the year ended 31st March, 2018

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) 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).

(iii) Dividend income

Revenue is recognised when the company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(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.

Notes to Financial Statements for the year ended 31st March, 2018

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.

(v) Share-based payments

Share-based compensation benefits are provided to employees via the Employee Option Plan

Employee options

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted.

- including any market performance conditions

- excluding the impact of any service and non-market performance vesting conditions, and

- including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Notes to Financial Statements for the year ended 31st March, 2018

(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.

Notes to Financial Statements for the year ended 31st March, 2018

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.

Notes to Financial Statements for the year ended 31st March, 2018

(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.

Notes to Financial Statements for the year ended 31st March, 2018

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.

Notes to Financial Statements for the year ended 31st March, 2018

(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 31st March, 2018

4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Electric Installations	Capital Work in Progress	Total
GROSS CARRYING VALUE										
As at April 1, 2016 (Deemed Cost)	3,357.12	2,796.32	1,531.59	4,683.78	127.16	171.48	10.37	57.92	516.84	13,252.58
Additions	-	-	13.11	121.41	22.53	-	5.09	3.63	378.03	543.80
Disposals	-	-	-	-	-	(16.15)	-	-	-	(16.15)
Other Adjustments	-	-	-	1.92	-	-	-	-	-	1.92
As at March 31, 2017	**3,357.12**	**2,796.32**	**1,544.70**	**4,807.11**	**149.69**	**155.33**	**15.46**	**61.55**	**894.87**	**13,782.15**
Additions	-	-	303.90	548.88	101.16	-	3.04	1.65	-	958.63
Disposals	-	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	(0.02)	-	-	-	-	(647.87)	(647.89)
As at March 31, 2018	**3,357.12**	**2,796.32**	**1,848.60**	**5,355.97**	**250.85**	**155.33**	**18.50**	**63.20**	**247.00**	**14,092.89**
ACCUMULATED DEPRECIATION/IMPAIRMENT										
As at April 1, 2016										
Depreciation for the year	-	47.90	59.57	546.21	33.11	23.21	3.00	12.19	-	725.19
Disposals	-	-	-	-	-	(1.27)	-	-	-	(1.27)
As at March 31, 2017	**-**	**47.90**	**59.57**	**546.21**	**33.11**	**21.94**	**3.00**	**12.19**	**-**	**723.92**
Depreciation for the year	-	47.90	61.23	549.26	29.21	19.55	3.84	8.10	-	719.09
Disposals	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	**-**	**95.80**	**120.80**	**1,095.47**	**62.32**	**41.49**	**6.84**	**20.29**	**-**	**1,443.01**
Net Carrying value as at March 31, 2018	**3,357.12**	**2,700.52**	**1,727.80**	**4,260.50**	**188.53**	**113.84**	**11.66**	**42.91**	**247.00**	**12,649.88**
Net Carrying value as at March 31, 2017	**3,357.12**	**2,748.42**	**1,485.13**	**4,260.90**	**116.58**	**133.39**	**12.46**	**49.36**	**894.87**	**13,058.23**
Net Carrying value as at April 1, 2016	**3,357.12**	**2,796.32**	**1,531.59**	**4,683.78**	**127.16**	**171.48**	**10.37**	**57.92**	**516.84**	**13,252.58**

Notes to Financial Statements for the year ended 31st March, 2018

Notes:

i. Leased Assets

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

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Land			
Cost	2,796.32	2,796.32	2,796.32
Accumulated Depreciation	(95.80)	(47.90)	-
Net carrying amount	**2,700.52**	**2,748.42**	**2,796.32**
Vehicles			
Cost	90.68	90.68	90.68
Accumulated Depreciation	(26.29)	(14.38)	-
Net carrying amount	**64.39**	**76.30**	**90.68**

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.

The lease term in respect of vehicles acquired under finance lease are generally for three to five years.

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

Refer to Note 39 for information on property, plant and equipment given as collateral security by the company.

ii. Deferral/Capitalisation Of Exchange Differences

The Ministry of Corporate Affairs (MCA) has issued the amendment dated December 29, 2011 to AS 11 'The Effects of Changes in Foreign Exchange Rates' , to allow companies deferral/capitalization of exchange differences arising on long-term foreign currency monetary items. In accordance with the amendment/earlier amendment to AS 11 read with Para D13AA of Ind AS 101 'First time adoption of Indian Accounting Standard', the Company has capitalised exchange loss, 'arising on long-term foreign currency loan to the cost of plant and equipment.

iii. Assets under Construction

Capital work in progress comprises new building and additions to manufacturing facilities being constructed in India.

iv. Contractual Obligations

Refer to Note 33 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Notes to Financial Statements for the year ended 31st March, 2018

5. INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Trademarks / Patent
GROSS CARRYING VALUE	
As at April 1, 2016	229.92
Additions / Deductions	-
As at March 31, 2017	**229.92**
Additions / Deductions	-
As at March 31, 2018	**229.92**
ACCUMULATED AMORTISATION AND IMPAIRMENT	
As at April 1, 2016	
Amortisation for the year	21.84
As at March 31, 2017	21.84
Amortisation for the year	21.84
As at March 31, 2018	**43.68**
Net Carrying value as at March 31, 2018	**186.24**
Net Carrying value as at March 31, 2017	**208.08**
Net Carrying value as at April 1, 2016	**229.92**

6. FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
(A) INVESTMENTS			
Non Current			
(1) Investments carried at fair value through Profit and Loss			
(a) Investments in Equity Instruments			
Quoted			
505 Equity shares of Union Bank of India of INR 10 each fully paid (March 31, 2017 : 505 and April 1, 2016 : 505)	0.48	0.79	0.66
9,000 Equity Shares of Bank of Baroda of INR 2 each fully paid (March 31, 2017 : 9,000 and April 1, 2016 : 9,000)	12.80	15.57	13.24
Unquoted			
16,000 Equity Shares of the Kapol Cooperative Bank Limited of INR 10 each fully paid up (March 31, 2017 : 16,000 and April 1, 2016 : 16,000)	1.60	1.60	1.60
600 Equity Shares of Jeedimetla Effluent Treatment Limited of INR 100 each fully paid up (March 31, 2017 : 600 and April 1, 2016: 600)	0.60	0.60	0.60
100 Equity Shares of The Zoroastrian Cooperative Bank Limited of INR 25 each fully paid up (March 31, 2017 : 100 and April 1, 2016 : 100)	0.03	0.03	0.03
(b) Investments in bonds			
Unquoted			
20, 20 years Deep Discount Bonds of Sardar Sarovar Narmada Nigam Limited of INR 3,600 each fully paid up (March 31, 2017 : 20 and April 1, 2016 : 20)	10.00	10.00	10.00
Total	**25.51**	**28.59**	**26.13**

Notes to Financial Statements for the year ended 31st March, 2018

6. FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
(2) Investments carried at Amortised Cost			
Investments in Government or trust securities			
Unquoted			
National Savings Certificates [including INR 0.33 lakhs (March 31, 2017 INR 0.33 lakhs and April 1, 2016 INR 0.33 lakhs) deposited as security with various Government and Semi Government departments](NSC worth INR 0.1 lakhs is held in the name of director of the Company)	0.43	0.43	0.43
5 1/2 years Kisan Vikas Patra (including INR 0.1 lakhs deposited as security with sales tax authority at Daman)	0.15	0.15	0.15
Total	**0.58**	**0.58**	**0.58**
(3) Investments carried at Cost			
Investments in Equity Instruments			
Subsidiaries			
Unquoted			
NIL held as quota capital in "HID-PUL KFT", Hungary a wholly owned Overseas limited liability Company (March 31, 2017 : HUF 500,000 and April 1, 2016 : HUF 500,000)	-	1.13	1.13
10,000 Equity Shares of Themis Life Style Private Limited INR 10 fully paid up (March 31, 2017 : 10,000 and April 1, 2016 : 10,000)	1.00	1.00	1.00
900 Equity Share of Carpo Medical Limited of GBP 1 each fully paid up (March 31, 2017 : NIL and April 1, 2016 : NIL)	0.76	-	-
Associates			
Unquoted			
26,208 Equity Shares of INR 100 each fully paid up of Long Island Nutritionals Private Limited (March 31, 2017 : 26,208 and April 1, 2016 : 26,208)	45.56	43.06	40.56
Quoted			
3,369,605 shares of INR 5 each of Gujarat Themis Biosyn Limited fully paid up (March 31, 2017 : 3,369,605 and April 1, 2016 : 3,369,605)	336.96	336.96	336.96
Joint Venture			
Unquoted			
6,860,000 Equity shares of Richter Themis Medicare (India) Private Limited of INR 10 each fully paid up (March 31, 2017 : 6,860,000 and April 1, 2016 : 6,860,000)	686.00	686.00	686.00
Total	**1,070.28**	**1,068.15**	**1,065.65**
Total	**1,096.37**	**1,097.32**	**1,092.36**
Aggregate amount of quoted investments	350.24	353.32	350.86
Market value of quoted investments	1,421.77	1,763.49	1,725.66
Aggregate amount of unquoted investments	746.13	744.00	741.50
Aggregate amount of impairment in the value of investments	-	-	-
Investments carried at amortised cost	**0.58**	**0.58**	**0.58**
Investments carried at fair value through profit and loss	**25.51**	**28.59**	**26.13**
Investments carried at cost	**1,070.28**	**1,068.15**	**1,065.65**

Notes to Financial Statements for the year ended 31st March, 2018

6. FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Investments carried at fair value through Profit and Loss			
Quoted			
Investments in Mutual Funds			
NIL units of Reliance Short Term Fund	-	105.16	-
(March 31, 2017 : 3,41,085.06 units and April 1, 2016 : NIL)			
Total	**-**	**105.16**	**-**
Aggregate amount of quoted investments	-	105.16	-
Market value of quoted investments	-	105.16	-
Aggregate amount of unquoted investments	-	-	-
Aggregate amount of impairment in the value of investments	-	-	-
Investments carried at fair value through profit and loss	**-**	**105.16**	**-**
(B) OTHER FINANCIAL ASSETS			
Non Current			
Financial assets carried at amortised cost			
Bank Deposits with more than 12 months maturity	25.02	25.02	35.02
Total	**25.02**	**25.02**	**35.02**
Current			
Financial assets carried at amortised cost			
Security Deposits	317.13	278.55	246.99
Interest/Dividend Receivable	16.61	17.41	17.41
Insurance Claim	60.10	60.10	60.10
Total	**393.84**	**356.06**	**324.50**

7. INVENTORIES

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
(Valued at lower of Cost and Net Realisable value)			
Raw materials			
In Stock	822.17	873.88	854.24
In Transit	95.69	-	-
Work-in-process	1,666.19	1,400.15	1,305.44
Finished goods	1,788.84	1,905.99	1,618.14
Stores and spares	14.38	15.01	15.01
Packing Material and Power and Fuel	570.26	649.05	718.52
Total	**4,957.53**	**4,844.08**	**4,511.35**

Notes to Financial Statements for the year ended 31st March, 2018

8. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Trade Receivables from customers	5,101.17	3,449.64	1,054.03
Receivables from related parties	1,761.57	1,375.02	1,274.23
	6,862.74	**4,824.66**	**2,328.26**
Breakup of Security details			
Secured, considered good	-	-	-
Unsecured, considered good	6,862.74	4,824.66	2,328.26
Doubtful	1,610.78	1,659.09	1,703.26
	8,473.52	**6,483.75**	**4,031.52**
Loss Allowance (allowance for bad and doubtful debts)			
Unsecured, considered good	-	-	-
Doubtful	1,610.78	1,659.09	1,703.26
	1,610.78	**1,659.09**	**1,703.26**
Total	**6,862.74**	**4,824.66**	**2,328.26**

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 1,761.57 Lakhs (Previous year INR 1,375.02 Lakhs)

9. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Balances with banks on current accounts	441.55	572.37	603.27
Cash on hand	6.68	5.82	12.77
Total	**448.23**	**578.19**	**616.04**

10. OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Deposits with banks to the extent held as margin money	241.79	283.32	215.15
Deposits account towards share application	0.33	0.33	0.33
Total	**242.12**	**283.65**	**215.48**

11. OTHER ASSETS

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Non Current			
Payment of taxes (net of provisions)	236.74	301.37	317.45
Gratuity fund	204.76	204.74	173.11
Total	**441.50**	**506.11**	**490.56**
Current			
Advances other than Capital advances			
- Advances to related parties	141.10	86.17	212.04
- Staff advance and imprest cash	43.81	44.78	60.83
Others			
- Prepaid expenses	364.13	365.89	88.85
- Balances with Statutory, Government Authorities	816.69	862.93	703.24
- Other current assets	96.31	88.78	91.03
Total	**1,462.04**	**1,448.55**	**1,155.99**

Notes to Financial Statements for the year ended 31st March, 2018

12. INCOME TAX

Deferred Tax **(₹ in Lakhs)**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Deferred tax relates to the following:			
Depreciation for tax purposes	(1,624.84)	(1,659.04)	(1,707.91)
Land revalued at fair value on date of transition	(420.39)	(420.39)	(420.55)
Temporary difference in the carrying amount of investments	(1.91)	(2.70)	(1.91)
Provision for employee benefits	276.86	266.99	227.49
Temporary difference in the carrying amount of financial instruments at amortised cost	(16.79)	(43.64)	(74.03)
MAT Credit Entitlement	303.08	303.08	303.08
Loss allowances on trade receivables	557.49	574.22	589.50
Losses available for offsetting against future taxable income	1,410.78	1,468.70	1,735.67
Others	(6.42)	(7.09)	(10.54)
Net Deferred Tax Assets / (Liabilities)	**477.86**	**480.13**	**640.80**

Movement in deferred tax liabilities/assets

Particulars	March 31, 2018	March 31, 2017
Opening balance as of April 1	**480.13**	**640.80**
Tax income/(expense) during the period recognised in profit or loss	(10.18)	(160.44)
Tax income/(expense) during the period recognised in OCI	7.92	(0.23)
Closing balance as at March 31	**477.86**	**480.13**

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

Major Components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are as follows:

i. Income tax recognised in profit or loss **(₹ in Lakhs)**

	2017-18	2016-17
Current income tax charge	-	-
Adjustment in respect of current income tax of previous year	-	-
Deferred tax		
Relating to origination and reversal of temporary differences	10.18	160.44
Income tax expense recognised in profit or loss	**10.18**	**160.44**

ii. Income tax recognised in OCI

	March 31, 2018	March 31, 2017
Net loss/(gain) on remeasurements of defined benefit plans	7.92	(0.23)
Income tax expense recognised in OCI	**7.92**	**(0.23)**

Notes to Financial Statements for the year ended 31st March, 2018

Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2018 and March 31, 2017

	March 31, 2018	March 31, 2017
Accounting profit before income tax	**939.67**	**1,639.74**
Enacted tax rate in India	34.61%	34.61%
Income tax on accounting profits	**325.22**	**567.51**
Tax Effect of		
Depreciation	39.64	37.90
Expenses not allowable or considered separately under Income Tax	56.79	71.80
Expenses allowable and others	(39.03)	(43.25)
Losses carried adjusted during the year	(328.95)	(577.75)
Dividend income exempt from tax	(53.67)	(56.20)
Recognition of deferred tax relating to origination and reversal of temporary differences	10.18	160.44
Tax at effective income tax rate	**10.18**	**160.44**

Changes in tax rate

The increase in education cess from 3% to 4% was substantively enacted on February 1, 2018 and will be effective from April 1, 2018. As a result, the relevant deferred tax balance have been remeasured. The impact of the change in tax rate has been recognised in tax expense in profit or loss.

13. SHARE CAPITAL

i. Authorised Share Capital **(₹ in Lakhs)**

	Equity Share	
	Number	Amount
At April 1, 2016	10,000,000	1,000.00
Increase/(decrease) during the year	-	-
At March 31, 2017	10,000,000	1,000.00
Increase/(decrease) during the year	-	-
At March 31, 2018	**10,000,000**	**1,000.00**

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of INR 10 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.

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 Capital

	Number	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 1, 2016	**8,515,000**	**851.50**
Issued during the period	524,433	52.44
At March 31, 2017	**9,039,433**	**903.94**
Issued during the period	141,509	14.15
At March 31, 2018	**9,180,942**	**918.09**

Notes to Financial Statements for the year ended 31st March, 2018

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

Name of the shareholder	As at March 31, 2018		As at March 31, 2017	
	Number	% holding	Number	% holding
Equity shares of INR 10 each fully paid				
Dr. Dinesh S. Patel	707,957	7.71	676,707	7.49
Jayshree D. Patel	667,664	7.27	636,414	7.04
Dr. Sachin D. Patel	551,655	6.01	520,405	5.76
Vividh Margi Investment Private Limited	1,452,842	15.82	1,452,842	16.07
Vividh Distributors Private Limited	716,100	7.80	716,100	7.92
Gedeon Richter Investment Management Limited	884,308	9.63	884,308	9.78

Name of the shareholder	As at April 1, 2016	
	Number	% holding
Equity shares of INR 10 each fully paid		
Dr. Dinesh S. Patel	676,707	7.95
Jayshree D. Patel	636,414	7.47
Dr. Sachin D. Patel	520,405	6.11
Vividh Margi Investment Private Limited	1,452,842	17.06
Vividh Distributors Private Limited	716,100	8.41
Gedeon Richter Investment Management Limited	884,308	10.39

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

For details of shares reserved for issue under the Share based payment plan of the company, please refer note 32.

14. OTHER EQUITY

i. Reserves and Surplus **(₹ in Lakhs)**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Capital Reserve	30.00	30.00	30.00
Securities Premium Reserve	3,481.68	2,829.44	343.76
General Reserve	6,733.76	6,733.76	6,733.76
Share Based Payment Reserve	54.18	47.78	7.29
Retained Earnings	808.04	(160.80)	(1,686.96)
Property, Plant and Equipment Reserve	3,577.26	3,617.28	3,657.30
Total	**14,684.92**	**13,097.46**	**9,085.15**

Notes to Financial Statements for the year ended 31st March, 2018

(a) Capital Reserve **(₹ in Lakhs)**

	March 31, 2018	March 31, 2017
Opening balance	30.00	30.00
Add/(Less):	-	-
Closing balance	**30.00**	**30.00**

Capital reserve is created as per the provisions of the Companies Act, 2013.

(b) Securities Premium Reserve **(₹ in Lakhs)**

	March 31, 2018	March 31, 2017
Opening balance	2,829.44	343.76
Add/(Less):		
Issue of equity shares	652.24	2,485.68
Closing balance	**3,481.68**	**2,829.44**

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) General Reserve **(₹ in Lakhs)**

	March 31, 2018	March 31, 2017
Opening balance	6,733.76	6,733.76
Add/(Less):	-	-
Closing balance	**6,733.76**	**6,733.76**

(d) Share Based Payment Reserve **(₹ in Lakhs)**

	March 31, 2018	March 31, 2017
Opening balance	47.78	7.29
Add/(Less):		
Employee compensation expense recognised during the year	20.68	46.89
Transfer to retained earnings	(14.28)	(6.40)
Closing balance	**54.18**	**47.78**

The Company has two share option schemes under which options to subscribe for the company's shares have been granted to certain executives and senior employees.

The Share based payment reserve is used to recognise the value of equity settled share based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 32 for further details of these plans.

(e) Retained Earnings **(₹ in Lakhs)**

	March 31, 2018	March 31, 2017
Opening balance	(160.80)	(1,686.96)
Net Profit/(Loss) for the year	929.49	1,479.30
Add/(Less):		
Transfer from property, plant and equipment reserve in respect of depreciation	40.02	40.02
Transfer from share based payment reserve	14.28	6.40
Items of Other Comprehensive Income directly recognised in Retained Earnings		
Remeasurement of post employment benefit obligation, net of tax	(14.95)	0.44
Closing balance	**808.04**	**(160.80)**

Notes to Financial Statements for the year ended 31st March, 2018

(f) Property, Plant and Equipment Reserve (₹ in Lakhs)

	March 31, 2018	March 31, 2017
Opening balance	3,617.28	3,657.30
Add/(Less): Transfer to retained earnings in respect of depreciation on leasehold land	(40.02)	(40.02)
Closing balance	**3,577.26**	**3,617.28**

Property, Plant and Equipment Reserves represents reserve created on revaluation of freehold land on the date of transition to Ind AS. It is a non distributable reserve.

ii. Other Components of Equity (₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Money Received against share warrants	-	156.25	-
Total	**-**	**156.25**	**-**

15. BORROWINGS

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Non Current Borrowings			
Secured			
(a) Term Loans From Banks	206.40	757.98	1,520.47
(b) Long term maturity of Finance Lease Obligations	10.82	29.03	62.52
Unsecured			
(c) Deposits	-	632.39	677.42
(d) Foreign Currency Term Loan from a Foreign Promoter	1,409.22	1,471.29	1,818.64
(A)	**1,626.44**	**2,890.69**	**4,079.05**
Current Maturity of Non Current Borrowings			
Secured			
(a) Term Loans From Banks	205.58	722.16	726.35
(b) Long term maturity of Finance Lease Obligations	10.42	18.09	28.81
Unsecured			
(c) Deposits	-	423.75	95.55
(d) Foreign Currency Term Loan from a Foreign Promoter	260.72	486.49	397.56
(B)	476.72	**1,650.49**	**1,248.27**
Total (A)-(B)	**1,149.72**	**1,240.20**	**2,830.78**
Current Borrowings			
Secured			
(a) Loans repayable on demand from Banks			
- Cash Credit	3,655.71	3,067.28	2,763.75
- Bills Discounted	1,227.73	1,326.80	1,750.02
- Advance as Packing Credit for Export	827.80	109.81	422.38
Unsecured			
(b) Intercorporate Deposits	662.26	841.52	211.93
Total	**6,373.50**	**5,345.41**	**5,148.08**

Notes to Financial Statements for the year ended 31st March, 2018

SECURED BORROWING

(A) TERM LOANS FROM BANKS

Secured by an equitable mortgage created by deposit of title deeds of the Company's factory land and buildings situated at Vapi, Hyderabad, Haridwar and Baroda and hypothecation of Plant & Machinery both present and future and also secured by personal guarantees of Directors of the Company.

Terms of Repayment

(I) Term Loan from Bank of Baroda INR 228.66 lakhs which is Repayable in 16 quarterly installments after a holiday period of one year from first disbursement.

(II) Term Loan from The Zoroastrian Co-op. Bank Limited INR 46.05 lakhs Repayable in 34 monthly installments.

(III) Term Loan from Union Bank of India is INR 2306.88 lakhs and from Bank of Baroda is INR 430.33 lakhs Repayable in 20 quarterly installments commencing from September 2013.

(B) LONG TERM MATURITIES OF FINANCE LEASE OBLIGATION

Secured By hypothecation of vehicles acquired under hire purchase arrangement

Repayable in 36 equated Monthly Installments as per various arrangements

UNSECURED BORROWING

(A) TERM LOAN

Company have foreign currency loan from its foreign promoter which is repayable in 19 quarterly installments up to December 31, 2021.

(B) DEPOSITS

Company had fixed deposits which is repayable in 1,2, and 3 years, based on the deposits period.

CURRENT BORROWINGS

Cash Credit facility from banks

Cash Credits against hypothecation of raw materials, Stock in Process, finished goods, packing material and book debts and also guaranteed by the Directors of the Company.

Net debt Reconciliation

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

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017
Current Borrowings	6,373.50	5,345.41
Non-current Borrowings	1,626.44	2,890.69
Net Debt	**7,999.94**	**8,236.10**

Notes to Financial Statements for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	Liabilities from financing activities		Total
	Non Current Borrowings	Current Borrowings	
Net Debt as at March 31, 2017	2,890.69	5,345.41	8,236.10
Foreign Exchange Adjustments	4.96	-	4.96
Cash Outflow	(1,341.78)	-	(1,341.78)
Net receipt from Current Borrowings	-	1,028.09	1,028.09
Fair valuation adjustments	72.57	-	72.57
Interest Expense			1,107.19
Interest Paid			(1,107.19)
Net Debt as at March 31, 2018	**1,626.44**	**6,373.50**	**7,999.94**

16. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Financial Liabilities at amortised cost			
Current maturities of long term debts	466.30	1,632.39	1,219.46
Current maturities of finance lease obligations	10.42	18.09	28.81
Unclaimed Dividends	3.72	3.72	3.72
Unclaimed matured deposits	3.34	-	-
Deposits from Dealers and Suppliers	443.49	443.49	382.49
Others			
Book Overdraft	1.31	-	36.38
Other Payables	1,832.77	1,604.28	1,895.54
Total	**2,761.35**	**3,701.97**	**3,566.40**

17. TRADE PAYABLES

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Trade Payables to Micro, Small and Medium Enterprises	122.69	27.36	23.82
Trade Payables to Others	2,931.75	3,135.99	3,228.70
Total	**3,054.44**	**3,163.35**	**3,252.52**

18. OTHER LIABILITIES

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Advance received from Customers	158.31	63.89	40.34
Statutory Liabilities*	53.42	47.44	41.05
Total	**211.73**	**111.33**	**81.39**

*Includes GST, Excise duty, Service tax and TDS

Notes to Financial Statements for the year ended 31st March, 2018

19. PROVISIONS

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Non Current			
Provision for employee benefits			
Leave encashment	13.06	-	-
Total	**13.06**	**-**	**-**
Current			
Provision for employee benefits			
Leave encashment	76.56	95.33	77.04
Total	**76.56**	**95.33**	**77.04**

20. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	2017-18	2016-17
Sale of products (inclusive of excise duty)		
Sale of Products	21,081.15	22,414.13
Other Operating Revenues		
Others	89.52	200.72
Total	**21,170.67**	**22,614.85**

Sale of goods includes excise duty collected from customers of INR 220.34 Lakhs (March 31, 2017: INR 948.93 Lakhs)

21. OTHER INCOME

(₹ in Lakhs)

Particulars	2017-18	2016-17
Interest income on Bank fixed deposits	49.84	52.68
Dividend income	157.24	166.72
Other Non Operating Income		
Fair value gain on financial instruments at fair value through profit and loss	-	7.61
Financial Guarantee Income	2.50	2.50
Sundry balances written back	5.37	-
Miscellaneous Income	88.58	60.54
Total	**303.53**	**290.05**

22. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	2017-18	2016-17
Raw Material		
As at beginning of the year	873.88	854.24
Add: Purchases	4,102.81	4,169.58
Less: Samples classified under other expenses	(218.86)	(205.09)
Less : As at end of the year	(822.17)	(873.88)
	3,935.66	3,944.85
Packing Material	1,391.13	1,503.34
Total	**5,326.79**	**5,448.19**

Notes to Financial Statements for the year ended 31st March, 2018

23. PURCHASES OF STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	2017-18	2016-17
Traded Goods	1,988.47	2,004.38
Total	**1,988.47**	**2,004.38**

24. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROCESS

(₹ in Lakhs)

Particulars	2017-18	2016-17
Inventories as at the beginning of the year		
Work - in - process	1,400.15	1,305.45
Finished goods	1,905.99	1,618.15
Total	**3,306.14**	**2,923.60**
Less : Inventories as at the end of the year		
Work - in - process	1,666.19	1,400.15
Finished goods	1,788.84	1,905.99
Total	**3,455.03**	**3,306.14**
Net decrease / (increase) in inventories	**(148.89)**	**(382.56)**

25. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	2017-18	2016-17
Salaries, wages and bonus	4,141.57	3,706.23
Contribution to provident and other funds	269.41	213.92
Share based payments to employees	20.68	46.89
Staff welfare expenses	30.10	32.74
Total	**4,461.76**	**3,999.78**

26. FINANCE COST

(₹ in Lakhs)

Particulars	2017-18	2016-17
Interest expense on debts and borrowings	1,042.74	1,057.69
Bank Charges	143.94	126.38
Total	**1,186.68**	**1,184.07**

27. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	2017-18	2016-17
Depreciation on tangible assets	719.09	725.19
Amortisation on intangible assets	21.84	21.84
Total	**740.93**	**747.03**

Notes to Financial Statements for the year ended 31st March, 2018

28. OTHER EXPENSES

(₹ in Lakhs)

Particulars	2017-18	2016-17
Consumption of stores and spares	134.18	142.86
Power and fuel	840.99	977.07
Processing charges	1,109.34	1,361.97
Rent	86.76	53.38
Repairs and maintenance		
Building	22.65	25.63
Plant and Machinery	35.55	53.33
Others	52.88	42.42
Insurance	68.91	58.33
Rates and taxes	35.48	24.77
Travelling and conveyance expenses	1,110.06	1,202.04
Freight and Forwarding	375.32	354.80
Legal and professional fees	525.76	539.80
Foreign exchange fluctuation loss	8.43	32.61
Commission	550.99	548.26
Advertisement and Sales promotion expenses	900.52	767.43
Allowance for doubtful debts and advances	(48.31)	(44.17)
Payments to auditors *(Refer note below)*	8.23	8.11
Fair value loss on financial instrument at Fair value through profit and loss	8.24	-
Miscellaneous expenses	932.47	1,166.70
Total	**6,758.45**	**7,315.34**

(a) Details of Payments to auditors

(₹ in Lakhs)

	2017-18	2016-17
As auditor		
Audit Fee	7.80	7.50
In other capacity		
Other services (certification fees)	0.14	-
Re-imbursement of expenses	0.29	0.61
Total	**8.23**	**8.11**

(b) Corporate social responsibility expenditure

(₹ in Lakhs)

	2017-18	2016-17
Contribution to Rural Development Programme of the Bombay Mothers and Children Welfare Society	24.69	9.00
Contribution to Sanitary Manufacturing Unit at Jaiwadi Tribal Village	-	3.45
Total	**24.69**	**12.45**
Amount required to be spent as per Section 135 of the Act	24.62	11.49
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) on purposes other than (i) above	24.69	12.45

Notes to Financial Statements for the year ended 31st March, 2018

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, 2018 is INR 528.35 Lakhs (March 31, 2017: INR 513.80 Lakhs) details of which are as follows:

(₹ in Lakhs)

Particulars	2017-18	2016-17
On Revenue Account :		
Manufacturing Expenses		
Material	80.05	226.19
Other Expenses	448.30	287.61
Total Research & Development Expenditure	**528.35**	**513.80**

30. EARNINGS PER SHARE

(₹ in Lakhs)

Particulars	2017-18	2016-17
(a) Basic earnings per share (INR)	10.12	16.36
(b) Diluted earnings per share (INR)	10.10	16.31
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	929.49	1,479.30
Diluted earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	929.49	1,479.30
Adjustments for calculation of diluted earnings per share:	-	-
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	**929.49**	**1,479.30**
(d) 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	9,180,942	9,039,433
Adjustments for calculation of diluted earnings per share:		
Employee Stock Options	17,740	20,220
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	**9,198,682**	**9,059,653**

Notes to Financial Statements for the year ended 31st March, 2018

31. EMPLOYEE BENEFIT OBLIGATIONS

(₹ in Lakhs)

	March 31, 2018			March 31, 2017		
	Current	Non Current	Total	Current	Non Current	Total
Provisions						
Leave obligations	76.56	13.06	**89.62**	95.33	-	**95.33**
Employee Benefit Obligations	**76.56**	**13.06**	**89.62**	**95.33**	**-**	**95.33**
Plan Assets						
Gratuity	-	204.76	**204.76**	-	204.74	**204.74**
Employee Benefit Plan Assets	**-**	**204.76**	**204.76**	**-**	**204.74**	**204.74**

(i) Leave Obligations

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

The amount of the provision of INR 76.56 Lakhs (March 31, 2017: INR 95.33 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) 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 a **funded plan** and the company makes contributions to recognised funds in India. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Notes to Financial Statements for the year ended 31st March, 2018

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

	Present value of obligation	Fair value of plan assets	Net amount
As at April 1, 2016	155.49	302.74	147.25
Current service cost	24.89	-	(24.89)
Interest expense/(income)	12.44	26.29	13.85
Error in Reconciliation	-	25.86	25.86
Total amount recognised in profit or loss	**192.82**	**354.89**	**162.07**
Remeasurements			
Return of plan assets, excluding amount included in interest (income)	-	(16.03)	(16.03)
(Gain)/Loss from change in financial assumptions	3.48	-	(3.48)
Experience (gains)/losses	(20.18)	-	20.18
Total amount recognised in other comprehensive income	**(16.70)**	**(16.03)**	**0.67**
Employer contributions	-	42.00	42.00
Benefit payments	(22.57)	(22.57)	-
As at March 31, 2017	**153.55**	**358.29**	**204.74**
Current service cost	31.57	-	(31.57)
Interest expense/(income)	11.89	27.49	15.60
Error in Reconciliation	-	(3.14)	(3.14)
Total amount recognised in profit or loss	**43.46**	**24.35**	**(19.11)**
Remeasurements			
Return of plan assets, excluding amount included in interest (income)	-	(23.91)	(23.91)
(Gain)/Loss from change in financial assumptions	(5.49)	-	5.49
Experience (gains)/losses	4.45	-	(4.45)
Total amount recognised in other comprehensive income	**(1.04)**	**(23.91)**	**(22.87)**
Employer contributions	-	42.00	42.00
Benefit payments	(22.14)	(22.14)	-
As at March 31, 2018	**173.83**	**378.59**	**204.76**

The major categories of plan assets of the fair value of the total plan assets are as follows **(₹ in Lakhs)**

Particulars	March 31, 2018	March 31, 2017
Contribution to LIC	378.59	358.29

The significant actuarial assumptions were as follows:

	March 31, 2018	March 31, 2017	April 1, 2016
Discount rate	8.07%	7.74%	8.00%
Expected return on plan assets	8.07%	7.74%	8.00%
Salary growth rate	4.00%	4.00%	4.00%
Employee turnover rate	1.00%	1.00%	1.00%

Notes to Financial Statements for the year ended 31st March, 2018

A quantitative sensitivity analysis for significant assumption as at March 31, 2018 is shown below: **(₹ in Lakhs)**

Assumptions	Discount rate		Employee turnover rate		Salary growth rate	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
March 31, 2018						
Impact on defined benefit obligation	(7.76)	8.44	3.11	(3.37)	8.75	(8.09)
% Impact	-4.46%	4.86%	1.79%	-1.94%	5.03%	-4.65%
March 31, 2017						
Impact on defined benefit obligation	(6.56)	7.13	2.35	(2.55)	7.36	(6.81)
% Impact	-4.27%	4.65%	1.53%	-1.66%	4.80%	-4.44%

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 contributions to the defined benefit plan in future years: **(₹ in Lakhs)**

	March 31, 2018	March 31, 2017
1st following year	17.63	24.24
2nd following year	5.02	5.27
3rd following year	18.54	6.76
4th following year	10.36	16.66
5th following year	11.05	8.94
Sum of Years 6 to 10	84.06	65.90
Sum of Years 11 and above	340.57	NA
Total expected payments	**487.23**	**127.77**

The average duration of the defined benefit plan obligation at the end of the reporting period is 11 years (March 31, 2017: 11 years)

b) Defined contribution plans

The company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic 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 214.59 Lakhs (March 31, 2017: INR 183.53 Lakhs)

Notes to Financial Statements for the year ended 31st March, 2018

32. SHARE BASED PAYMENTS

(a) Employee option plan

The Company implemented Themis Medicare Employee Stock Option Scheme 2012 (herein after referred to as "Themis Medicare ESOS 2012" or “the Scheme”) as approved by the Shareholders of the Company and the Nomination and Remuneration Committee of the Board of Directors.

The purpose of this Scheme is to promote the success of the Company and its subsidiaries and the interest of its shareholders by rewarding, attracting, motivating, and retaining Employees for high levels of individual performance, for efforts to improve the financial performance of the Company.

The Employee Stock Option Plan (ESOP) is designed to provide incentives to eligible employees to deliver long term returns. Under the plan, participants are granted options which vest upon completion of 1 year of service from the grant date. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Once vested, the options remain exercisable for a period of 5 years. When exercisable, each option is convertible into one equity share.

Movement during the period

The number and weighted average exercise prices (WAEP) of the options and movement during the period is as follows

	March 31, 2018		March 31, 2017	
	Number of options	WAEP	Number of options	WAEP
Opening balance	64,397	293.26	199,730	163.68
Granted duing the period	-	-	-	-
Exercised during the period*	16,509	250.72	88,933	99.32
Forfeited during the period	-	-	5,000	77.85
Expired during the period	7,860	334.75	41,400	110.74
Closing balance	**40,028**	**302.66**	**64,397**	**293.26**
Exercisable	21,108	273.90	21,858	212.52

* The weighted average share price at the date of exercise of options during the period ended March 31, 2018 was INR 567.23 (March 31, 2017: INR 547.43)

Share options outstanding at the end of the period have the following expiry date and exercise prices

Grant	Expiry date	Exercise price (INR)	Share options March 31, 2018	Share options March 31, 2017
G1-31/07/2012	31/07/2020	77.85	5,000	10,400
G2-10/02/2016	10/02/2024	334.75	35,028	53,997
Total			**40,028**	**64,397**
Weighted average remaining contractual life of options outstanding at the end of period			2.6 years	5.4 years

(b) Expense arising from share based payment transactions

Total expenses arising from share based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

(₹ in Lakhs)

	March 31, 2018	March 31, 2017
Employee stock option	20.68	46.89

Notes to Financial Statements for the year ended 31st March, 2018

33. COMMITMENTS AND CONTINGENCIES

A. Commitments **(₹ in Lakhs)**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-
(b) Uncalled liability on shares and other investments partly paid	-	-	-
(c) Other commitments			
(i) Liability on account of Custom duty on goods in bonded warehouse or in transit is, as per the Company's practice charged to Profit and Loss Account only in the year in which the goods are cleared from the Custom. This accounting policy has no effect on the Profit for the year.	-	-	-
(ii) Liability on account of Excise duty in respect of goods manufactured and liable to payment of Excise duty when cleared from the factory premises, is accounted at the time of removal of the goods from the place of manufacture for sale or for captive use. This accounting policy has no effect on the Profit for the year.	-	-	2.51
	-	-	**2.51**

Notes to Financial Statements for the year ended 31st March, 2018

B. Contingent Liabilities (₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
i. Claim against the company not acknowledged as debt			
(i) The Ministry of Chemicals & Fertilizers ,Government of India has raised demand under Drug Price Control Order,1979 / 1995 for difference in actual price and price of respective bulk drug allowed while fixing the prices of certain life saving formulations which are disputed by the Company. The Company has preferred Appeals before Honorable High Courts of Gujarat and Bombay in respect of Bulk Drug Rifampicin and Ethambutol respectively, for grant of ad interim stay. While allowing the stay, The Honorable High Court Gujarat directed the Company to deposit Principal Liability of INR 34.80 lakhs out of the total liability of INR 126.08 lakhs as worked out by the Department of Chemicals & Fertilizers, Govt. of India. The Company has already complied with the directions of the Honorable Court. In respect of Liability for Bulk Drug Ethambutol, the Honorable Bombay High Court had directed the Company to submit Bank Guarantee of Principle amount with Court & stayed the matter. The Company has complied with the direction of the Honorable High Court. Similarly, a demand notice is received during a previous year from NPPA, New Delhi, in respect of Formulation Tetracox, The Company has preferred Writ Petition at Honorable High Court Uttarakhand, Nainital, as well for stay of demand. The matter is pending before the High Court.	435.98	435.98	435.98
(ii) Others	0.87	0.87	0.87
ii. Guarantees excluding financial guarantees			
Bank Guarantees	136.47	125.57	145.49
iii. Other money for which the company is contingently liable			
(i) In respect of Letter of Credit	74.65	122.20	172.89
(ii) Disputed VAT Liability as the matters are in appeal	17.60	17.60	32.95
(iii) Customs duty payable on raw materials imported under duty exemption scheme in case of non-fulfillment of export obligation.	222.18	211.71	222.50
	887.75	**913.93**	**1,010.68**

Notes to Financial Statements for the year ended 31st March, 2018

C. Financial Guarantees **(₹ in Lakhs)**

	March 31, 2018	March 31, 2017	April 1, 2016
Long Island Nutritionals Private Limited (refer note)	250.00	250.00	250.00

Note: Financial guarantee given by Themis Medicare Limited to the lenders of Long Island Nutritionals Private Limited.

34. 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
Subsidiary	
Themis Life Style Private Limited	India
Carpo Medical Limited	United Kingdom
HIDPUL-KFT, Hungary (Upto 5th October, 2016)	Hungary
Artemis Biotech Limited	India
Associate	
Long Island Nutrionals Private Limited	India
Gujarat Themis Biosyn Limited	India
Joint Venture	
Richter Themis Medicare (India) Private Limited	India
Enterprises over which KMPs are able to exercise significant influence	
Themis Distributors Private Limited	India
Vividh Distributors Private Limited	India
Vividh Margi Investments Private Limited	India
Key Managerial Personnel	
Dr. Dinesh S. Patel (Executive Vice Chairman)	
Dr. Sachin D. Patel (Managing Director and CEO)	
Prakash D. Naringrekar (Company Secretary) (till June 30, 2017)	
Tushar J. Dalal (Chief Financial Officer)	
Sangameshwar Iyer (Company Secretary) (w.e.f August 16, 2017)	
Humayun Dhanrajgir (Director)	
Vijay Gopi Kishan Agarwal (Director)	
Hoshang Noshirwan Sinor (Director)	
Rajneesh Kedarnath Anand (Director)	
Hariharan Subramaniam (Director)	
Lajos Kovacs (Director)	
Gulasci Mihaly Gabor (Director)	
Relatives of Key Managerial Personnel	
Jayshree D. Patel	
Meena A. Patel	
Hemlata B. Patel	
Reena S. Patel	

Notes to Financial Statements for the year ended 31st March, 2018

(ii) Transactions with related parties **(₹ in Lakhs)**

Name	Nature of Transaction	March 31, 2018	March 31, 2017
Vividh Distributors Private Limited	Sale of finished goods	1,070.86	1,080.21
	Freight and other Expenses	2.37	1.25
	Electricity Charges	-	0.13
	Telephone Charges	-	0.01
Themis Distributors Private Limited	Sale of finished goods	2,028.32	1,912.49
	Freight and other Expenses	0.19	0.25
	Electricity Charges	0.18	-
	Telephone Charges	0.07	-
Vividh Margi Investments Private Limited	Sale of finished goods	892.49	722.84
	Freight and other Expenses	1.38	1.42
	Electricity Charges	3.10	2.59
	Telephone Charges	0.13	0.02
Richter Themis Medicare (India) Private Limited	Sale of finished goods	5.55	28.18
	Purchase of goods	191.87	102.17
	Dividend Income	150.92	150.92
Gujarat Themis Biosyn Limited	Sale of finished goods	219.37	134.78
	Purchase of goods	230.21	-
Long Island Nutrionals Private Limited	Purchase of goods	47.16	20.10
Dr. Dinesh S. Patel	Interest on Fixed Deposit	13.11	17.13
Dr. Sachin D. Patel	Interest on Fixed Deposit	6.01	9.73
Mrs. Jayashree D. Patel	Interest on Fixed Deposit	25.04	32.72
	Remuneration paid	45.39	30.65
	Consultancy	-	40.40
Mrs. Meena A. Patel	Interest on Fixed Deposit	0.64	0.65
Mrs Hemlata B.Patel	Interest on Fixed Deposit	0.69	0.80

Notes to Financial Statements for the year ended 31st March, 2018

(iii) Outstanding balances arising from sales/purchases of goods **(₹ in Lakhs)**

Name	March 31, 2018	March 31, 2017	April 1, 2016
Trade Receivables			
Vividh Distributors Private Limited	456.26	427.87	422.16
Themis Distributors Private Limited	1,025.34	747.28	631.53
Vividh Margi Investments Private Limited	279.65	199.88	203.48
Richter Themis Medicare (India) Private Limited	37.99	32.44	17.05
Gujarat Themis Biosyn Limited	80.78	134.78	-

(iv) Key management personnel compensation **(₹ in Lakhs)**

	March 31, 2018	March 31, 2017
Short term employee benefits	171.27	191.43
Post-employment benefits	-	8.50
Long term employee benefits*	-	-
Directors sitting fees	17.60	18.00
Employee share based payment	1.40	2.48
Total	**190.27**	**220.41**

*The amounts of Long term employee benefits cannot be seperately identified from the composite amount advised by the actuary/valuer.

(v) Terms and conditions of transactions with related parties

The sales to and purchases from 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 issued financial guarantees to the lender on behalf of its associate Company amounted to INR 250.00 Lakhs (March 31, 2017 : INR 250.00 Lakhs). For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amount owed by related parties (March 31, 2017: 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.

35. SEGMENT REPORTING

The company primarily operates in one business segment only i.e. Pharmaceuticals, which is the only reportable segment. There is no other segment which requires reporting as per Ind AS 108 "Operating Segments".

Information about geographical areas

Revenue from external customers

The company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

(₹ in Lakhs)

	March 31, 2018	March 31, 2017
India	16,862.86	16,832.90
Outside India	4,218.29	5,581.23
Total	**21,081.15**	**22,414.13**

Revenue arising from sale of products to two customers amounted to INR 2,374.16 Lakhs and 2,115.96 Lakhs (March 31, 2017: two customer amounted to INR 3,491.64 Lakhs and 2,738.73 Lakhs), exceeds 10% of revenue from operations of the Company.

Notes to Financial Statements for the year ended 31st March, 2018

36. FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category (₹ in Lakhs)

Particulars	Carrying Amount			Fair Value		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
FINANCIAL ASSETS						
Amortised cost						
Investments in Government Securities	0.58	0.58	0.58	0.58	0.58	0.58
Trade Receivables	6,862.74	4,824.66	2,328.26	6,862.74	4,824.66	2,328.26
Cash and Cash Equivalents	448.23	578.19	616.04	448.23	578.19	616.04
Security Deposits	317.13	278.55	246.99	317.13	278.55	246.99
Other Bank Balances	242.12	283.65	215.48	242.12	283.65	215.48
Other Financial Assets	101.73	102.54	112.54	101.73	102.54	112.54
FVTPL						
Investment in Equity Instruments	15.50	18.58	16.12	15.50	18.58	16.12
Investments in Bonds and Debentures	10.00	10.00	10.00	10.00	10.00	10.00
Investments in Mutual Funds	-	105.16	-	-	105.16	-
Total	**7,998.03**	**6,201.91**	**3,546.01**	**7,998.03**	**6,201.91**	**3,546.01**
FINANCIAL LIABILITIES						
Amortised cost						
Borrowings	7,999.94	8,236.10	9,227.13	7,999.94	8,236.10	9,227.13
Trade Payables	3,054.44	3,163.35	3,252.52	3,054.44	3,163.35	3,252.52
Other financial liabilities	2,284.63	2,051.49	2,318.14	2,284.63	2,051.49	2,318.14
Total	**13,339.01**	**13,450.94**	**14,797.79**	**13,339.01**	**13,450.94**	**14,797.79**

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 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.

ii. Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

Notes to Financial Statements for the year ended 31st March, 2018

Assets and liabilities measured at fair value - recurring fair value measurement: **(₹ in Lakhs)**

Particulars	March 31, 2018			Total	March 31, 2017			Total
	Fair value measurement using				Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Financial Assets								
Fair Value Through Profit and Loss								
Investment in Equity Instruments	13.27	-	2.23	15.50	16.35	-	2.23	18.58
Investments in Bonds and Debentures	-	-	10.00	10.00	-	-	10.00	10.00
Mutual Funds	-	-	-	-	105.16	-	-	105.16
Total Assets	**13.27**	**-**	**12.23**	**25.50**	**121.51**	**-**	**12.23**	**133.74**

Particulars	April 1, 2016			Total
	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Financial Assets				
Fair Value Through Profit and Loss				
Investment in Equity Instruments	13.89	-	2.23	16.12
Investments in Bonds and Debentures	-	-	10.00	10.00
Mutual Funds	-	-	-	-
Total Assets	**13.89**	**-**	**12.23**	**26.12**

There have been no transfers among Level 1, Level 2 and Level 3 during the period

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

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.

iii. 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

Notes to Financial Statements for the year ended 31st March, 2018

The fair value of unquoted equity instruments and unquoted bonds is not significantly different from their carrying value and hence the management has considered their carrying amount as fair value.

iv. 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.

37. 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.

Notes to Financial Statements for the year ended 31st March, 2018

iii. Reconciliation of loss allowance provision - Trade receivables

(₹ in Lakhs)

Particulars	
Loss allowance on April 1, 2016	1,703.26
Changes in loss allowance	(44.17)
Loss allowance on March 31, 2017	**1,659.09**
Changes in loss allowance	(48.31)
Loss allowance on March 31, 2018	**1,610.78**

(B) Liquidity risk

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 include both interest and principal cash flows. To the extent that interest rates are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

(₹ in Lakhs)

Contractual maturities of financial liabilities		Contractual cash flows			
Particulars	Carrying Amount	Total	Less than 1 year	1 to 5 years	More than 5 years
March 31, 2018					
Borrowings	7,999.94	8,832.71	7,589.01	1,243.70	-
Trade payables	3,054.44	3,054.44	3,054.44	-	-
Other financial liabilities	2,284.63	2,284.63	2,284.63	-	-
Total financial liabilities	**13,339.01**	**14,171.78**	**12,928.08**	**1,243.70**	**-**
March 31, 2017					
Borrowings	8,236.10	9,592.59	7,133.38	2,459.21	-
Trade payables	3,163.35	3,163.35	3,163.35	-	-
Other financial liabilities	2,051.49	2,051.49	2,051.49	-	-
Total financial liabilities	**13,450.94**	**14,807.43**	**12,348.22**	**2,459.21**	**-**
April 1, 2016					
Borrowings	9,227.13	10,864.18	6,617.00	4,247.18	-
Trade payables	3,252.52	3,252.52	3,252.52	-	-
Other financial liabilities	2,318.14	2,318.14	2,318.14	-	-
Total financial liabilities	**14,797.79**	**16,434.84**	**12,187.66**	**4,247.18**	**-**

Notes to Financial Statements for the year ended 31st March, 2018

(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.

(a) The company exposure to foreign currency risk at the end of the reporting period expressed in INR lakhs, are as follows

(₹ in Lakhs)

	USD	EURO	AUD	Total
March 31, 2018				
Trade Receivables	890.20	40.43	-	**930.63**
Trade Payable	(295.33)	(0.57)	(19.72)	**(315.62)**
Foreign Currency Borrowings	(1,663.32)	-	-	**(1,663.32)**
Other receivables	-	-	-	**-**
Net exposure to foreign currency risk	**(1,068.45)**	**39.86**	**(19.72)**	**(1,048.31)**
March 31, 2017				
Trade Receivables	1,069.19	369.99	-	**1,439.18**
Trade Payable	(284.08)	(0.57)	(0.55)	**(285.20)**
Foreign Currency Borrowings	(2,347.87)	-	-	**(2,347.87)**
Other receivables	-	-	-	**-**
Net exposure to foreign currency risk	**(1,562.76)**	**369.42**	**(0.55)**	**(1,193.89)**
April 1, 2016				
Trade Receivables	1,219.98	321.87	-	**1,541.85**
Trade Payable	(594.33)	(0.57)	(27.68)	**(622.58)**
Foreign Currency Borrowings	(3,472.43)	-	-	**(3,472.43)**
Other receivables	-	-	-	**-**
Net exposure to foreign currency risk	**(2,846.78)**	**321.30**	**(27.68)**	**(2,553.16)**

(b) Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

	2017-18		2016-17	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	(10.68)	10.68	(15.63)	15.63
EURO	0.40	(0.40)	3.69	(3.69)
Net Increase/(decrease) in profit or loss	**(10.28)**	**10.28**	**(11.94)**	**11.94**

Notes to Financial Statements for the year ended 31st March, 2018

(ii) Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. Company policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During March 31, 2018, March 31, 2017 and April 1, 2016, the company's borrowings at variable rate were mainly denominated in USD.

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market

(a) Interest rate risk exposure

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Variable rate borrowings	1,409.22	1,471.29	1,818.64
Fixed rate borrowings	6,590.72	6,764.81	7,408.49
Total borrowings	**7,999.94**	**8,236.10**	**9,227.13**
% of borrowings at variable rate	**18%**	**18%**	**20%**

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ in Lakhs)

Particulars	Impact on profit before tax	
	March 31, 2018	March 31, 2017
Interest rates - increase by 50 basis points*	0.73	0.76
Interest rates - decrease by 50 basis points*	(0.73)	(0.76)

*holding all other variables constant.

(iii) Commodity Price risk

The Company's operating activities involve purchase and sale of Active Pharmaceutical Ingredients (API), whose prices are exposed to the risk of fluctuation over short periods of time. Commodity price risk exposure is evaluated and managed through procurment and other related operating policies. As of March 31, 2018, March 31, 2017 and April 1, 2016 the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

38. 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.

Notes to Financial Statements for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Borrowings	7,999.94	8,236.10	9,227.13
Trade payables	3,054.44	3,163.35	3,252.52
Other Financial Liabilities	2,284.63	2,051.49	2,318.14
Less: cash and cash equivalents	(448.23)	(578.19)	(616.04)
Less: Other Bank Balance	(242.12)	(283.65)	(215.48)
Net Debt	**12,648.66**	**12,589.10**	**13,966.27**
Equity Share capital	918.09	903.94	851.50
Other Equity	14,684.92	13,253.71	9,085.15
Total Capital	**15,603.01**	**14,157.65**	**9,936.65**
Capital and net debt	**28,251.67**	**26,746.75**	**23,902.92**
Gearing ratio	**44.77**	**47.07**	**58.43**

39. ASSETS GIVEN AS COLLATERAL SECURITY AGAINST BORROWINGS

The carrying amount of assets given as collateral security for current and non current borrowings are: (₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
CURRENT ASSETS			
Trade Receivables	6,862.74	4,824.66	2,328.26
Inventories	4,957.53	4,844.08	4,511.35
Total current assets	**11,820.27**	**9,668.74**	**6,839.61**
NON CURRENT ASSETS			
Property, plant and equipment	12,649.88	13,058.23	13,252.58
Total non current assets	**12,649.88**	**13,058.23**	**13,252.58**

40. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Principal amount due to suppliers under MSMED Act, 2006*	122.69	27.36	23.82
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	-	-	-

*Amount includes due and unpaid of INR 122.69 Lakhs (March 31, 2017: INR 27.36 Lakhs)

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.

Notes to Financial Statements for the year ended 31st March, 2018

41. DEFERRAL/CAPITALISATION OF EXCHANGE DIFFERENCES

The Ministry of Corporate Affairs (MCA) has issued the amendment dated December 29, 2011 to AS 11 "The Effects of Changes in Foreign Exchange Rates", to allow companies deferral/capitalization of exchange differences arising on long-term foreign currency monetary items. In accordance with the amendment/earlier amendment to AS 11, the Company has capitalised exchange loss, arising on long-term foreign currency loan to the cost of plant and equipments.

Accordingly foreign exchange gain/(loss) adjusted against: **(₹ in Lakhs)**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Cost of the assets / Capital work in progress	4.46	28.55	194.15
Amortised in the current year	14.50	20.22	-

42. DISCLOSURES REQUIRED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013

(₹ in Lakhs)

Name of the Party	Nature	Purpose	March 31, 2018	March 31, 2017	April 1, 2016
Long Island Nutritionals Private Limited - Associate	Corporate Guarantee	Borrowings	250.00	250.00	250.00

43. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 was issued in February 2016 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after April 1, 2018. The Company will adopt the new standard on the required effective date.

44. FIRST TIME ADOPTION OF IND AS

These are the company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Notes to Financial Statements for the year ended 31st March, 2018

i. Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets covered by Ind AS 38 - Intangible Assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value. except for land which are fair valued on the date of transition and used the fair value as deemed cost.

ii. Estimates

The estimates at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- FVTPL – unquoted investments

- Impairment of financial assets based on expected credit loss model

The estimates used by the company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2016, the date of transition to Ind AS and as of March 31, 2017.

iii. Investments in subsidiaries, joint ventures and associates

In separate financial statements, a first-time adopter that subsequently measures an investment in a subsidiary, joint ventures or associate at cost , may measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) in its separate opening Ind AS balance sheet.

Selection of fair value or previous GAAP carrying amount for determining deemed cost can be done for each subsidiary, associate and joint venture. The company elects to carry all its investments in subsidiaries, associates and joint ventures at previous GAAP carrying amount as deemed cost.

iv. Share based payment transactions

A first-time adopter is encouraged, but not required, to apply Ind AS 102 Share-based Payment to equity instruments that were vested on or before the date of transition to Ind AS. However, if a first-time adopter elects to apply Ind AS 102 to such equity instruments, it may do so only if the entity has disclosed publicly the fair value of those equity instruments determined at the measurement date as defined in Ind AS 102. If a first-time adopter modifies the terms or conditions of a grant of equity instruments to which Ind AS 102 has not been applied, the entity is also not required to apply Ind AS 102's requirements for modifications of awards if the modification occurred before the date of transition to Ind AS.

Therefore, Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before April 1, 2016. For cash-settled share-based payment transactions, the Company has not applied Ind AS 102 to liabilities that were settled before April 1, 2016.

Notes to Financial Statements for the year ended 31st March, 2018

44. FIRST TIME ADOPTION OF IND AS

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i. Reconciliation of equity as at date of transition (April 1, 2016) **(₹ in Lakhs)**

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind-AS
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	1	8,685.65	4,050.09	12,735.74
(b) Capital Work-in-Progress		516.84	-	516.84
(c) Intangible Assets		229.92	-	229.92
(d) Financial Assets				
(i) Investments	2	1,068.77	23.59	1,092.36
(ii) Other Financial Assets		35.02	-	35.02
(e) Deferred Tax Asset (Net)	6	173.01	467.79	640.80
(f) Other Non-Current Assets	7	317.45	173.11	490.56
		11,026.66	**4,714.58**	**15,741.24**
Current assets				
(a) Inventories		4,511.35	-	4,511.35
(b) Financial Assets				
(i) Trade Receivables	3	4,031.52	(1,703.26)	2,328.26
(ii) Cash and Cash Equivalents		616.04	-	616.04
(iii) Bank Balances Other than (ii) above		215.48	-	215.48
(iv) Other Financial Assets		324.50	-	324.50
(c) Other Current Assets		1,125.52	30.47	1,155.99
		10,824.41	**(1,672.79)**	**9,151.62**
Total		**21,851.07**	**3,041.79**	**24,892.86**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		851.50	-	851.50
(b) Other Equity	8	5,579.19	3,505.96	9,085.15
		6,430.69	**3,505.96**	**9,936.65**
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	4	3,044.67	(213.89)	2,830.78
		3,044.67	**(213.89)**	**2,830.78**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		5,148.08	-	5,148.08
(ii) Trade Payables				
Micro, Small and Medium Enterprises		23.82	-	23.82
Others		3,228.70	-	3,228.70
(iii) Other Financial Liabilities		3,566.40	-	3,566.40
(b) Other Current Liabilities		81.39	-	81.39
(c) Provisions	7	327.32	(250.28)	77.04
		12,375.71	**(250.28)**	**12,125.43**
Total		**21,851.07**	**3,041.79**	**24,892.86**

Notes to Financial Statements for the year ended 31st March, 2018

ii. Reconciliation of equity as at March 31, 2017 **(₹ in Lakhs)**

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind-AS
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	1	8,148.13	4,015.23	12,163.36
(b) Capital Work-in-Progress		894.87	-	894.87
(c) Intangible Assets		208.08	-	208.08
(d) Financial Assets				
(i) Investments	2	1,068.77	28.55	1,097.32
(ii) Other Financial Assets		25.02	-	25.02
(e) Deferred Tax Asset (Net)	6	226.99	253.14	480.13
(f) Other Non-Current Assets	7	301.37	204.74	506.11
		10,873.23	**4,501.66**	**15,374.89**
Current assets				
(a) Inventories		4,844.08	-	4,844.08
(b) Financial Assets				
(i) Investments	2	100.00	5.16	105.16
(ii) Trade Receivables	3	6,483.75	(1,659.09)	4,824.66
(iii) Cash and Cash Equivalents		578.19	-	578.19
(iv) Bank Balances Other than (iii) above		283.65	-	283.65
(v) Other Financial Assets		356.06	-	356.06
(c) Other Current Assets		1,428.10	20.45	1,448.55
		14,073.83	**(1,633.48)**	**12,440.35**
Total		**24,947.06**	**2,868.18**	**27,815.24**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		903.94	-	903.94
(b) Other Equity	8	9,975.17	3,278.56	13,253.73
		10,879.11	**3,278.56**	**14,157.67**
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	4	1,366.27	(126.07)	1,240.20
		1,366.27	**(126.07)**	**1,240.20**
Current Liabilities			-	-
(a) Financial Liabilities				
(i) Borrowings		5,345.41	-	5,345.41
(ii) Trade Payables				
Micro, Small and Medium Enterprises		27.36	-	27.36
Others		3,135.97	-	3,135.97
(iii) Other Financial Liabilities		3,701.97	-	3,701.97
(b) Other Current Liabilities		111.33	-	111.33
(c) Provisions	7	379.64	(284.31)	95.33
		12,701.68	**(284.31)**	**12,417.37**
Total		**24,947.06**	**2,868.18**	**27,815.24**

Notes to Financial Statements for the year ended 31st March, 2018

iii. Reconciliation of total comprehensive income for the year ended March 31, 2017 **(₹ in Lakhs)**

Particulars	Notes	IGAAP	Adjustments	IND AS Balance
REVENUE				
Revenue from operations (net)		22,614.85	-	22,614.85
Other income	2,10	279.94	10.11	290.05
Total Revenue (I)		**22,894.79**	**10.11**	**22,904.90**
EXPENSES				
Cost of materials consumed		5,448.19	-	5,448.19
Purchases of stock-in-trade		2,004.38	-	2,004.38
Changes in inventories of finished goods and work-in-process		(382.56)	-	(382.56)
Excise duty		948.93	-	948.93
Employee benefits expense	5,7	4,017.88	(18.10)	3,999.78
Finance costs	4	1,088.16	95.91	1,184.07
Depreciation and amortization expense	1	710.25	36.79	747.03
Other expenses	3	7,359.51	(44.17)	7,315.34
Total Expenses (II)		**21,194.74**	**70.43**	**21,265.16**
Profit/(loss) before exceptional items and tax (I-II)		**1,700.05**	**(60.32)**	**1,639.74**
Exceptional Items		-	-	-
Profit/(loss) before tax		**1,700.05**	**(60.32)**	**1,639.74**
Tax expense:				
Current tax		-	-	-
Adjustment of tax relating to earlier periods		-	-	-
Deferred tax	6	(53.99)	214.42	160.44
Profit/(loss) for the period		**1,754.04**	**(274.74)**	**1,479.30**
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	7	-	0.67	0.67
Income tax effect	6	-	(0.23)	(0.23)
B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:		-	-	-
Other Comprehensive income for the year, net of tax		-	0.44	0.44
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**1,754.04**	**(274.30)**	**1,479.74**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

Notes to Financial Statements for the year ended 31st March, 2018

iv. Reconciliation of total equity as at March 31, 2017 and April 1, 2016 **(₹ in Lakhs)**

Particulars	Note	March 31, 2017	April 1, 2016
Total equity (shareholder's funds) as per previous GAAP		10,879.11	6,430.69
Adjustments:			
Fair value as deemed cost for property, plant and equipment	1	4,037.84	4,077.85
Fair valuation of financial instruments	2,4	132.17	207.23
Effect of changes in defined benefit obligations	7	489.05	423.39
Fair valuation of financial guarantee	10	5.00	2.50
Expected credit loss on trade receivables	3	(1,659.08)	(1,703.26)
Adjustment for deferred tax	6	253.13	467.79
Other adjustment		20.45	30.47
Total adjustments		**3,278.56**	**3,505.96**
Total equity as per Ind AS		**14,157.67**	**9,936.65**

v. Reconciliation of total comprehensive income for the year ended March 31, 2017 **(₹ in Lakhs)**

Particulars	Note	March 31, 2017
Profit after tax as per previous GAAP		1,754.04
Adjustments:		
Fair valuation of financial instruments	2	7.61
Fair valuation of financial guarantees	10	2.50
Depreciation on property, plant and equipment measured at fair value as deemed cost on date of transition	1	(36.79)
Interest expenses on accounted using effective interest rate	4	(95.91)
Effect of Expected credit loss on financial assets	3	44.17
Actuarial (gain)/ Loss on employee defined benefit fund recognised in Other Comprehensive Income	7	64.98
Employee Stock Option Expense	5	(46.88)
Effect of deferred tax on adjustments	6	(214.42)
Total adjustments		**(274.74)**
Profit after tax as per Ind AS		**1,479.30**
Other comprehensive income	7	0.44
Total comprehensive income as per Ind AS		**1,479.74**

vi. Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2017

There are no material adjustments to the Statement of Cash flows as reported under the previous GAAP.

C. Notes to first-time adoption:

Note 1: Property, Plant and Equipment

The company has elected to measure certain items of property, plant and equipment viz. Land at fair value at the date of transition to Ind AS. Hence at the date of transition to Ind AS, an increase of INR 4,077.85 Lakhs was recognised in property, plant and equipment. This amount has been recognised against retained earnings.

Notes to Financial Statements for the year ended 31st March, 2018

Note 2: Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2017.

Note 3: Trade Receivables

Under Indian GAAP, the company has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL).

Note 4: Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred.

Under the previous GAAP, below market rate borrowings from promoters are recorded at their transaction value. Under Ind AS, all financial liabilities are required to be recognised at fair value on initial recognition. Accordingly, the company has fair valued the below market rate borrowings and the difference between the fair value and transaction value has been recognised in retained earnings on the date of transition.

Note 5: Employee stock option expense

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date.

Note 6: Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Notes to Financial Statements for the year ended 31st March, 2018

Note 7: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

Note 8: Retained earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

Note 9: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Note 10: Financial Guarantees

Under Ind AS, financial guarantees issued by the Company to the lenders of an associate are initially recognised as a liability at fair value which is subsequently amortised as other income to the Statement of Profit and Loss. This transaction was not recorded under the previous GAAP.

Note 11: Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. There is no impact on the total equity and profit.

Significant Accounting Policies and Notes Forming Part of the Financial Statements — **1 to 44**

As per our report of even date attached

For R. P. Sardar & Co.
Chartered Accountants
Firm Registration No: 109273W

Raju P. Sardar
Proprietor
Membership No: 037845
Place: Mumbai
Date: May 9, 2018

For and on behalf of the Board

Sangameshwar Iyer
Company Secretary
(Membership No.: ACS 6818)

Tushar J. Dalal
Chief Financial Officer

Humayun Dhanrajgir
Director
(DIN: 00004006)

Dr. Sachin Patel
Managing Director & CEO
(DIN: 00033353)

THEMIS MEDICARE LIMITED

CIN: L24110GJ969PLC001590

Regd Office: 69/A, GIDC, VAPI- 396 195. DISTRICT – VALSAD, GUJARAT, INDIA.

Website : www.themismedicare.com E-mail : themis@themismedicare.com

Attendance Slip for 48th Annual General Meeting

Name of Shareholder: _____

Reg. Folio No. / Client ID No.: _____

No. of Shares held: _____

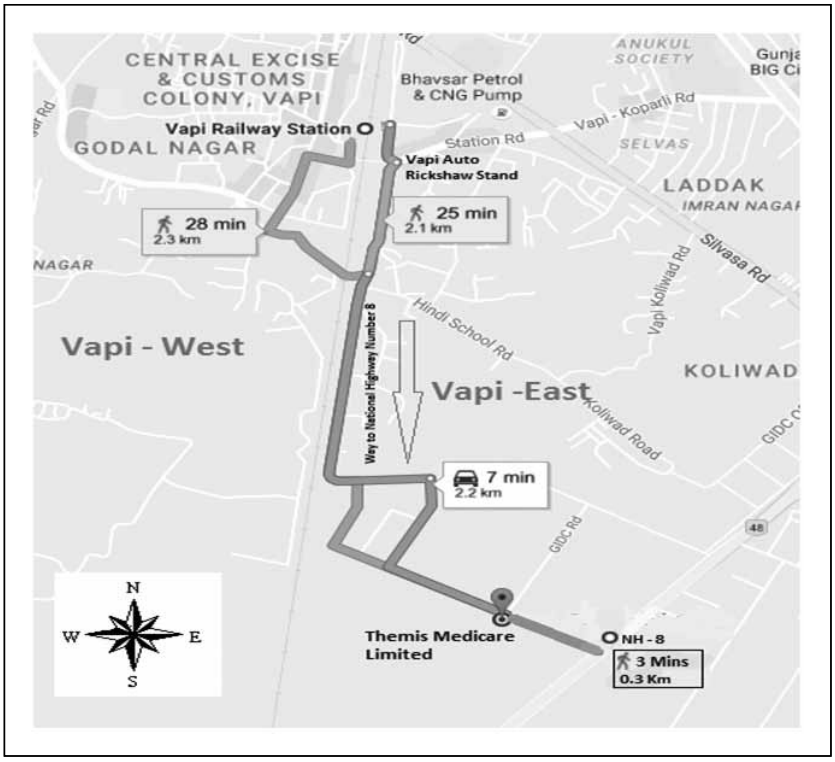
I hereby record my presence at the 48th Annual General Meeting of the Company on Wednesday, the 7th September, 2018 at 10.30 am at 69/A GIDC Industrial Este, Vapi – 396 195, Dist. Valsad, Gujarat.

_____	_____	_____	_____
First / Sole holder / Proxy	Second holder / Proxy	Third holder / Proxy	Fourth holder / Proxy

Note :

1. Please fill this Attendance Slip and hand it over at the meeting hall.
2. Shareholder/Proxy Holder/Auth. Representatives are requested to show their Photo ID proof for attending the meeting. Joint shareholders may obtain additional attendance slip on request.
3. Auth. Representatives of Corporate members shall produce proper authorisation issued in their favour.
4. This Attendance Slip is valid only in case shares are held as on the cut-off date i.e. 31st August, 2018.

Route Map to the Venue of the 48th Annual General Meeting to be held on Friday, September 7, 2018.



Themis Medicare Limited

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

Landmark: Next to Richter Themis Medicare (I) Pvt. Ltd.

Distance from Vapi Railway Station: 2.2 Km

THEMIS MEDICARE LIMITED

CIN: L24110GJ969PLC001590

Regd Office: 69/A, GIDC, VAPI- 396 195. DISTRICT – VALSAD, GUJARAT, INDIA.

Website : www.themismedicare.com E-mail : themis@themismedicare.com

Proxy Form for 48th Annual General Meeting

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

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

Registered address:.....

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 48th Annual General Meeting of the Company to be held on Friday, 7th September, 2018 at 10.30 a.m. at Plot no. 69-A, GIDC Industrial Estate, Vapi, Dist. Valsad, Gujarat-396 195 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary business				
1.	To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March 2018, together with the Auditors' Report and Directors' Report thereon.			
2.	To appoint a Director in place of Mr. Rajneesh Anand (DIN 00134856) who retires by rotation and being eligible, offers himself for re-appointment.			
Special business				
3.	To fix the remuneration of M/s. B. J. D. Nanabhoy & Co., Cost Accountants, Mumbai.			
4.	Appointment of Dr. Gabor Gulacsi (DIN: 06975242) as a Non Executive Director, liable to retire by rotation.			
5.	Revision in Remuneration payable to Mrs. Jayshree D. Patel (DIN: 00033316) as a Whole-Time Director.			
6.	To accept deposits from Members and Public.			
7.	Continuation of Mr. Humayun Dhanrajgir (DIN: 00004006) as Independent Director of the Company who has attained the age of Seventy-five years.			

Signed this _____ day of _____ 2018.

AFFIX 1 Re Revenue Stamp

Signature(s)

_____ _____

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

Notes :

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the Annual General Meeting (on or before September 5, 2018 at 10:30 a.m. IST).
2. It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.



THEMIS
MEDICARE

11/12 Udyog Nagar Industrial Estate,
S. V. Road, Goregaon (W),
Mumbai - 400 104.
Visit us at : www.themismedicare.com

info@jamaliprinters.com