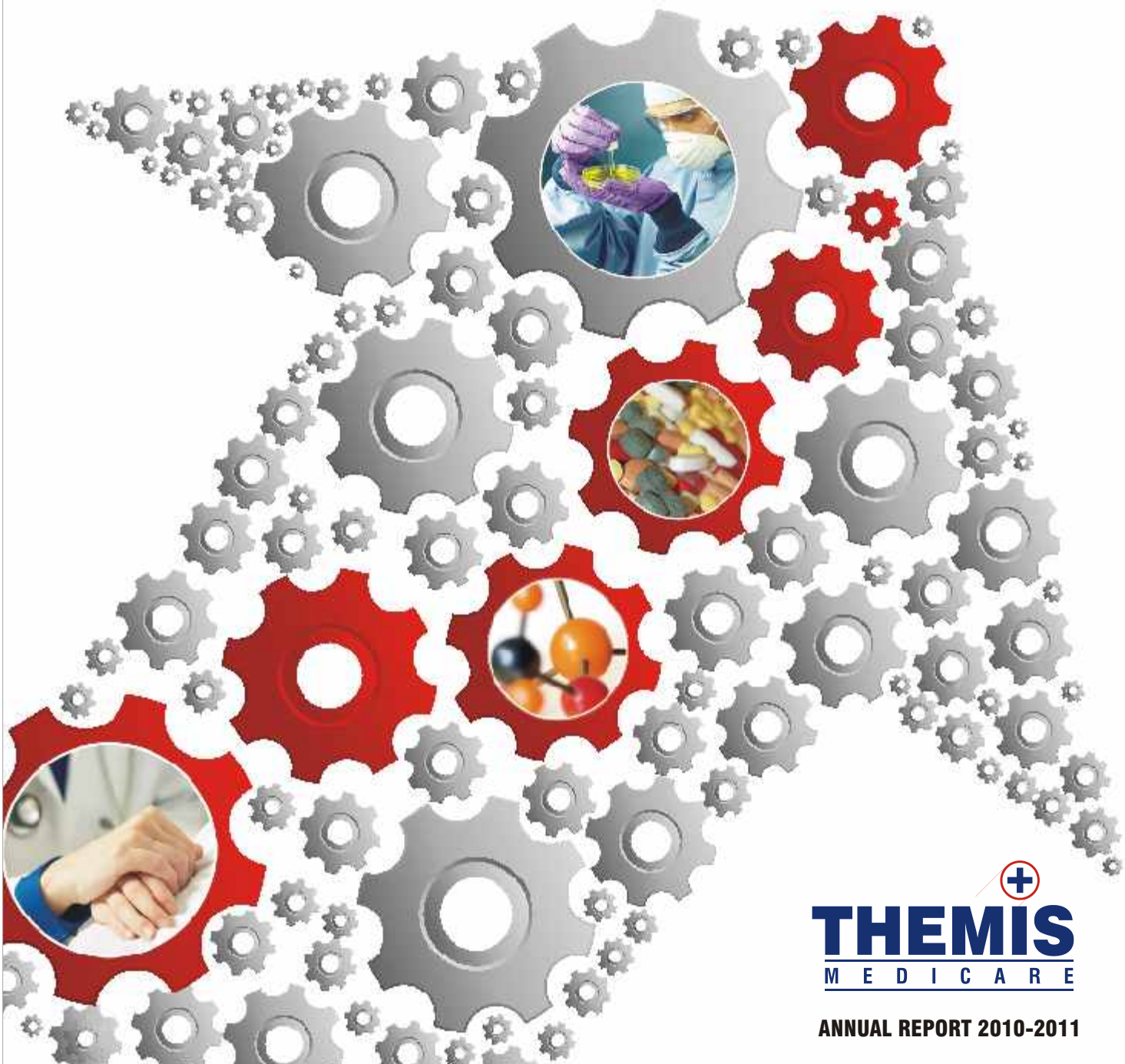


REACHING

NEW HEIGHTS THROUGH QUALITY BASED INNOVATION




THEMIS
 M E D I C A R E

ANNUAL REPORT 2010-2011

Vision

To become the most admired research based pharmaceutical company with leadership in market share, research and profit by:

- ✿ Inculcating a high performance culture
- ✿ Manufacturing the highest quality products
- ✿ Being preferred in - sourcing partner for global pharmaceutical companies for research based unique products





“The Bond of Love is the Greatest Asset in Any Family”

Our dearly beloved

DADAJI - SHRI SHANTILAL DAHYABHAI PATEL

Chairman Emeritus - Themis Medicare Limited

Left for his heavenly abode on 22nd February, 2011



18.10.1926 to 22.02.2011

A Few Gems from DADAJI'S Priceless Collection of Thoughts

Knowledge Is More Valuable Than Money

Satisfaction Is Life's Priceless Gift

Have Ambition but Do Not Be Over-Ambitious

Do Not Compete With Friends in Business

Do Not Cheat

Donations with Conditions are Equivalent to Business Ventures

In Life - Place God First, Then Family Followed By Work / Business

In Business - Immense Value Should Be Placed On Suppliers & Staff

There Is No Replacement for Hard-work with Common Sense

Time Is Money Hence the Essentiality Is Speed







Board of Directors

Shri Hoshang Sinor
Chairman

Mr. Erik Bogisch
Representative of Foreign Collaborator

Dr. Laszlo Kovacs
Representative of Foreign Collaborator

Mr. Lajos Kovacs
Representative of Foreign Collaborator

Shri Humayun Dhanrajgir
Director

Shri Vijay Agarwal
Director

Shri Rajneesh Anand
Director

Mrs. Jayshree Patel
Whole Time Director

Dr. Sachin Patel
Deputy Managing Director

Dr. Dinesh Patel
Managing Director & CEO



Executive Management Board

Dr. Dinesh S. Patel
PH.D. CChem., FRSC(Lond.)
Overall Management

Dr. Shashikant P. Kurani
M.SC., PH.D., LL.M., D.P.L.P.
Regulatory & Scientific Affairs

Shri T. Damodar Reddy
Graduate in Chemical Technology
API - Business Biotech

Dr. Sachin D. Patel
PH.D. CChem., University Of Cambridge, U.K.
Research and Business Development

Shri Prakash D. Naringrekar
M.Com., ACS
Legal & Finance

Mr. Luis Dias
B.Com.
API - Business Co-ordinator

Registered Office 69 / A, GIDC Industrial Estate,
Vapi, Dist - Valsad, Gujarat-396 195.

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

Plants
Synthetic 69 / A, GIDC Industrial Estate,
Vapi, Dist - Valsad, Gujarat-396 195.

Bio-Tech "Artemis Biotech"
(A Division of Themis Medicare)
Plot No. 1 & 5, IDA, Jeedimetla,
Hyderabad-500 055

Formulation Sector 6-A, Plot No.16, 17 & 18,
IIE, BHEL, Haridwar.

Statutory Auditors
M. T. Ankleshwaria & Co.
(Chartered Accountants)

Branch Auditors
Ramanatham & Rao
(Chartered Accountants)

Cost Auditors
B. J. D. Nanabhoy & Co.
(Cost Accountants)

Bankers
Union Bank of India, Bank of Baroda
E-Mail: themis@themismedicare.com
Visit us at: www.themismedicare.com

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Message from The Chairman

Greetings!

As I present the 41st Annual Report for the year ended 31st March, 2011 with a few highlights on your Company's performance, I must first place before you the sad news about the passing away of our dear Founder and Chairman-Emeritus – Shri Shantilal D. Patel on 22nd February 2011. Shri Shantibhai or Dadaji as he was fondly called by one and all was an iconic figure of sorts in that he displayed sheer grit, grind and gumption to commence the first pharmaceutical plant in Vapi in the late 1960's. I am herewith constrained by time and space to give you details on our dear Dadaji's valuable and infinite contributions to the Pharmaceutical Industry and the Themis Medicare family. That his pharmaceutical career spans the period 1962 to 2011 is enough to say it all. Besides his memory will be aglow in our hearts and that of our well wishers forever!

As we look back into the pharmaceutical activities of the preceding year, it is of interest to note that the Indian Pharmaceutical Industry today is in the front rank of India's science-based industries with wide ranging capabilities in the complex field of drug manufacture and technology. It ranks very high in the third world, in terms of technology, quality and range of medicines manufactured. From simple headache pills to sophisticated antibiotics and complex cardiac compounds, almost every type of medicine is now made indigenously.

India's pharmaceutical industry is also now the third largest in the world in terms of volume. It ranks 14th in terms of value. I understand the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers has reported that between September 2008 and September 2009 the total turnover of India's pharmaceuticals industry was US\$ 21.04 billion. The domestic market was worth US\$ 12.26 billion. Further as per a report by IMS Health India, the Indian pharmaceutical market reached US\$ 10.04 billion in size in July 2010. A highly organized sector, the Indian Pharmaceutical Industry is thus estimated to be worth \$ 4.5 billion, growing at about 8 to 9 percent annually.

From a report titled "India Pharma 2020: Propelling access and acceptance, realising true potential" by McKinsey & Company, I understand that the Indian pharmaceuticals market is expected to reach US\$ 55 billion in 2020 from US\$ 12.6 billion in 2009. In the same report, it was also mentioned that in an aggressive growth scenario, the pharmaceutical market has the further potential to reach US\$ 70 billion by 2020.

In the light of the above scenario I have the pleasure to convey that your Company is also vigorously engaged in picking up momentum!

Your Company has recorded good sales in the Formulation business! On the Domestic front the move has been to establish a 'brand' image and this has guaranteed a growth of 64.68% in this area of activity. This brand building strategy is expected to lead your Company to better safety in terms of profits and security.

The Plants at Haridwar, Hyderabad and Vapi have undergone several domestic and international audits. The Hyderabad Plant has specifically been successful in receiving EDQM approval.

The API business on the other hand could not withstand the continuous pressure in terms of pricing even though there was substantial increase in production – hence unfortunately there was erosion in both the turnover and profit in this area of activity. This situation in the long term would be taken care of by the exercising of increased pressure on the 'Formulation' business both in India and the global markets.

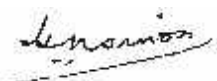
Co-marketing has its strength founded in several of your Company's innovative products and this has allowed for a growth of 56% in this area of activity.

As I now pen in my last few lines, I would prevail upon you to rest assured in your Company's ability to meet up to all the challenges that it is being faced with especially the changing market scenario! Your valuable support is highly appreciated for which I especially convey my sincere thanks!

I also take this opportunity to thank our Bankers for their understanding and support – ready to stand with us in our times of need!

This message will be incomplete without a mention of our esteemed collaborators Gedeon Richter Ltd! You will be proud to note that your Company has a tie-up with a 110 year old soundly established Hungarian partner. Yes, I say 110 years because this significant landmark was what Gedeon Richter Ltd., celebrated on 9th May 2011! I place on record our sincere thanks to the Management and team of Gedeon Richter for their extremely valuable association with us!

Finally I thank the Board and the Executive Management team which is being ably led by Dr. Dinesh S. Patel- Managing Director & CEO and Dr. Sachin Patel, Deputy Managing Director. I am sure we will see noteworthy change on all fronts of the business!



H. N. Sinor
Chairman

Message from

The Managing Director & CEO

Dear Stakeholder,

As again, we have stepped into a new financial year!

While a review of the preceding year indicates that the all round progress of our Company has been good I must also bring to your attention with great sadness the news of the passing away of our Founder – Chairman Emeritus and my dear father – Shri Shantilal D. Patel (Dadaji as he was fondly called) on 22nd February 2011. The day will be etched forever in our hearts – his memory a golden glow that will shine forever! Time and space here do not permit me the opportunity to give you the details of the significant history that Dadaji has created and the legacy he has left behind. All that I can say is that his Priceless Gems, some of which are being highlighted in this Annual Report on the page dedicated to him, will always be foundational in the functioning of our Company.

The highlights of 2010-2011:

- Turnover in the year 2009-10 was : Rs. 218.55 cr.
- Turnover in the year 2010-11 is : Rs. 239.71 cr.
- Thus an overall increase of : 9.68% in 2010/11 as against 6% in 2009/10

Domestic “Formulations” recorded sales of Rs. 64.26 cr. as against last year’s sales of Rs.39.02 cr. an increase of 64.68%. E MAL still stands steady at the No. 1 position in the Anti-malarial segment.

The Domestic Formulations market has seen the launch of a New Division ‘**Luminous**’. This new division has been launched to give our Company the opportunity to step into an altogether new but fast growing pharmaceutical marketing segment viz., Cosmeto-Dermatology, which will endeavour to change the horizon of the Cosmetology market. The first of the brands introduced in the market is **LUMIXYL**. It has been introduced in a Hamper – each containing a Lumixyl Skin Brightening Cream for Hyper-pigmentation and a Lumixyl Sunscreen with SPF30.

The other interesting formulations introduced in the year were –

- ‘**THEMIBEAR Calcium**’ – this was introduced for the ‘**First**’ time in the country. It is a calcium preparation with fruit gummies for paediatric use.
- ‘**THEMIBEAR Multivitamin**’ – this was also introduced for the ‘**First**’ time in the country. The product, which is a class apart from all available multivitamins, is in an adorable bear shape hence “**Themibear**”. Its soft gummy preparation.

Both the above products are in a class apart as they are in an adorable bear shape hence “Themibear”. Further their ‘gummy’ preparation in Orange, Strawberry and Lemon flavours also make it good in taste and fun for children to chew!

- **Thi-OD** – This product contains Thiocolchicoside and is the ‘**First**’ Once Daily tablet introduced in India. It is a muscle relaxant for common ailments like low back pain, Rotator Cuff injury, Cervical Spondylosis, Torticollis (wry neck), etc. This product is unique in that it exhibits anti-inflammatory and analgesic actions and practically does not cause any sedative effect.

- **Tolpidol OD** a Once Daily dose recommended for the treatment of skeletal muscle spasm of neurological origin. The product contains the drug Tolperisone which is a research molecule of our Hungarian counterpart Gedeon Richter.
- **Ropicaine Injection** which contains ropivacaine a local anaesthetic agent superior to other local anaesthetic agents like bupivacaine and lidocaine by virtue of it being of a lesser motor block. It is used for various local anaesthetic procedures like epidural block, major nerve block and local infiltration.
- **Lumether Forte** – a combination of Artemether & Lumefantrine in the treatment of uncomplicated Falciparum Malaria, which acts sure, acts fast and acts long and available in a convenient therapy pack of just 6 tablets in 3 days.

Co-marketing business has recorded sales of Rs. 28.89 cr. in the year 2010/11 as against Rs.18.55 cr. in 2009/10 ensuring a 56% rise.

On the **API** front the Company is facing tremendous challenges from the Chinese market as well as due to fluctuating prices which have caused a downward slide of 9% in sales. The Company has already commenced steps to counter this changing scenario by putting a special impetus on the *Formulations business* – both in the domestic and international arena.

Exports have shown a marked rise from Rs. 73.19 cr. in 2009/10 to Rs. 80.79 cr. in 2010/11. However with the changing API sales scenario, our Company has also initiated a change in its marketing strategy by increasing its exports sales force. The focus is to promote “Formulations” on a war-footing and thereby endeavour to capture every challenging frontier! Many new markets have been tapped, including Japan.

The system of Factory audits is one that ensures the release of ‘quality’ products in the market. You would therefore find it interesting to learn that our Haridwar, Hyderabad and Vapi Plants have undergone several national and international audits successfully including the EDQM Audit at Hyderabad that had been highlighted in last year’s Report! Our Quality Control and Quality Analytical departments at all the sites have played a vital role in meeting up to the stringent challenges of each Audit team this last year and achieved the requirements in terms of ‘quality standards’. Our existing business-tie-ups are thereby safe and secure.

R & D being the backbone of our Co-marketing and Formulation businesses it is our endeavour to continue meeting every challenge that arises in these areas of business, with the introduction of several new products every year! The ‘cost effectiveness’ formula has been effectual hence it will continue to be foundational in our every strategic move.

The challenges, as I keep repeating in my message, are tremendous ~ viz., the changing API scenario, API

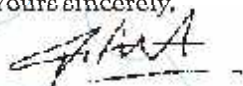
prices, increased costs on various operational fronts, working capital management and so on. Nevertheless we will leave no stone un-turned to meet up to them!

Our Company's mission is to fuel growth both in the bottom and top lines with increase in stake-holders value.

Hence while I record my sincere appreciation for your valuable support our Company looks forward to your continued participation in its growth.

Thank you,

Yours sincerely,



Dr. Dinesh S. Patel
Managing Director & CEO



Notice to Members

NOTICE is hereby given that the 41st Annual General Meeting of the Members of THEMIS MEDICARE LTD. will be held at Plot no. 69-A, GIDC Industrial Estate, Vapi-396 195, Dist. Valsad, Gujarat on Saturday, 30th July, 2011 at 11.00 a.m. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2011 and the Profit & Loss Account for the year ended 31st March 2011 and the Auditors' Report and Directors' Report thereon.
2. To appoint a Director in place of Dr. Laszlo Kovacs who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Eric Bogsch who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Hoshang N. Sinor who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.
6. To declare a Dividend.

SPECIAL BUSINESS:

7. To consider & if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT, pursuant to the provisions of section 314 and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modifications or re-enactment thereof, consent and approval of the Company be and is hereby accorded to Mrs. Jayshree D. Patel a relative of Dr. Dinesh S. Patel – Managing Director & CEO Dr. Sachin D. Patel – Dy. Managing Director of the Company, to hold and continue an office or place of profit as Consultant, of Themis Medicare Limited on a monthly fees of Rs. 2,45,000/- (Rupees Two Lacs Forty Five Thousand only) per month for a period of five years w.e.f. 4th May, 2011."

By order of the Board of Directors

Mumbai : 3rd May 2011
Regd. Office : Plot no. 69-A, GIDC Industrial Estate,
Vapi-396 195, Dist. Valsad, (Gujarat)

Prakash D. Naringrekar
CFO & Company Secretary



Notes

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Proxy to be effective must be deposited at the Registered Office of the Company not later than forty eight hours before the time appointed for holding of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd July, 2011 to 30th July, 2011 (both days inclusive).
4. Dividend if declared at the meeting will be paid to the eligible members whose names appear on the Register of Members on 30th July, 2011 or after that date.
5. Members are requested to notify immediately changes in their addresses, if any, to the Company / Registrar & Share Transfer Agents quoting reference of the Registered Folio Number.
6. Members are requested to quote their Folio Numbers in their correspondence with the Company / Registrar & Share Transfer Agent.
7. Company shares are listed at Bombay Stock Exchange Limited, Mumbai, and National Stock Exchange of India Limited, Mumbai. The Company has paid listing fees for the year 2011-12 to the above Stock Exchanges.
8. The eligible members of the Company (except members whose shares are forfeited) are hereby informed that unclaimed dividend for the Company's accounting year 2003-2004 will be credited to the Central Government's Investors' Education and Protection Fund at appropriate time during the calendar year 2011. Hence, no claim, if any, will be entertained for unclaimed dividend thereafter.

By order of the Board of Directors

Mumbai : 3rd May 2011
Regd. Office : Plot no. 69-A, GIDC Industrial Estate,
Vapi-396 195, Dist. Valsad, (Gujarat)

Prakash D. Naringrekar
CFO & Company Secretary



Explanatory Statement Pursuant To Section 173 (2) Of The Companies Act, 1956.

Following are the material facts relating to Item no. 7 of the accompanying Notice.

At the Annual General Meeting of the Company held on 25th June 2010, consent of the members was accorded for reappointment of Mrs. Jayshree D. Patel as Whole Time Director of the Company, on revised remuneration for a period of five years w.e.f. 29th June, 2010.

Mrs. Jayshree D. Patel had expressed her unwillingness to continue as a Whole Time Director of the Company due to pressing personal commitments. The Board at its meeting held on 3rd May, 2011 considered her request and had accepted resignation as a Whole Time Director. However, considering her vast experience of more than 27 years in the field of finance, administration & distribution the Board requested Mrs. Patel to continue as a Consultant and guide the Company in the current pressing times. Mrs. Jayshree Patel consented to act as a Consultant on revised fees as approved by the Board.

Looking at the vast experience of Mrs. Jayshree D. Patel, her role in the new capacity as a Consultant will be of immense benefit to the Company. Further, the fees payable to her as a consultant will be much lower than remuneration as a Whole Time Director she was entitled to, as approved by the members earlier.

As per Section 314 of the Companies Act 1956, consent of the members is required to be obtained for holding office or place of profit by a relative of Director of the Company.

Mrs. Jayshree D. Patel being relative of Dr. Dinesh S. Patel – Managing Director & CEO and Dr. Sachin D. Patel – Dy. Managing Director of the Company, they are to be treated as concerned or interested in the aforesaid matter.

The members are recommended to pass the above resolution.

By order of the Board of Directors

Mumbai : 3rd May 2011
Regd. Office : Plot no. 69-A, GIDC Industrial Estate,
Vapi-396 195, Dist. Valsad, (Gujarat)

Prakash D. Naringrekar
CFO & Company Secretary

Directors' Report

Your Directors have pleasure in presenting the 41st Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2011.

Financial Results

The results for the year ended 31st March, 2011 are summarized below:

(Rs. in lacs)		
Particulars	2010-11	2009-10
Profit / (Loss) before Depreciation and tax	1537.00	2311.42
Less: Depreciation	513.60	522.00
Profit / (Loss) before Tax	1023.40	1789.42
Less: Provision for Taxation		
Current Tax (MAT)	-	-
Deferred Tax	(15.05)	(17.56)
Profit / (Loss) after Tax	1038.45	1806.98
Add/ (Less): Net Adjustments in respect of earlier years.	(24.71)	(5.15)
Excess/(short) Provision for tax in respect of earlier years	-	64.67
Balance brought forward from previous year	455.08	(828.85)
Amount available for appropriation	1468.82	1037.65
Less: Final Dividend	241.52	241.52
Less: Dividend Tax	39.69	41.05
Less: Transfer to General Reserve	300.00	300.00
Balance carried forward	887.61	455.08

Operations:

Sales / Income from operations at Rs.23971 lakhs, increased by 9.68% as compared to the previous year's sale of Rs.21855.54 lakhs. Your Company has recorded profit after tax and prior year's adjustments Rs 1013.74 lakhs as against profit of Rs. 1866.50 lakhs in the previous year.

Business Achievements/Developments

The year witnessed substantial shift in ratio of business activities from API to Formulation, the latter contributing 43% of the turnover against 31% in the previous year.

Within Formulation business domestic trade business increased by 64% and co-marketing by 56%.

Your Company continued its philosophy of introduction of new research based products in various therapeutic segments. We abide by this philosophy and will continue with same strength in coming years also.

During the year your Hyderabad manufacturing facility was conferred with EUGMP accreditation.

Directors' Responsibility Statement:

In view of the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors state that in preparation of the Annual Accounts for the year ended 31.03.2011:-

- The applicable accounting standards have been followed by the Company.
- The accounting policies adopted and applied consistently, in the opinion of the Directors are reasonable and prudent and gives true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- Accounts have been prepared on a going concern basis.

Details of Directors seeking appointment / re-appointment at the 41st Annual General Meeting pursuant to Clause 49 of the Listing Agreement.

Name of the Director	Dr. Lazlo Kovacs	Mr. Erik Bogisch	Mr. Hoshang N. Sinor
Date of Birth	14.02.1944	31.10.1947	05.12.1944
Date of appointment	09.08.2008	09.12.2009	09.12.2009
Expertise in specific functional areas	International Commerce and Marketing	R & D Management & Manufacturing	Banking & Finance at Senior Management Level
Qualifications	Ph.D. in Economic Science	Chemical Engineer	B.Com LLB
List of Companies (Excluding foreign and private Ltd. Companies) in which outside Directorship held as on 31st March, 2011	-	-	<ol style="list-style-type: none"> 3i Infotech Ltd. ICICI Venture Funds Management Company Ltd ICICI Lombard General Insurance Company Ltd. CRISIL Sahara India Financial Corporation Ltd Tata Capital Ltd. Tata Motor Finance Ltd. Tata Investments Corporation Ltd. Zorastrian Cooperative Bank Ltd. Tata Capital Financial Services Ltd.
Chairman / Member of the Committees of the Board of the Companies on which he is a director as on 31st March 2011.	-	-	<p>1. Chairman Audit Committee:</p> <ol style="list-style-type: none"> CRISIL Tata Investment Corporation Ltd. Zorastrian Cooperative Bank Ltd Tata Motor Finance Ltd. <p>2. Membership Audit Committee:</p> <ol style="list-style-type: none"> ICICI Venture Funds Management Company Ltd. ICICI Lombard General Insurance Company Ltd Sahara India Financial Corporation Ltd. Tata Capital Ltd. Themis Medicare Ltd.

DIVIDEND :

Your Directors have recommended a dividend of 30% (Previous year – 30%) which will absorb Rs 241.52 lakhs and Rs 39.69 lakhs towards Dividend tax.

SUBSIDIARIES :

During the year under review a Private Ltd Subsidiary Company in the name and style of Themis Lifestyle Pvt. Ltd was incorporated on 3rd November, 2010 and another Public Ltd Subsidiary Company in the name and style of Artemis Biotech Ltd. was incorporated on 14th January, 2011. However there are no business transactions in the subsidiary Companies till 31st March, 2011.

CONSOLIDATED ACCOUNTS :

As required by Clause 49 of the Listing Agreement, a detailed Report on Corporate Governance is annexed to this Report.

CORPORATE GOVERNANCE :

As required by Clause 49 of the Listing Agreement, a detailed Report on Corporate Governance is annexed to this Report.

DIRECTORS :

Shri. Shantilal D. Patel - Chairman Emeritus left for his heavenly abode on 22nd February, 2011. Shri Shantilal Patel, a pioneer in Indian Pharmaceuticals Business was the promoter / founder of Themis Medicare Ltd and was associated with the company right from its inception. He always guided and supported the management, staff and workers with his vast experience to grow the business of the Company to its present level. The Board places on record its sincere appreciation for the yeomen services rendered by him.

At the Board Meeting held on 3rd May, 2011, Mrs. Jayshree D. Patel Whole Time Director requested the board to relieve her from the present responsibilities, due to personal reasons. The Board, with much reluctance, agreed to relieve her as a Whole Time Director, however made a request to her to guide the Company as a Consultant. The Board places on record the contribution made by Mrs. Jayshree D. Patel during her tenure as a Whole Time Director.

In terms of Articles of Association of the Company as well as the requirements of the Companies Act, 1956, Dr. Laszlo Kovacs, Mr. Erik Bogesch and Shri Hoshang N. Sinor who

retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Members are requested to appoint directors retiring by rotation.

The Company has made applications to the Central Government for waiver of excess remuneration paid to Dr. Dinesh Patel (for the year 2008-09 & 2009-10), Mrs. Jayshree D. Patel and Dr. Sachin D. Patel (for the year 2009-10.) Further for the year under review similar application is being made for waiver of excess remuneration paid due to inadequacy of profits.

MANAGEMENT DISCUSSION & ANALYSIS:**Operational Overview**

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

Development of innovative – first-of-a-kind products to establish itself in India and Globally. Establish sound long-term partnerships with Indian and International companies to expand business.

Development of a stronger manufacturing infrastructure.

Creation of a superior Management Information System.

Up-gradation, Expansion, Modernization of existing manufacturing facilities.

Obtaining of international approvals for its plants.

Establishment of Marketing Divisions as per therapeutic segments.

FIXED DEPOSITS :

During the year your Company accepted Public Deposits in terms of section 58A of the Companies Act, 1956 and Acceptance of Deposit Rules, 1975. The Company does not have any unpaid deposits as at 31st March, 2011

AUDITORS :

M/s. M. T. Ankleshwaria & Co., Chartered Accountants retires at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

The Members are requested to appoint the Auditors.

LABOUR :

During the year under review, relations with labour remained as it were last year.

GENERAL :

Statement giving particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under section 217(1)(e) of the Companies Act, 1956 is annexed.

PARTICULARS OF EMPLOYEES:

Particulars of employees as contemplated under Section 217(2A) of the Companies Act, 1956 is attached as Annexure I to this report.

AUDITORS REMARKS:

As regards remarks in the Auditors' Report, the notes wherever referred to, are self-explanatory.

ACKNOWLEDGMENTS:

Your Directors take this opportunity to thank the Company's Bankers, Medical Profession, Foreign collaborators and Trade for their continued co-operation and patronage. The Directors also wish to record their appreciation to Company's personnel at all levels for their dedication, commitment and hard work.

For and on behalf of the Board of Directors

Place: MUMBAI.

Dated: 3rd May, 2011

H. N. Sinor
Chairman

Annexure I to Director's Report

Information pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Employed through out the year under review and were in receipt of remuneration in aggregate of not less than Rs. 60,00,000/- per annum.

Sr. No.	Name of employee	Age (years)	Designation & Nature of duties	Remuneration Rs.	Qualification & Experience	Date of Commencement of employment
1	Dr. Dinesh S. Patel	63	Managing Director & CEO	87,36,000	Ph.D.CChem. FRSC (Lond) 34 years	01/09/1988
2	Dr. Sachin D. Patel	36	Deputy Managing Director	62,85,076	Ph.D.CChem. University of Cambridge (UK) 10 Years	01/02/2001

NOTES:

1. Remuneration received includes House Rent Allowance, reimbursement of Gas, Electricity, Water and Furnishing, Medical reimbursement, Leave Travel Concession, Club Fees, Personal Accident Insurance premium, perquisites and company's contribution to Provident Fund, but does not include Provision for Gratuity.
2. Nature of employment is contractual.
3. The above Directors are related to each other.
4. Applications have been made to The Central Government for waiver of excess remuneration paid to Dr. Dinesh S. Patel (for the year 2008-09 & 2009-10), Mrs. Jayshree D. Patel and Dr. Sachin D. Patel (for the year 2009-10). Further for the year under review similar application is being made for waiver of excess remuneration paid due to inadequacy of profits.



Annexure II to Director's Report

Conservation of Energy

FORM - A
(See Rule 2)

	Current Year 2010-11	Previous Year 2009-10
A. Power and Fuel consumption		
1 Electricity		
a) Purchased Unit (KWH)	12361812	11778539
Total amount (Rs. Lakhs)	544.46	488.27
Rate/Unit (Rs.)	4.40	4.15
b) Own generation		
i) through diesel generator Unit (KWH)	821878	969024
Unit per litre of diesel	2.69	2.69
Cost / Unit (Rs.)	15.25	13.55
2 Coal		
Qty (Tons)	3996	3431
Total Cost (Lakhs)	146.38	115.88
Average rate	3663.16	3377.66
3 Furnace oil		
Quantity (K. Ltrs)	189.93	187.98
Total amount (Rs. Lakhs)	55.41	47.82
Average rate (Rs)	29173.40	25437.11
4 Other Internal Generation		
Steam Purchase (M.T.)	10756	10661
Total Cost (lakhs)	165.99	131.56
Average Rate (Rs / M.T.)	1,540.00	1,230.00

B Consumption Per Unit Of Production

The Company produces a wide range of bulk drugs, formulations and pharmaceutical products. It is not practicable to establish product wise energy consumption, since bulk of electricity is used for services like water supply, cooling water, airconditioning refrigeration, etc. which are common to all products. The Company is therefore not in a position to give the product wise information.

FORM - B

(DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION)

Research & Development (R&D)

1. Specific areas in which R & D carried out by the Company :
 - a) Development of new pharmaceutical formulations.
 - b) Development, evaluation and standardization of product.
 - c) Process development of new bulk drugs and intermediates.
 - d) Establishing the standards, specification and analytical procedures of new products and intermediates.
2. Benefits derived as a result of the above R & D
 - a) More efficient process for manufacture of some of the intermediates and formulations.
 - b) Economy in product packaging.
 - c) Quicker and higher economic returns.
 - d) Substitution of Imported ingredient with indigenous ones.
 - e) Optimum utilisation of resources
 - f) Development of new products and processes for which patents applied for and received for certain products and processes..
 - g) Licensing out of patented formulations to overseas multinational Companies like Schering Plough Animal Health, USA / Ceva Sante Animale, France and Dexa Medica Ltd., Indonesia.
 - h) Registration of various new formulations and API in Europe.
3. Future plan of Action : The existing activity levels to continue with emphasis on:
 - a) Development of new pharmaceutical formulations.
 - b) Clinical trials of new drugs
 - c) Production of bulk drugs right from basic stages.
 - d) Design and Development of novel delivery systems for imported drugs.
 - e) Study the bio-availability and effect of various bio-pharmaceuticals parameters on availability of drugs.
 - f) Early entry in USA market.

4. Expenditure on R & D :
 - a) Capital Rs. 31.31 lacs
 - b) Recurring Rs. 283.92 lacs
 - c) Total Rs. 315.23 lacs

TECHNOLOGY, ABSORPTION, ADAPTION AND INNOVATION:

R & D in Themis Medicare Ltd. is a committed endeavor and spans several disciplines including synthetic chemistry, fermentation technology and formulation development. The Company has in-house R & D centres equipped with latest instruments and facilities, duly recognized by the Department of Science and Technology, Government of India.

These centres are:

- 1) R & D Centre, Vapi
- 2) Artemis Research and Development Centre (Recognized by Gujarat State University)
- 3) R & D Centre, Hyderabad
- 4) R & D Centre, Haridwar

- A. Efforts in brief, made towards technology absorption, adaption and innovation :

The Research and Development Department keeps itself abreast of the technical developments and innovations relating to the Company's line of products and bring about improvement in the products of the Company for the better quality, process improvements, cost effectiveness and import substitution.

The Company is also actively associated with National Research Laboratories, such as Central Drug Research Institute, Lucknow, Council of Scientific & Industrial Research Labs, for development / upgrading process for basic drugs / drug intermediates, University Institute of Chemical Technology (UICT), C. U. Shah College of Pharmacy, Santacruz, Indian Institute of Technology (IIT), Bombay, Pharmaceutical Education Research & Development Centre (PERD), Ahmedabad, Indian Institute of Science,

Bangalore, Amrita Centre for Nanosciences, Cochin, SVKM's NMIMS University, Mumbai, Shree S. K. Patel College of Pharmaceutical Education and Research, Mehsana, Kherva, Shri B. M. Shah College of Pharmaceutical Education & Research, Modasa, Central Salt Marine Research Institute (CSMCRI), Bhavnagar, Gujarat The Company has collaboration with an Overseas University and also exploring for technology collaboration with other Universities.

Our Hyderabad unit is striving and working on patented process which is beneficial with respect to maintenance of ecology & is environment friendly. The process will help in reducing burden of effluents.

- B. Benefits derived as a result of above efforts - have been covered under R & D reports.

FOREIGN EXCHANGE EARNINGS/OUTGO:

Our Foreign Exchange earnings through exports were to the tune of Rs. 8079.18 lacs. The Company's outgo of foreign exchange activities amounted to Rs. 5614.48 lacs. Particulars of Foreign Exchange earnings and the utilization during the year appears in Schedule XV to the accounts.

Report on Corporate Governance

1. Company's philosophy on Code of Governance

The Company has maintained high level of commitment towards effective Corporate Governance. The Company has over the years, apart from following the statutory requirements on Corporate Governance has initiated systems on transparency, disclosure, control, accountability, establishing trust with 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 Governance.

2. Board of Directors

The Board of the Company has an optimum combination of Executive and Non-Executive Directors to maintain the independence of the Board. The Chairman of the Board is Non-Executive Non-Promoter Director.

The present strength of the Board is 10 Directors comprising of 4 Indian Promoter Directors of which 1 is Managing Director & 2 are Whole Time Directors. 3 Directors represent Foreign Collaborators and 3 Indian Independent Professional Directors.

Attendance of each Director at the Board of Directors Meetings and at the last AGM, is as follows :-

Name of the Director	Designation	Category	No. Of Board Meetings attended	Last AGM Attended	Number of Directorship in other Companies	Number of Committee positions held in other Companies	
						Chairman	Member
Shri Shantibhai D. Patel	Chairman - Emeritus	Promoter / Non-Executive	3	No	Nil	Nil	Nil
Shri Hoshang N. Sinor	Chairman	Independent / Non-Executive	5	Yes	10	4	4
Mr. Erik Bogisch	Director	Representing Promoter / Non-Executive	Nil	No	1	Nil	Nil
Dr. Laszlo Kovacs	Director	Representing Promoter / Non-Executive	1	No	1	Nil	Nil
Mr. Lajos Kovacs	Director	Representing Promoter / Non-Executive	1	No	1	Nil	Nil
Shri Humayun Dhanrajgir	Director	Independent / Non-Executive	5	No	7	2	4
Shri Vijay Agarwal	Director	Independent / Non-Executive	5	No	7	2	3
Shri Rajneesh Anand	Director	Non-Executive	5	Yes	1	1	1
Mrs. Jayshree D. Patel	Whole Time Director	Promoter / Executive	5	No	2	Nil	Nil
Dr. Sachin D. Patel	Deputy Managing Director	Promoter / Executive	5	Yes	2	Nil	2
Dr. Dinesh S. Patel	Managing Director & CEO	Promoter / Executive	5	Yes	3	Nil	Nil

Note: 1) No of Directorship in other Companies is excluding Foreign and Private Ltd. Companies

2) No of Committee positions (Chairmanship/Membership) held in other Companies is excluding Foreign, Private Ltd and Section 25 Companies. Further only two Committees i.e., Audit Committee and Shareholders Grievance Committee are Considered (Clause 49 (IC) of Listing Agreement)

Dates of Board Meetings held during the F.Y. 2010-11

5 Board Meetings were held during the year on following dates:

27th April, 2010
31st July, 2010
11th November, 2010
24th November, 2010
31st January, 2011

Risk Management

Risk Management is a practice with processes, methods and tools for managing risks. During the year 2010-11, the Company has laid down a detailed Risk Management Programme before the Board and Audit Committee containing measures to be implemented for identifying and controlling number of risks related to the business of the Company.

Management Discussion and Analysis Report (MD & A)

The MD & A report forms part of the Directors' Report.

3. AUDIT COMMITTEE

The Company has already constituted an Audit Committee comprising of 3 Non-Executive Directors and the details of meetings attended by the Members during the year are as under:

Name	Status	No. of Meetings Attended
Shri Humayun Dhanrajgir	Chairman	4
Shri Hoshang. N. Sinor	Member	4
Shri Vijay Agarwal	Member	4
Dr. Dinesh S. Patel	Member	4

The Statutory, Internal & Cost Auditors are also invited to attend the meetings. Shri Prakash D. Naringrekar, Company Secretary acts as Secretary to the Audit Committee Meeting.

The terms of reference of the Audit committee are as per Companies Act 1956 and the guidelines set out in the listing agreement with the Stock Exchanges. This includes, interalia,

versee the Company's financial reporting process and ensure its correctness, Credibility and compliance with accounting standards.

Review of accounting and financial policies and practices.

Review of the adequacy of internal control and internal audit systems with detailed review of Internal Auditors Report.

Review of company's financial and risk management policies and practices.

Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of Statutory / Branch Auditors and fixation of their remuneration.

Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of Internal Auditors and fixation of their remuneration.

During the financial year 2010-11, 4 Meetings of the Audit Committee of the Company were held as follows :

27th April, 2010
31st July, 2010
11th November, 2010
31st January, 2011

4. REMUNERATION COMMITTEE

The details of the meetings attended by the Members of Remuneration Committee during the year are as under:-

During the financial year 2010-11, 1 Meeting of the Remuneration Committee of the Company was held.

Name	Status
Shri Vijay Agarwal	Member
Shri Humayun Dhanrajgir	Member
Shri H. N. Sinor	Member
Shri Prakash Naringrekar (Compliance Officer)	Secretary

Remuneration to Non-Executive Directors

The Non-Executive Directors do not draw any remuneration from the Company. Non-Executive Directors are entitled to sitting fees for every Board and Audit Committee meeting attended

Non-Executive Directors are paid Rs. 20,000/- for attending each Board and Audit Committee Meetings.

The details of Remuneration and Sitting Fees paid to Executive and Non-Executive Directors for the year 2010-11 are as follows:

(Rs.)

Name of Director	Salary	Perquisites	Sitting Fees	Total
Shri Shantibhai D. Patel	NIL	NIL	NIL	NIL
Shri Hoshang N. Sinor	NIL	NIL	2,00,000 /-	2,00,000/-
Mr. Erik Bogisch	NIL	NIL	NIL	NIL
Dr. Laszlo Kovacs	NIL	NIL	20,000 /-	20,000 /-
Mr. Lajos Kovacs	NIL	NIL	20,000 /-	20,000 /-
Shri Humayun Dhanrajgir	NIL	NIL	2,00,000/-	2,00,000/-
Mr. Rajneesh Anand	NIL	NIL	100,000/-	100,000/-
Shri Vijay Agarwal	NIL	NIL	2,00,000/-	2,00,000/-
Dr. Sachin D. Patel	55,25,333/-	9,32,820/-	NIL	64,58,153/-
Mrs. Jayshree D. Patel	38,40,000/-	5,43,385/-	NIL	44,83,385/-
Dr. Dinesh S. Patel	76,80,000/-	12,86,769/-	NIL	89,66,769/-

Note: 1) Shri Vijay Agarwal is paid Rs. 4,00,000/- towards fees for rendering professional services during the year 2010-11.

2) Gratuity is included in computation of remuneration paid to Executive Directors.

Shareholdings of Directors in the Company as on 31st March, 2011

Name of Director	No. of Equity shares of Rs.10/- each held	% holding
Shri Shantibhai D. Patel (Since Deceased)	88400	1.10
Shri Shantibhai D. Patel (HUF)	55800	0.69
Mr. Erik Bogisch	NIL	NIL
Dr. Laszlo Kovacs	NIL	NIL
Mr. Lajos Kovacs	NIL	NIL
Shri Humayun Dhanrajgir	NIL	NIL
Shri Hoshang N. Sinor (2 nd Holder)	2100	0.02
Shri Vijay Agarwal	NIL	NIL
Shri Rajneesh Anand	600	0.007
Dr. Sachin D. Patel	414505	5.15
Mrs. Jayshree D. Patel	508968	6.32
Dr. Dinesh S. Patel	648707	8.06
Dinesh S. Patel (HUF)	98900	1.23
TOTAL	1817980	22.58

5. INVESTORS' GRIEVANCE COMMITTEE

The details of the meetings attended by the Members of Investors' Grievance Committee during the year are as under:-

Name	Status	No. of Meetings Attended
Shri Sachin D. Patel	Chairman	3
Shri Rajneesh Anand	Member	3
Mrs. Jayshree D. Patel	Member	3

The Committee has met three times during the financial year ended 31st March, 2011 i.e. on 31st July, 2010, 11th November, 2010 and on 31st January, 2011.

During the financial year few Complaints were received from the Shareholders which were resolved within 30 days.

Compliance Officer

The Board has designated Shri Prakash D. Naringrekar, Company Secretary, as the Compliance Officer.

6. GENERAL BODY MEETINGS

Financial Year	AGM/EGM	Date	Time	Location
31.03.2008	38th AGM	09.08.2008	10.00 a.m.	Plot No.69/A, GIDC Ind Estate, Vapi, Dist – Valsad, Gujarat – 396195
31.03.2009	39th AGM	09.12.2009	10.30 a.m.	- do -
31.03.2010	40th AGM	25.06.2010	10.00 a.m.	- do -

7. DISCLOSURE ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

Transactions with the related parties are disclosed in Schedule XV to the Annual Accounts, which are duly noted by Audit Committee & approved by the Board from time to time.

There were no instances of non-compliance by the Company on any matters related to the capital markets or penalties/strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority during the last 3 financial years except for compounding fees paid under section 297 and 621 of the Companies Act, 1956 for the year 2009-10. .

8. CEO/CFO Certification

The Managing Director and the Chief Financial Officer of the Company have certified to the Board as required.

9. MEANS OF COMMUNICATION

The Quarterly, Half yearly and Annual results were published in widely circulated newspapers viz, Free Press Journal – Mumbai, Navshakti – Mumbai and Gujarat Mitra - Surat. The above results are also regularly forwarded to the Bombay Stock Exchange, Mumbai and National Stock Exchange, Mumbai as per the Listing Agreement requirements with the above Stock Exchanges.

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

All the data related to quarterly, half yearly and Annual Financial Results, Shareholding Pattern etc. is provided on the website -

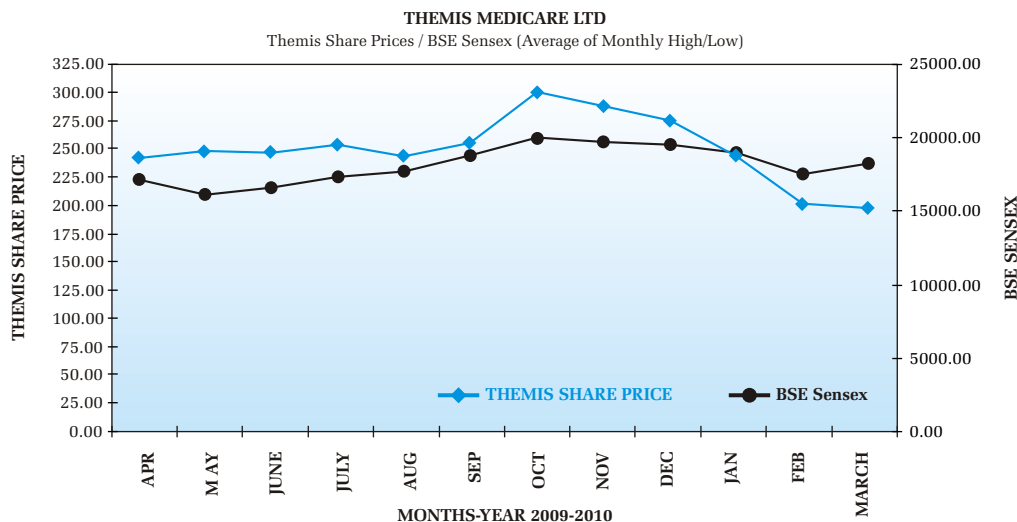
10. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting Date, Time & Venue	:	30th July, 2011 at 11.00 a.m Plot no. 69A, G.I.D.C. Vapi – 396 195, Dist. Valsad, Gujarat.
Financial Calendar (Tentative) Results for the Quarter ending (With Limited Review by the Statutory Auditors)	:	April to March
First Quarter Results Half yearly Results Third Quarter Results Audited Results for the year	:	By 15th August By 15th November By 15th February By end of May
Dates of Book Closure / Record Date	:	22nd July, 2011 to 30th July, 2011 (Both days inclusive)
Dividend Payment Date	:	on or after 30th July, 2011
Dividend on Equity Shares	:	Rs. 3 per share (30%)
Listing on Stock Exchanges at	:	Bombay Stock Exchange Ltd. 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 2010-11	:	The Company has paid listing fees to above Stock Exchanges.
Stock Code Bombay Stock Exchange, Mumbai National Stock Exchange, Mumbai DEMAT ISIN Number for NSDL & CDSL	:	530199 THEMISMED INE083B01016
Websites	:	www.bseindia.com / www.nseindia.com

Market Price Data and Performance in comparison to BSE Sensex

High/low of market price of the Company's shares traded on Bombay Stock Exchange, Mumbai and National Stock Exchange, Mumbai during the financial year 2010-11 is furnished below:

Stock price and BSE Sensex data							
Month	BSE Sensex	The Stock Exchange, Mumbai			National Stock Exchange of India Limited		
		High	Low	Monthly Volume	High	Low	Monthly Volume
		(In Nos.)			(In Nos.)		
April,10	17662.33	301.40	193.05	653966	303.95	197.00	354162
May,10	16748.51	285.00	221.00	172046	284.80	220.40	118098
June,10	17119.01	271.00	232.50	123770	270.00	225.70	45616
July,10	17816.57	275.00	242.00	95002	274.50	245.50	39640
August,10	18147.63	258.90	236.65	46039	255.00	235.00	14471
September,10	19147.55	288.90	230.10	275684	294.35	233.00	120539
October,10	20311.76	330.00	272.10	231154	329.90	271.00	108617
November,10	20031.73	319.00	258.00	105423	314.50	258.00	27359
December,10	19813.30	304.00	252.10	55470	303.70	242.25	25326
January,11	19351.64	280.00	217.05	63625	272.00	220.00	11520
February,11	17993.30	239.00	181.10	40064	234.00	195.10	18356
March,11	18683.67	227.00	186.25	90810	214.00	185.10	18149



Registrar & Share Transfer Agent

Link Intime India Pvt Ltd.
(Unit: Themis Medicare Limited)
C-13, Pannalal Silk Mill Compound,
L.B.S.Marg, Bhandup (West),
Mumbai- 400 078
Tel : 91-22-2596 3838
Fax : 91-22- 2594 6969

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 twice in a month or more depending on the volume of transfers. Share transfers are registered and returned within maximum of 30 days from the date of lodgment if documents are complete in all respects.

Distribution of Equity Shareholding

Holding of shares (In Nos.)	As on 31st March, 2011			
	No. of Shareholders	% of Shareholders	Shares Held	% of Shareholders
Upto - 500	3905	89.46	461220	5.73
501 - 1000	188	4.31	151400	1.88
1001 - 2000	96	2.20	145218	1.80
2001 - 3000	35	0.80	89198	1.11
3001 - 4000	24	0.55	87025	1.08
4001 - 5000	26	0.60	121135	1.51
5001 - 10000	34	0.78	241550	3.00
10001 & Above	57	1.30	6753754	83.89
TOTAL	4365	100.00	8050500	100.00

Shareholding Pattern as on 31st March, 2011 :

S.No	Category	No. of Shares	% of total no. of shares
1	Promoters Holding		
	- Indian Promoters (including relatives)	4395163	54.60
	- Foreign Promoters	1211308	15.05
2	Mutual Funds	407709	5.06
3	Banks, Financial Institutions, Insurance Companies (Central /State Govt. Institutions / Non-Government Institutions)	1000	0.01
4	FII's (Foreign Mutual Funds)	NIL	NIL
5	Bodies Corporate	290906	3.61
6	Indian Public		
	Individuals / Undivided Family	21960	0.27
	Individual shareholders holding nominal share capital upto Rs. 1 Lakh.	1070540	13.30
	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh.	485990	6.04
7	NRIs / OCBs	143809	1.78
8	Any other		
	Clearing Member	22115	0.28
	TOTAL	8050500	100.00

Dematerialisation of Shares:

2532897 shares i.e. 31.46% of the paid-up capital has been dematerialized as on 31.03.2011.

Outstanding GDRs / ADRs /

Warrants or any convertible instruments conversion date and likely impact of equity : 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, Jeedimetla, 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. Prakash D. Naringrekar Company Secretary E-mail : prakash@themismedicare.com
Registrar & Share Transfer Agent	: Link Intime India Pvt Ltd. C-13,Pannalal Silk Mill Compound, L.B.S.Marg, Bhandup (West), Mumbai - 400 078. Tel : 91-22-2594 6970 Fax : 91-22-2594 6969 E-mail: rnt.helpdesk@linkintime.co.in Web site: www.linkintime.com

For and on behalf of the Board of Directors

Place: Mumbai
Date : 3rd May, 2011

H. N. Sinor
Chairman



Auditors' Report on Corporate Governance

To,
The Members of Themis Medicare Ltd.

We have examined the compliance of conditions of Corporate Governance procedures by Themis Medicare Ltd. for the year ended March 31, 2011 with the relevant records and documents maintained by the Company, furnished to us for our examination and the report on Corporate Governance as approved by the Board of Directors, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

On the basis of the above and according to the information and explanations given to us, in our opinion, the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement with the Stock Exchanges.

As required by the Guidance Note on Certification on Corporate Governance issued by the Institute of Chartered Accountants of India, we state that no investor grievance is pending for a period exceeding one month against the Company as at March 31, 2011 as per the certificate received from the Registrar and Share Transfer Agents and taken on record by the Investors' Grievance Committee of the Company.

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

Place: Mumbai
Date : 3rd May, 2011

For and on behalf of
M. T. Ankleshwaria & Co.
Chartered Accountants
Registration No : 100501W
Madhu T. Ankleshwaria
Proprietor
Membership No :- 30128



Auditors' Report to the Board of Directors

of Themis Medicare Limited on the Consolidated Financial Statements of Themis Medicare Limited.

1. We have examined the attached Consolidated Balance Sheet of Themis Medicare Limited and its joint venture as at 31st March, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended.
2. These consolidated financial statements are the responsibility of the management of Themis Medicare Limited. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting frame work and are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of Richter Themis Medicare (India) Pvt. Ltd., Joint Venture Company. The financial statements have been audited as at 31st December, 2010 by other auditors, whose reports have been furnished to us. However, the financial statements, which are compiled by the management of the Company, for the financial year 31st March, 2011, were not audited, any adjustments to their balances, could have consequential effect on the attached consolidated financial statements. However, the size of the joint venture company is not significant in relative terms. The total assets as at 31st March, 2011 are Rs.4462.96 lacs and total revenues for the year then ended are Rs. 1666.41 lacs in respect of Joint Venture Company.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standards (AS) – 21 “Consolidated Financial Statements”, and Accounting Standards (AS) – 27 “Financial Reporting of Interests in Joint Ventures”, and on the basis of the separate audited / certified financial statements of Themis Medicare Limited and its joint venture.
5. On the basis of information and explanation given to us, we are of the opinion that, except of the consequential effect, if any, on account of possible adjustments stated in para ‘3’ relating to unaudited financial statements and read together with other notes thereon:
 - a) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Themis Medicare Limited and its joint venture as at 31st March, 2011 ;
 - b) the Consolidated Profit and Loss Accounts gives a true and fair view of the consolidated results of operations of Themis Medicare Limited and its Joint venture for the year then ended, and
 - c) the Consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flows of Themis Medicare Limited and its joint venture for the year ended on that date.

Place: Mumbai
Date : 3rd May, 2011

For and on behalf of
M. T. Ankleshwaria & Co.
Chartered Accountants
Registration No : 100501W
Madhu T. Ankleshwaria
Proprietor
Membership No :- 30128

Consolidated Balance Sheet

As at March 31st, 2011

Rupees in Lacs

	Schedule		Total As At 31/03/2011	Total As At 31/03/2010
SOURCES OF FUNDS				
Shareholders' Funds				
a) Share Capital	I	805.05		805.05
b) Reserves and Surplus	II	8,297.60	9,102.65	7,580.46
				8,385.51
Loan Funds				
a) Secured Loans	III	5,594.90		5,954.13
b) Unsecured Loans	IV	6,735.27	12,330.17	6,398.93
				12,353.06
Deferred Tax Liability		703.15		508.06
Deferred Tax Asset		82.56		54.44
Deferred Tax Liability (Net)	XVI(12)		620.59	453.62
TOTAL			22,053.41	21,192.19
APPLICATION OF FUNDS				
Fixed Assets	V			
a) Gross block		16,550.47		16,242.99
b) Less : Depreciation		4,671.84		3,898.90
c) Net block		11,878.63		12,344.09
d) Capital work in progress		1,728.88	13,607.51	787.80
			50.71	13,131.89
Investments	VI			274.95
Current Assets Loans and Advances	VII			
a) Interest Accrued on Investments		6.88		6.31
b) Inventories		4,655.93		4,244.17
c) Sundry Debtors		6,679.94		5,699.90
d) Cash and Bank balances		757.92		1,501.67
e) Loans and Advances		3,640.03		2,760.67
		15,740.70		14,212.72
Less: Current Liabilities and Provisions	VIII			
a) Current Liabilities		6,786.06		5,827.59
b) Provisions		559.45		599.78
		7,345.51		6,427.37
NET CURRENT ASSETS			8,395.19	7,785.35
TOTAL			22,053.41	21,192.19
Notes forming part of the Accounts	XVI			

As per our report of even date

For and on behalf of
M. T. Ankleshwaria & Co.
Chartered Accountants
Registration No : 100501W

Madhu T. Ankleshwaria
Proprietor
Membership No :- 30128
Place: Mumbai
Date : 3rd May, 2011

Prakash D. Naringrekar
CFO & Company Secretary

For and on behalf of the Board

H. N. Sinor
Chairman

Dr. Dinesh S. Patel
Managing Director & CEO

Consolidated Profit and Loss Account

for the year ended 31st March 2011

Rupees in Lacs

	Schedule		2010-11	2009-10
INCOME				
Sales/ Processing charges	IX	25,622.05		23,460.99
Less : Excise duty		<u>594.21</u>		<u>624.91</u>
Net Sales			25,027.84	22,836.08
Other Income	X		765.76	541.07
TOTAL			25,793.60	23,377.15
EXPENDITURE				
Consumption of Materials & Finished Goods	XI		14,346.43	11,981.46
Manufacturing and other expenses	XII		8,400.47	7,627.68
Interest and finance charges	XIII		1,030.73	935.84
Depreciation	XIV		785.48	775.07
TOTAL			24,563.11	21,320.05
Profit before tax but before exceptional items			1,230.49	2,057.10
Exceptional Items as per Scheme of Arrangement				
Transfer from Reconstruction Reserve A/c		-		8,928.39
Less: Adjustments during the year pursuant to section 78,100 and 391 of the companies act, 1956		<u>-</u>		<u>2,607.94</u>
Balance transferred to General Reserve		<u>-</u>		<u>6,320.45</u>
			-	6,320.45
Profit Before Tax			1,230.49	2,057.10
Less: Provision for Taxation	XV		207.43	(144.01)
Profit after tax			1,023.06	2,201.11
Add/(Less) :- Prior year adjustment (net)			(24.71)	(5.70)
Balance brought forward from previous year			924.68	(597.35)
Balance available for appropriation			1,923.03	1,598.06
Proposed Dividend			241.52	316.98
Tax on dividend			39.69	51.18
Transfer to General Reserve			300.00	305.22
Balance carried to Balance Sheet			1,341.82	924.68
Notes forming part of the Accounts	XVI			

As per our report of even date

For and on behalf of
M. T. Ankleshwaria & Co.
Chartered Accountants
Registration No : 100501W

Madhu T. Ankleshwaria
Proprietor
Membership No :- 30128

Place: Mumbai
Date : 3rd May, 2011

Prakash D. Naringrekar
CFO & Company Secretary

For and on behalf of the Board

H. N. Sinor
Chairman

Dr. Dinesh S. Patel
Managing Director & CEO

Consolidated Cash Flow Statement

for the Year Ended 31st March 2011

Rupees in Lacs

	Year Ended 31/03/2011	Year Ended 31/03/2010
A. Cash Flow from Operating Activities :		
Net Profit Before Tax & Interest & Extraordinary Items	2054.93	2909.09
Adjustments for :		
Depreciation	785.48	774.77
Foreign Exchange (net)	(40.90)	(82.45)
Amount Amortised On Account Of Lease	0.26	1.03
Interest / Dividend	(118.78)	(175.00)
Operating Profit Before Working Capital Changes	2680.99	3427.44
Adjustments For :		
Trade And Other Receivables	(1713.94)	(1084.58)
Inventories	(411.76)	37.52
Trade Payables	958.47	(1015.11)
	(1167.23)	(2062.17)
Cash Generated From Operations	1513.76	1365.27
Interest & Finance Charges	(1030.73)	(837.05)
Direct Taxes Paid	(39.52)	(179.00)
	(1070.25)	(1016.05)
Net Cash Flow From Operating Activities	443.51	349.22
B. Cash Flow From Investing Activities :		
Purchase Of Fixed Assets	(1260.46)	500.98
Purchase Of Investments		128.02
Sale of Investments	224.24	
Interest Received	42.87	23.74
Dividend Received	75.91	151.26
Net Cash Used In Investing Activities	(917.45)	804.01
C. Cash Flow From Financing Activities :		
Repayments / Proceeds - Long Term Borrowings (net)	(228.72)	(548.24)
Increase/decrease) In Finance Lease Liabilities	(4.92)	(297.65)
Dividend Paid	(241.52)	(301.84)
Tax On Dividend	(41.05)	(51.30)
Fixed Deposits	793.96	650.24
ECB Loan	(527.31)	(908.89)
Net Cash Used In Financing Activities	(249.55)	(1457.68)
Net Increase(decrease) In Cash And Cash Equivalents	(723.49)	(304.45)
Cash and Cash Equivalents as at 01/04/2010	(3900.78)	(3596.33)
Cash And Cash Equivalents as at 31/03/2011	(4624.27)	(3900.78)

1 Figures in brackets denote Cash Outflow.

2 Cash & cash equivalent is cash & bank balance as per Balance Sheet.

3 Previous Year Figures Have Been Rearranged & Regrouped Wherever Necessary.

For and on behalf of
M. T. Ankleshwaria & Co.

Chartered Accountants
Registration No : 100501W

Madhu T. Ankleshwaria
Proprietor

Membership No :- 30128

Place: Mumbai

Date : 3rd May, 2011

Prakash D. Naringrekar
CFO & Company Secretary

For and on behalf of the Board

H. N. Sinor
Chairman

Dr. Dinesh S. Patel
Managing Director & CEO



Schedules I to XVI Annexed

to and forming part of the Consolidated Financial Statements
for the year ended 31st march 2011

Rupees in Lacs

	Total As At 31/03/2011	Total As At 31/03/2010
SCHEDULE - I : SHARE CAPITAL		
Authorised :		
10000000 Equity Shares of Rs.10 each	1,000.00	1,000.00
Issued and Subscribed *:		
8050500 Equity Shares of Rs 10 each fully paid up (Previous year 8050500 shares)	805.05	805.05
TOTAL	805.05	805.05
* Includes :		
(i) 20000 Equity Shares of Rs.10 each allotted as fully paid up pursuant to a contract without payment being received in cash.		
(ii) 2686000 Equity Shares of Rs.10 each issued as fully paid up Bonus shares by way of capitalisation of Share Premium Account & General Reserve.		
(iii) Issue of 1282500 Equity Shares of Rs.10 each allotted pursuant to prospectus dated 3rd.Feb.1995.		
(iv) 3752000 Equity shares of Rs 10/- each fully paid up allotted to the existing members of amalgamated company by the Board of Directors at its meeting held on 4th August 2004 in view of the scheme of amalgamation of Artemis Biotech Ltd with the Company.		
SCHEDULE - II : RESERVES AND SURPLUS		
Capital Reserve		
As per last account	-	184.33
Less: Transferred to Reconstruction Reserve Account	-	184.33
		-
Revaluation Reserve		
As per last account	-	2,494.48
Added during the year	-	-
	-	2,494.48
Less : Transferred to Reconstruction Reserve Account	-	2,494.48
		-
Share Premium Account		
As per last account	-	1,440.75
Less: Transferred to Reconstruction Reserve account	-	1,440.75
		-
General Reserve		
As per last account	6,655.78	4,838.94
Less: Transferred to Reconstruction Reserve account	-	4,808.83
	6,655.78	30.11

Rupees in Lacs

	Total As At 31/03/2011	Total As At 31/03/2010
Add: Transferred from Profit and Loss Account		
a) In terms of Scheme of Arrangement approved by the High Court	-	6,320.45
b) Set aside from Profit and Loss Account	300.00	305.22
	6,955.78	6,655.78
RECONSTRUCTION RESERVE ACCOUNT		
Transferred during the year from:		
i) Capital Reserve Account	-	184.33
ii) Revaluation Reserve Account	-	2,494.48
iii) Share Premium Account	-	1,440.75
iv) General Reserve Account	-	4,808.83
	-	8,928.39
Less :- Transferred to Profit and Loss Account	-	8,928.39
	-	-
SURPLUS / (DEFECIT) AS PER ANNEXED PROFIT AND LOSS ACCOUNT	1,341.82	924.68
TOTAL	8,297.60	7,580.46

Rupees in Lacs

	Total As At 31/03/2011	Total As At 31/03/2010
SCHEDULE - III : SECURED LOANS		
A) From Banks		
i) Cash credits against hypothecation of raw materials, stock in process, finished goods, packing materials & book debts	2,912.98	2,534.18
ii) Bills discounted	1,852.58	2,298.06
iii) Advance as Packing Credit for Export	238.70	245.56
iv) Secured Loan against Fixed Deposit Receipts	100.66	76.60
v) Buyers Credit	<u>277.27</u>	<u>273.81</u>
	5,382.19	5,428.21
B) Term Loan from		
i) Bank of Baroda	57.97	99.84
ii) Industrial Development Bank of India	-	125.00
iii) Union Bank of India	<u>130.96</u>	<u>262.50</u>
Notes	188.93	487.34
a) The term loans are 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.		
b) Long term loan due within one year Rs 188.93 lacs (Previous year Rs 312.48 lacs)		
c) From suppliers of vehicles secured against hypothecation of the vehicles acquired under hire purchase arrangement.	23.78	38.58
TOTAL	5,594.90	5,954.13
SCHEDULE - IV : UNSECURED LOANS		
A) Fixed Deposits :		
from Directors/Share Holders	745.24	542.60
from public	<u>1,562.32</u>	<u>971.00</u>
	2,307.56	1,513.60
B) Foreign Currency Loan :		
from a foreign Promoter	1,783.60	1,796.00
C) From a Body Corporate	23.78	0.00
D) From a Bank	45.91	0.00
(Due within one year Rs.656.19 Lacs & Previous Year Rs. 39.28 Lacs)		
	<u>4,160.85</u>	<u>3,309.60</u>
Group's proportionate share in Unsecured Loan of Joint Venture	<u>2,574.42</u>	<u>3,089.33</u>
TOTAL	6,735.27	6,398.93

SCHEDULE - V : FIXED ASSETS

Rupees in Lacs

Description of Asset	Gross Block				Depreciation			Net Block	
	Opening Bal 01.04.2010	Additions & Adjustments	Deductions / Amortisation	As at 31/03/11	As on 01/04/10	For the Year	Deduction/ adjustment	Upto 31/03/11	As at 31/03/11 As at 31/03/10
Trade Marks	15.94	0.00	0.00	15.94	0.00	0.00	0.00	0.00	15.94 15.94
Freehold Land	1522.27	0.00	0.00	1522.27	0.00	0.00	0.00	0.00	1522.27 1522.27
Leasehold Land	1119.49	0.00	1.03	1118.46	0.00	0.00	0.00	0.00	1118.46 1119.49
Buildings	2264.65	13.13	0.00	2277.78	429.12	60.88	0.00	490.00	1787.78 1835.53
Plant & Machinery	6189.13	298.16	62.68	6424.61	2020.92	367.00	12.09	2375.83	4048.78 4168.21
Furniture fixtures	698.98	47.81	0.08	746.71	370.93	48.22	0.01	419.14	327.57 328.05
Electrical Installation	356.11	0.00	0.00	356.11	106.60	16.90	0.00	123.50	232.61 249.51
Vehicles	234.14	0.00	1.01	233.13	106.05	20.60	0.44	126.21	106.93 128.09
Total	12400.71	359.10	64.80	12695.01	3033.62	513.60	12.54	3534.68	9160.33 9367.09
Group's share in assets of Joint Venture	3842.28	580.87	567.69	3855.46	865.28	271.88	-	1137.16	2718.30 2977.00
Grand Total	16242.99	939.97	632.49	16550.47	3898.90	785.48	12.54	4671.84	11878.63 12344.09

Rupees in Lacs

	Total As At 31/03/2011	Total As At 31/03/2010
SCHEDULE - VI : INVESTMENTS (AT COST)		
LONG TERM INVESTMENTS-UNQUOTED		
A) Trade : In Shares of Companies		
i) 16000 (Previous Year 15000) Equity Shares of The Kapol Co.op.Bank Ltd. of Rs.10 each fully paid up	1.60	1.50
ii) 600 (Previous Year 600) Equity Shares of Jeeditmetla Effluent Treatment Ltd of Rs 100/- each fully paid up	<u>0.60</u>	<u>0.60</u>
	2.20	2.10
B) Other than Trade :		
i) In Govt. Securities		
a) National Savings Certificates [including Rs 0.84 lacs (Previous year Rs.0.84 lacs) deposited as security with various Government and Semi-Government departments.] (NSC worth Rs. 0.10 lacs is held in the name of a Director of the Company)	1.43	1.43
b) 5 1/2yrs Kisan Vikas Patra (including Rs 0.10 lacs deposited as security with Sales tax Authorities at Daman.)	0.15	0.15
ii) In Bonds		
a) 20(Previous year 20) 20 yrs Deep Discount Bonds of Sardar Sarovar Narmada Nigam Limited of Rs.3600 each fully paid up	<u>0.72</u>	<u>0.72</u>
	2.30	2.30
Long Term Investments Quoted		
i) 505 (Previous Year 505) Equity shares of Union Bank of India of Rs 10 each fully paid. (Market Value Rs 1.75 lacs, previous year Rs 1.48 lacs)	0.56	0.56
ii) 1800 (Previous Year 1800) Equity Shares of Bank of Baroda of Rs 10/- each fully paid (Market Value Rs 17.34 lacs, previous year Rs 11.51 lacs)	1.53	1.53
iii) 440903 (Previous Year 440903) shares of Rs.10 each of Gujarat Themis Biosyn Ltd. fully paid (Market Value Rs.32.94 lacs, previous year Rs 58.16 lacs)	<u>44.09</u>	<u>44.09</u>
	50.68	50.58
Group's proportionate share in investments of Joint Venture	0.03	224.37
TOTAL	50.71	274.95
Note : Aggregate Value Of Quoted Investments	46.18	46.18
Aggregate Value Of Unquoted Investments	4.53	228.77

Rupees in Lacs

		Total As At 31/03/2011	Total As At 31/03/2010
SCHEDULE - VII : CURRENT ASSETS LOANS AND ADVANCES			
(A) Interest Accrued on Investments	-		-
Group's proportionate share in other current assets of Joint Venture	6.88	6.88	6.31
(B) Inventories: (As takenvalued and certified by the Management)			
Stores Spares Fuel Packing materials etc. at cost.	317.09		401.78
Stock In Trade :			
Raw materials at cost	1,099.04		1,110.46
Stocks-in-process at cost	1,773.46		1,358.57
Finished goods at lower of cost or market value	468.27		641.31
Materials-in-transit at cost	201.28		104.02
		3,859.14	3,616.14
Group's proportionate share in inventories of Joint Venture		796.79	628.03
TOTAL		4,655.93	4,244.17
(C) Sundry Debtors (unsecured): Considered Good			
Debts outstanding for a period exceeding 6 months	602.31		262.27
Other debts	5,797.52		5,116.86
		6,399.83	5,379.13
Group's proportionate share in sundry debtors of Joint Venture		280.11	320.77
TOTAL		6,679.94	5,699.90
(D) Cash and Bank Balances			
Cash on hand	8.81		6.42
Balances with Scheduled Banks :			
In Current Accounts	250.80		592.55
In Margin Money Accounts	97.74		162.76
In Fixed Deposit Account (endorsed in favour of Banks Rs 273.15 lacs)	282.12		396.34
In Deposit Account towards Share Application Money	0.33		0.33
Funds in Transit	-		78.71
		639.80	1,237.11
Group's proportionate share in cash and bank balances of Joint Venture		118.12	264.56
TOTAL		757.92	1,501.67
(E) Loans and Advances (Unsecured Good Unless Otherwise Specified) :			
Advances Recoverable in cash or in kind or for value to be received	1,089.48		960.17
Deposits	235.43		224.70
Balances with Central Excise	1,203.08		629.90
Insurance Claim/ Interest Receivable	164.50		35.56
Advance taxes and tax deducted at source	206.69		413.30
MAT Credit Entitlement	303.08		132.00
		3,202.26	2,395.63
Group's proportionate share in Loans and Advances of Joint Venture		437.77	365.04
		3,640.03	2,760.67
TOTAL		15,740.70	14,212.72

Rupees in Lacs

	Total As At 31/03/2011	Total As At 31/03/2010
SCHEDULE - VIII : CURRENT LIABILITIES AND PROVISIONS		
(A) Current Liabilities		
Acceptances	1,708.77	1,250.91
Sundry Creditors		
- Dues to Micro and medium Enterprises	182.98	25.23
- Dues to other than Micro and Medium Enterprises	4,467.84	4,181.71
Advances from customers	32.32	20.94
Deposits from dealers and suppliers	125.25	125.25
Unclaimed / Unpaid Dividend*	5.73	6.88
Overdrawn bank balances as per books of account	7.67	18.79
	6,530.56	5,629.71
Group's proportionate share in current liabilities of Joint Venture	255.50	197.88
	6,786.06	5,827.59
* There is no amount due & outstanding to be credited to the Investor Education & Protection Fund		
(B) Provisions		
Proposed Dividend	241.52	241.52
Tax on Dividend	39.69	41.05
Provision for Leave encashment & Gratuity	115.76	109.60
	396.97	392.17
Group's proportionate share in provisions of Joint Venture	162.48	207.61
	559.45	599.78
TOTAL	7,345.51	6,427.37

Rupees in Lacs

		2010-11	2009-10
SCHEDULE - IX : SALES (NET OF RETURNS & CLAIMS)			
i) Formulations	10,223.24		6,772.01
ii) API's and Others	<u>13,747.78</u>		<u>15,083.53</u>
		23,971.02	21,855.54
Group's proportionate share in sales of Joint Venture		1,651.03	1,605.45
TOTAL		25,622.05	23,460.99
SCHEDULE - X : OTHER INCOME			
Interest (Gross Tax deducted at source Rs. 2.30 lacs, previous year Rs 3.35 lacs)	42.87		23.74
Exchange Difference	40.90		82.45
Profit on Sale of Asset	1.00		4.19
Duty draw back	171.48		100.98
Miscellaneous receipts	161.08		23.67
Dividend received on investments	75.91		151.26
Credit balances appropriated	100.41		25.92
Processing Charges received	17.19		-
Insurance claim received	<u>139.54</u>		<u>29.73</u>
		750.38	441.94
Group's proportionate share in other income of Joint Venture		15.38	99.13
TOTAL		765.76	541.07
SCHEDULE - XI : CONSUMPTION OF MATERIAL AND FINISHED GOODS			
Opening stock	1,110.46		943.90
Add: Purchases	<u>12,336.94</u>		<u>10,236.02</u>
	13,447.40		11,179.92
Less : i) Closing stock	1,099.04		1,110.46
ii) Obsolete materials adjusted against Reconstruction Reserve	<u>-</u>		<u>37.93</u>
	1,099.04		1,148.39
Raw Material consumption		12,348.36	10,031.53
Packing Materials Consumed	861.56		692.95
Less: Obsolete materials adjusted against Reconstruction Reserve Account	<u>-</u>		<u>64.61</u>
		861.56	628.34
Purchase of goods for resale		877.99	580.67
(INCREASE)/DECREASE IN STOCKS			
Opening Stock			
Stock-in-process	1,358.57		2,645.54
Finished Goods	<u>641.31</u>		<u>573.39</u>
	1,999.88		3,218.93
Less: i) Closing Stock			
Stock-in-process	1,773.46		1,358.57
Finished Goods	<u>468.27</u>		<u>641.31</u>
	2,241.73		1,999.88
ii write down value of stocks adjusted against Reconstruction Reserve	<u>-</u>		<u>1,055.75</u>
	2,241.73		3,055.63
(Increase)/Decrease in Stock		(241.85)	163.30
Consumption of Materials and Finished Goods		13,846.06	11,403.84
Group's proportionate share in material cost of the Joint Venture		500.37	577.62
TOTAL		14,346.43	11,981.46

Rupees in Lacs

	2010-11	2009-10
SCHEDULE - XII : MANUFACTURING & OTHER EXPENSES		
Stores and spares consumed	162.38	161.96
Processing charges	1,736.60	1,843.62
Power Fuel	1,107.93	967.45
Water Charges	38.93	34.04
Effluent Treatment Charges	66.89	72.53
Payments to and provision for employees :		
Salaries wages bonus etc.	1,819.77	1,618.73
Contribution to Provident and other funds.	128.14	114.69
Employees' welfare expenses	<u>27.17</u>	<u>31.13</u>
	1,975.08	1,764.55
Repairs and maintenance :		
Buildings	24.28	9.97
Plant and machinery	48.07	54.16
Others	<u>82.18</u>	<u>74.12</u>
	154.53	138.25
Printing and Stationery	41.25	39.60
Rent	21.34	21.47
Postage Telegram Telephone and Telex charges	89.93	85.14
Rates and Taxes	16.98	40.53
Insurance charges	100.23	84.63
Commission	225.13	161.37
Travelling and Conveyance	714.29	522.84
Technical Literature	13.77	28.33
Advertisement and Sales promotion expenses	217.95	226.68
Freight and Forwarding charges	346.89	234.81
Legal and Professional charges	178.22	150.59
Auditors' remuneration :		
Audit fees (excluding service tax)	5.15	4.20
Certification work	2.48	2.56
Other services	0.11	0.06
Out of pocket expenses	1.68	1.27
(Includes remuneration to Branch auditors Rs 1.20 lacs, previous year Rs 1.20 lacs)	<u>9.42</u>	<u>8.09</u>
Cost Auditors' remuneration	1.04	0.96
Motor car expenses	33.55	31.15
Directors' fees	7.40	6.80
Debit balances Receivables and Advances written-off	0.84	-
Bad Debts Written off	-	462.38
Less: Adjusted against Reconstruction Reserve A/c	<u>-</u>	<u>462.38</u>
	-	-
Miscellaneous expenses.	448.20	391.57
Loss on sale of Vehicles/Fixed Assets	0.42	4.96
Loss of Machinery due to Fire	29.39	-
Less :- Insurance Claim	<u>29.39</u>	<u>-</u>
	-	-
Claims/Advances/ Deposits recoverable written off	-	755.36
Less: adjusted against Reconstruction Reserve	<u>-</u>	<u>755.36</u>
	-	-
Donations	2.31	1.47
Balance Goodwill and Technologies writtenoff	-	208.48
Less: Adjusted against Reconstruction Reserve A/c	<u>-</u>	<u>208.48</u>
	-	-
Inventories W/off	-	16.95
Less: Adjusted against Reconstruction Reserve A/c	<u>-</u>	<u>16.95</u>
	-	-
Amount amortised against leasehold land	1.03	1.04
TOTAL	7712.53	7024.43
Group's proportionate share in general expenses of the Joint Venture	687.94	603.35
	8,400.47	7,627.68

Rupees in Lacs

		2010-11	2009-10
SCHEDULE - XIII : INTEREST AND FINANCE CHARGES			
On Fixed deposits	116.45		60.83
Others	<u>915.15</u>		<u>874.26</u>
		1,031.60	935.09
Group's proportionate share in financial charges of the Joint Venture		(0.87)	0.75
TOTAL		1,030.73	935.84
SCHEDULE - XIV : DEPRECIATION AND AMORTISATION			
Depreciation		513.60	522.00
Group's Proportionate share in depreciation of the Joint Venture		271.88	253.07
TOTAL		785.48	775.07
SCHEDULE - XV : PROVISION FOR TAXATION			
Current Tax		171.08	-
Deferred Tax		(15.05)	(17.56)
MAT Credit Entitlement		<u>(171.08)</u>	<u>-</u>
		(15.05)	(17.56)
Excess/ (Short) Provision for Tax in respect of earlier years			(64.67)
		<u>(15.05)</u>	<u>(82.23)</u>
Group's proportionate share in tax provision of Joint Venture		222.48	(61.78)
TOTAL		207.43	(144.01)

Schedule - XVI

Notes Forming Part of the Consolidated Financial Statements



- 1) The Consolidated Financial Statements present the consolidated accounts of Themis Medicare Limited with its joint venture company

Name	Country of Incorporation	Proportion of ownership interest
------	--------------------------	----------------------------------

Joint Venture

Richter Themis Medicare (India) Pvt. Ltd.	India	49%
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- 2) Significant Accounting Policies and notes to these consolidated Financial Statements are intended to serve as a means of informative disclosure and guide to better understanding the consolidated position of the companies. Recognising this purpose, the Company has disclosed only such Policies and Notes from the individual financial statements, which fairly present the needed disclosures.

Rupees in Lacs

	Total as at 31/03/2011	Total as at 31/03/2010
3 Contingent Liabilities not provided for:		
a) In respect of Letter of Credit.	660.87	876.55
b) Disputed Income Tax, Sales Tax, as matters are in appeal.	65.76	86.11
c) Bank Guarantee	181.14	185.78
d) Custom duty, Interest and Penalty payable on raw materials imported under duty exemption scheme in case of non-fulfillment of export obligation.	556.38	250.91
e) Claims against the Company not acknowledged as debts.		
i) The Ministry of Chemicals & Fertilizers, Government of India has raised demand under Drug Price Control Order, 1979 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 Hon'ble 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 Hon'ble High Court Gujarat directed the Company to deposit Principle Liability of Rs. 34.80 Lacs out of the total liability of Rs.126.08 Lacs as worked out by the Department of Chemicals & Fertilizers, Govt. of India. The Company has already complied with the directions of the Hon'ble Court. In respect of Liability for Bulk Drug Ethambutol, the Hon'ble Bombay High Court had directed the Company to submit Bank Guarantee of principle amount with Court and stayed the matter. The Company has complied with the direction of the Honourable High Court.	333.33	333.33
ii) Others	0.87	0.87

Rupees in Lacs

	Total As At 31/03/2011	Total As At 31/03/2010
4 Liability on account of Custom duty on goods in bonded warehouse or in transit is,as per the Company's practice charged to Profit & Loss Account only in the year in which the goods are cleared from the Custom. Such liability as at 31st March,2011 is estimated at Rs. 36.16 Lacs (previous year Rs.12.26 Lacs) This accounting policy has no effect on the Profit for the year.	-	-
5 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.Such Excise duty liability on stocks as at 31st March,2011 is estimated at Rs.16.85 Lacs (previous year Rs.13.23 Lacs) This accounting policy has no effect on the Profit for the year.	-	-
6 Estimated amount of contracts remaining to be executed	101.98	93.70

- 7 Revenue expenditure on Research & Development incurred & Charged out during the year through the natural heads of expenses amount to Rs.283.92 Lacs (Previous year Rs.120.84 Lacs) Capital expenditure incurred during the year thereof amounts to Rs.31.31 Lacs has been included in Fixed Assets. (Previous year Rs. 32.86 Lacs).
- 8 The Company has only one segment namely pharmaceuticals, hence no separate disclosure of segment wise information has been made,as required by Accounting Standard 17 on "Segment Reporting"
- 9 Sundry Debtors includes Rs.2650.09 Lacs (previous year Rs.791.89 Lacs) due from private companies in which directors are interested as directors/members.
- 10 Interest on borrowings attributed to new projects is Capitalised and included in the cost of Fixed Assets/ Capital Work in Progress, as appropriate.Current year Rs.184.58 Lacs (Previous year Rs.NIL).

11 Related Party Disclosures

A. Name of the related parties and nature of relationship

- | | |
|--|--|
| a) Associate companies | Themis Distributors Pvt. Ltd.
Vividh Distributors Pvt. Ltd.
Vividh Margi Investments Pvt. Ltd. |
| b) Joint Venture | Richter Themis Medicare (India) Pvt. Ltd. |
| c) Key Management personnel | Dr. D. S. Patel (M.D & CEO)
Dr. Sachin D. Patel
Mrs. Jayshree D. Patel |
| d) Directors/Relatives of Key Management Personnel | Mr S. D. Patel
Mrs Madhuben Patel
Mrs H. B. Patel
Mrs Margi R Choksy
Mrs Reena Patel |

B. Transactions with related parties as per books of account.

Rupees in Lacs

Nature of Transaction	Associate Companies		Key Management Personnel		Relatives of Key Management Personnel		Balance Outstanding	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sales:								
Sale of Finished goods	4,459.68	2,246.47					2,650.09	791.89
Expenses:								
Electricity	0.60	1.07						
Telephone	0.13	0.53						
Freight/Others	18.41	10.07						
Remuneration			193.89	185.64	24.94	10.92		
Fixed deposit interest			43.75	43.84	15.72	14.79		
Others:								
Dividend paid	65.14	-	47.17	-	23.91	-		
Fixed deposit			3.50	NIL	5.50	NIL	541.40	532.40

C. The information given above, have been reckoned on the basis of information available with the Company.

12 Deferred tax liability is provided by implementing , Accounting Standard-22 "Accounting for taxes on Income"

a)The deferred tax liability of Rs 166.95 lacs (Dr.) for the year has been recognised in the Profit and Loss Account.

b)Break up of Deferred Tax Assets and Liabilities into major components of the respective balances are as under

	2010-11 Rs in Lacs	2009-10 Rs in Lacs
Deferred Tax Liabilities :		
Depreciation	703.15	508.06
Deferred Tax Assets		
Retirement benefits	74.32	48.77
Bonus	8.24	5.67
	<u>82.56</u>	<u>54.44</u>
	<u>620.59</u>	<u>453.62</u>

13 Earnings Per Share (EPS)

	2010-11	2009-10
a) Weighted average Number of Equity Shares outstanding during the Year	8050500	8050500
b) Net Profit after tax available for Equity Shareholder	998.35	2,184.30
c) Basic and Diluted Earnings Per Share (Rs.)	12.40	27.13
d) Nominal Value Per Share (Rs)	10	10

14 Significant accounting policies adopted by the Company are disclosed in the statement annexed to these Accounts as 'Annexure - II'.

15 Previous year's figures have been regrouped / recast wherever necessary

For and on behalf of the Board

H. N. Sinor
Chairman

Place: Mumbai
Date : 3rd May, 2011

Prakash D. Naringrekar
CFO & Company Secretary

Dr. Dinesh S. Patel
Managing Director & CEO

Annexure - II

Significant Accounting Policies Adopted by the Company.

(Annexed to and forming part of the Accounts For the year ended 31st March, 2011)

1) BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention on the "Accrual Concept" of accountancy in accordance with the accounting principles generally accepted in India and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable and with the applicable provisions of the Companies Act, 1956.

2) BASIS OF CONSOLIDATION

The Consolidated Financial Statements (CFS) relate to Themis Medicare Limited, its subsidiary and Joint Venture. The CFS has been prepared on the following basis.

- i) The financial statements of the parent company and its subsidiary have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses.
- ii) CFS have been prepared using uniform accounting policies for like transactions and other events in similar circumstances except in case of Richter Themis Medicare (India) Private Limited, a Joint Venture Company which is providing the depreciation at the following rates on straight line method which are higher than the rates specified in Schedule XIV of the Companies Act, 1956 based on the useful life as determined by the management:

Assets	Periods / Rate
Machinery and Equipment : On Single Shift	5.00%
Office Equipment, Furniture & Fixture	15.00%
Vehicles	20.00%
Computer	20.00%
Leasehold land	Over the lease period.
Intangible assets - Technology Transfer Fees	over the Agreement period (5 Years)

3) INVESTMENTS

- i) Investments in a Joint Venture have been accounted for by using the "Proportionate Consolidation Method" in accordance with the Accounting Standard – 27 on "Financial Reporting of Interest in Joint Ventures" issued by the Institute of Chartered Accountants of India.
- ii) Long term investments are stated at cost less provision, if any, for diminution in the value of such investments other than temporary, in the value of long term investments. Current investments are valued at lower of cost and net realizable/ fair value.

4) FIXED ASSETS

All fixed assets of the Parent Company (other than leasehold land) and Joint Venture Company are stated at cost, less accumulated depreciation (other than "Freehold Land" and "Trademarks" where no depreciation is charged). However, fixed assets which are revalued by the Company are stated at book values.

5) DEPRECIATION / AMORTISATION:

- i. Depreciation on all fixed assets is provided on the 'Straight Line Method' in terms of Section 205 (2) (b) of the Companies Act, 1956 at the rates specified from time to time in Schedule XIV to the said Act.
- ii. Depreciation on additions to assets or on sale/ discardment of assets is calculated pro-rata from the date of such addition or up to the date of such sale/ discardment, as the case may be.
- iii. Cost of leasehold land is amortized over the period of lease.

6) BORROWING COSTS

Borrowing cost directly attributable to the acquisition or construction of qualifying assets is capitalized till the month in which the asset is ready to use, as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which these are incurred.

7) IMPAIRMENT OF FIXED ASSETS

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the assets exceeds the recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimates of the recoverable amount.

8) INVENTORIES

Stores, Spares, Fuel, Packing materials, Raw materials and Stock-in-process are valued at cost. Finished goods are valued at cost or market price whichever is lower.

9) FOREIGN CURRENCY TRANSACTIONS

For the purpose of consolidation, the amounts appearing in foreign currencies in the Financial Statements of the foreign subsidiary are translated at the following rate of exchange:

- i) Average Rates for the income and expenditure.
- ii) The year end rates for the assets and liabilities.

10) FOREIGN CURRENCY CONVERSION

- i. Foreign currency exposure in respect of Long Term Foreign currency Monetary items, for financing fixed assets, outstanding at the close of the financial year are revalorized at the contracted and /or appropriate exchange rates at the close of the year. The gain or loss due to decrease / increase in Rupee liability due to fluctuation in rate of exchange is recognized in the Profit and Loss Account.
- ii. Current Assets and other Liabilities in foreign currency outstanding at the close of the financial year are valued at the contracts and/or appropriate exchange rates at the close of the year. The loss or gain due to fluctuation of exchange rates is charged to Profit and Loss Account.
- iii. Though the accounting policy detailed in (i) and (ii) above have been consistently followed in terms with the Accounting Standard 11, the policy followed in current year retrospectively w.e.f. 1st April, 2007, has been overridden by an amendment to the aforementioned accounting standard for limited period of time.

11) EMPLOYEE BENEFITS:

Defined Contribution Plans such as Provident Fund etc., are charged to the Profit & Loss Account as incurred.

Defined Benefit Plans – The present value of the obligation under such plan is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognized immediately in the Profit & Loss Account. In case of funded defined benefit plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis. Other Long Term Employee Benefits are recognized in the same manner as Defined Benefit Plans. Termination benefits are recognized as and when incurred.

12) TAXATION:

Indian Companies – Income-tax expense comprises current tax, deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax loss that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each balance sheet date, the carrying amount of deferred tax assets is reviewed to reassure realization.

Report of the Auditors to the Members

We have audited the attached Balance Sheet of THEMIS MEDICARE LIMITED as at 31st March, 2011, and the annexed Profit & Loss Account and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government in terms of Section-227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments referred to in paragraphs 1 and 2 above, we report that :-
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
 - c) The reports on the accounts of Hyderabad Unit audited by Branch Auditors have been forwarded to us and have been appropriately dealt by us in preparing our audit report.
 - d) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - e) Attention is invited to footnote under note 6. of Schedule XV regarding managerial remuneration of Rs. 73.89 lacs paid during the year 2010-11, in excess of specified limits, for which Central Government's approval is still to be obtained.
 - f) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors as on 31st March, 2011 is disqualified from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards as applicable referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2011.
- (b) in the case of Profit and Loss Account, of the Profit for the year ended on that date; and
- (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place: Mumbai
Date : 3rd May, 2011

For and on behalf of
M. T. Ankleshwaria & Co.
Chartered Accountants
Registration No : 100501W

Madhu T. Ankleshwaria
Proprietor
Membership No :- 30128



Annexure to Auditors' Report

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF THEMIS MEDICARE LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011.

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that :

- i. (a) The Company has generally maintained proper records showing particulars including quantitative details and situation of its fixed assets, however these records are to be updated;
- (b) As explained to us, fixed assets according to the practice of the Company are physically verified by the management except Office Equipments and Furniture & Fixtures at reasonable intervals as per the phased verification programme, which in our opinion, is reasonable, looking to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification as compared to available records;
- (c) The Company has not disposed off a substantial part of its fixed assets so as to affect its going concern;
- ii (a) As explained to us, inventories have been physically verified during the year by the management, the stocks of finished goods (including goods traded in), stores, spare parts, packing materials and raw materials have been physically verified at reasonable intervals by the management, except in cases of stocks in transit and stocks lying with some outside parties, which have, however, been confirmed by them;
- (b) The procedure explained to us, which are followed by the management for physical verification of inventories, are in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) On the basis of our examination of the inventory records of the Company, we are of the opinion that, the Company is maintaining proper records of its inventory. Discrepancies which were noticed on physical verification of inventory as compared to book records, have been properly dealt with in the books of account;
- iii (a) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to Companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (b) In our opinion, the terms and conditions of such advance given by the company are prima facie not prejudicial to the interest of the Company;
- (c) The company has taken from 15 parties unsecured loans in the nature of fixed deposits from directors, relatives and Companies listed in the register maintained under section 301 of the Companies Act 1956. The maximum amount involved during the year and the year end balance of such loans aggregating to Rs 566.60 lacs and Rs.566.60 lacs respectively. The Company has also taken foreign currency loan from a foreign promoter. The maximum amount involved during the year and the year end balance of such loans aggregating to Rs 1796.00 lacs and Rs.1783.60 lacs respectively;
- (d) In our opinion, the rate of interest where applicable and other terms and conditions of such loans are prima facie not prejudicial to the interest of the Company;
- (e) In respect of the aforesaid loans, the Company is regular in repaying the principal amount as stipulated and also regular in payment of interest where applicable;

- iv. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of specific nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further on the basis of our examination of the books of account and records of the Company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system;
- v.
 - (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section;
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 exceeding the value of Rs. 5 lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at that time. However, except in cases where purchases of similar goods were not made from any other party and for which market prices are also not available and therefore, the prices could not be compared. In respect of sale of goods, materials and services, the same have generally been made at prevailing price list rates of the Company, except in cases where similar goods, materials and services were not sold to any other party and for which market prices are not available and therefore, we are unable to compare prices to determine whether the same were reasonable;
- vi. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits;
- vii. On the basis of the internal audit reports broadly reviewed by us, we are of the opinion that, the coverage of internal audit functions carried out by firms of Chartered Accountants appointed by the management, needs to be increased so as to commensurate with the size of the Company and the nature of its business;
- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 in respect of the Company's products to which the said rules are made applicable, and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records since the same will be carried out by the Cost Auditors with a view to determine whether they are accurate;
- ix.
 - (a) According to the information and explanations given and records of the Company examined by us, in our opinion the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income Tax, Wealth tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute.

The particulars of dues of Sales Tax and Income Tax as at 31st March, 2011 which have not been deposited on account of a dispute are as follows :-

Nature of statute	Nature of Dues	Rs. in lacs	Period To which it relates	Forum where dispute is pending
Sales Tax Act	Sales Tax	24.75	Various Demands For 1987-88 To 1994-95 And 2005-06	Various Appellate Stages In Sales Tax Dept.
Income Tax Act, 1961	Assessment Dues (Hyderabad)	41.00	A.Y. 2002-03	CIT Appeals

- x. The Company has no accumulated losses at the end of the year and has not incurred cash losses in the current year and in the immediately preceding financial year.
- xi. On the basis of the records examined by us and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks as at the balance sheet date;
- xii. As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities;
- xiii. As informed to us the provision of any special statute applicable to chitfund / niddhi /mutual benefit fund/societies are not applicable to the Company;
- xiv. In our opinion the Company is not dealing or trading in shares, securities, debentures and other investments;
- xv. According to the information and explanations given to us and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution;
- xvi. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained;
- xvii. According to the information and explanations given to us and on an overall examination of financial statements of the Company and after placing reliance on the reasonable assumption made by the Company for classification of long term and short term usage of funds, we are of the opinion that, the funds raised on short term basis have not been used for long term investment;
- xviii. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956;
- xix. The Company has not issued any debentures during the year;
- xx. The Company has not raised any money by public issue, during the year;
- xxi. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit. However, as informed to us, a case of misappropriation of funds through falsification of documents resulting in a minor fraud to the extent of approximately Rs. 20 lakhs has been noticed during the year. As further informed to us, the Company has taken adequate follow up action and recovered the amount.

Place: Mumbai
Date : 3rd May, 2011

For and on behalf of
M. T. Ankleshwaria & Co.
Chartered Accountants
Registration No : 100501W
Madhu T. Ankleshwaria
Proprietor
Membership No :- 30128

Balance Sheet

As at March 31st, 2011

Rupees in Lacs

Schedule	Total As At 31/03/2011	Total As At 31/03/2010
SOURCES OF FUNDS		
Shareholders' Funds		
a) Share Capital	805.05	805.05
b) Reserves and Surplus	7,808.06	7,075.53
	8,613.11	7,880.58
Loan Funds		
a) Secured Loans	5,594.90	5,954.13
b) Unsecured Loans	4,160.85	3,309.60
	9,755.75	9,263.73
Deferred Tax Liability	408.13	395.04
Deferred Tax Asset	82.56	54.44
Deferred Tax Liability (Net)	325.57	340.60
TOTAL	18,694.43	17,484.91
APPLICATION OF FUNDS		
Fixed Assets		
a) Gross block	12,695.01	12,400.71
b) Less : Depreciation	3,534.68	3,033.62
c) Net block	9,160.33	9,367.09
d) Capital work in progress	1,623.92	775.11
	10,784.25	10,142.20
Investments	736.68	736.58
Current Assets Loans and Advances		
a) Interest Accrued on Investments	-	-
b) Inventories	3,859.14	3,616.14
c) Sundry Debtors	6,399.83	5,379.13
d) Cash and Bank balances	639.80	1,237.11
e) Loans and Advances	3,202.26	2,395.63
	14,101.03	12,628.01
Less: Current Liabilities and Provisions		
a) Current Liabilities	6,530.56	5,629.71
b) Provisions	396.97	392.17
	6,927.53	6,021.88
NET CURRENT ASSETS	7,173.50	6,606.13
TOTAL	18,694.43	17,484.91
Notes forming part of the Accounts	XV	

As per our report of even date

For and on behalf of
M. T. Ankleshwaria & Co.
Chartered Accountants
Registration No : 100501W

Madhu T. Ankleshwaria
Proprietor
Membership No :- 30128
Place: Mumbai
Date : 3rd May, 2011

Prakash D. Naringrekar
CFO & Company Secretary

For and on behalf of the Board

H. N. Sinor
Chairman

Dr. Dinesh S. Patel
Managing Director & CEO

Profit and Loss Account for the year ended 31st March 2011

Rupees in Lacs

	Schedule		2010-11	2009-10
INCOME				
Sales/ Processing charges	X	23,971.02		21,855.54
Less : Excise duty		<u>594.21</u>		<u>624.91</u>
Net Sales			23,376.81	21,230.63
Other Income	XI		750.38	441.94
TOTAL			24,127.19	21,672.57
EXPENDITURE				
Consumption of Materials & Finished Goods	XII		13,846.06	11,403.83
Manufacturing and other expenses	XIII		7,712.53	7,022.23
Interest and finance charges	XIV		1,031.60	935.09
Depreciation			513.60	522.00
TOTAL			23,103.79	19,883.15
Profit before tax and before Exceptional Items			1,023.40	1,789.42
Exceptional Items as per Scheme of Arrangement				
Transfer from Reconstruction Reserve Account		-		8,928.39
Less: Adjustments during the year pursuant to Section 78,100 and 391 of the Companies Act, 1956		-		<u>2,607.94</u>
		-		<u>6,320.45</u>
Balance transferred to General Reserve		-		<u>6,320.45</u>
		-		-
Profit before Tax			1,023.40	1,789.42
Less : Provision for Taxation				
Current Tax			171.08	-
Deferred Tax			(15.05)	(17.56)
MAT Credit Entitlement			<u>(171.08)</u>	<u>0.00</u>
Profit after tax			1,038.45	1,806.98
Add/(Less): Prior year adjustment (net)			(24.71)	(5.15)
Excess/(Short) Provision for Tax in respect of earlier years			-	64.67
Balance brought forward from previous year			<u>455.08</u>	<u>(828.85)</u>
Balance available for appropriation			1,468.82	1,037.65
Proposed Dividend			241.52	241.52
Tax on dividend			39.69	41.05
Transfer to General Reserve			<u>300.00</u>	<u>300.00</u>
Balance carried to Balance Sheet			887.61	455.08
Notes forming parts of the Accounts	XV			

As per our report of even date

For and on behalf of
M. T. Ankleshwaria & Co.
Chartered Accountants
Registration No : 100501W

Madhu T. Ankleshwaria
Proprietor
Membership No :- 30128

Place: Mumbai
Date : 3rd May, 2011

Prakash D. Naringrekar
CFO & Company Secretary

For and on behalf of the Board

H. N. Sinor
Chairman

Dr. Dinesh S. Patel
Managing Director & CEO

Cash Flow Statement for the Year Ended 31st March 2011

Rupees in Lacs

	Year Ended 31/03/2011	Year Ended 31/03/2010
A. Cash Flow from Operating Activities :		
Net Profit Before Tax & Interest & Extraordinary Items	2095.91	2719.36
Adjustments for :		
Depreciation	513.60	522.00
Foreign Exchange (net)	(40.90)	(82.45)
Amount Amortised On Account Of Lease	0.26	1.04
Interest / Dividend	(118.78)	(175.00)
Operating Profit Before Working Capital Changes	2450.09	2984.95
Adjustments For :		
Trade And Other Receivables	(1827.33)	(601.82)
Inventories	(242.99)	(114.70)
Trade Payables	900.84	(1481.64)
	(1169.48)	(2198.16)
Cash Generated From Operations	1280.61	786.79
Interest & Finance Charges	(1031.60)	(935.09)
Direct Taxes Paid	(29.43)	(217.54)
	(1061.03)	(1152.63)
Net Cash Flow From Operating Activities	219.58	(365.84)
B. Cash Flow From Investing Activities :		
Purchase Of Fixed Assets	(1155.01)	(147.22)
Purchase Of Investments		
Sale Of Investments		32.77
Interest Received	42.87	23.74
Dividend Received	75.91	151.26
Net Cash Used In Investing Activities	(1036.23)	60.55
C. Cash Flow From Financing Activities :		
Repayments / Proceeds - Long Term Borrowings(net)	(228.72)	(548.25)
Increase/(Decrease) In Finance Lease Liabilities	(4.92)	0.00
Dividend Paid	(241.52)	0.00
Tax On Dividend	(41.05)	0.00
Fixed Deposits	793.96	650.24
Ecb Loan	(12.40)	(232.80)
Net Cash Used In Financing Activities	265.36	(130.81)
Net Increase(decrease) In Cash And Cash Equivalents	(551.30)	(436.10)
Cash And Cash Equivalents As At The Beginning Of The Period	(4191.09)	(3754.99)
Cash And Cash Equivalents As At The Close Of The Period	(4742.39)	(4191.09)

1 Figures in brackets denote Cash Outflow.

2 Cash & cash equivalent is cash & bank balance as per Balance Sheet.

3 Previous year figures have been rearranged & regrouped wherever necessary.

For and on behalf of

M. T. Ankleshwaria & Co.

Chartered Accountants

Registration No : 100501W

Madhu T. Ankleshwaria

Proprietor

Membership No :- 30128

Place: Mumbai

Date : 3rd May, 2011

For and on behalf of the Board

H. N. Sinor

Chairman

Prakash D. Naringrekar

CFO & Company Secretary

Dr. Dinesh S. Patel

Managing Director & CEO



Schedules I to XVI Annexed

to and forming part Of the Balance Sheet as at and
Profit and Loss Account for the Year Ended 31st March 2011

Rupees in Lacs

	Total As At 31/03/2011	Total As At 31/03/2010
SCHEDULE - I : SHARE CAPITAL		
Authorised :		
10000000 Equity Shares of Rs.10 each	1,000.00	1,000.00
Issued and Subscribed *:		
8050500 Equity Shares of Rs 10 each fully paid up (Previous year 8050500 shares)	805.05	805.05
TOTAL	805.05	805.05
* Includes :		
(i) 20000 Equity Shares of Rs.10 each allotted as fully paid up pursuant to a contract without payment being received in cash		
(ii) 2686000 Equity Shares of Rs.10 each issued as fully paid up Bonus shares by way of capitalisation of Share Premium Account & General Reserve.		
iii) Issue of 1282500 Equity Shares of Rs.10 each allotted pursuant to prospectus dated 3rd.Feb.1995.		
(iv) 3752000 Equity shares of Rs 10/- each fully paid up allotted to the existing members of amalgamated company by the Board of Directors at its meeting held on 4th August 2004 in view of the scheme of amalgamation of Artemis Biotech Ltd with the Company		
SCHEDULE - II : RESERVES AND SURPLUS		
CAPITAL RESERVE		
As per last account	-	184.33
Less:Transferred to Reconstruction Reserve account	-	184.33
		-
REVALUATION RESERVE		
As per last account	-	2,494.48
Added during the year	-	-
	-	2,494.48
Less:Transferred to Reconstruction Reserve Account	-	2,494.48
		-
SHARE PREMIUM ACCOUNT		
As per last account	-	1,440.75
Less: Transferred to Reconstruction Reserve Account	-	1,440.75
		-
GENERAL RESERVE		
As per last account	6,620.45	4,808.83
Less:Transferred to Reconstruction Reserve Account	-	4,808.83
	6,620.45	-
Add : Transferred from Profit and Loss Account		
a) In terms of Scheme of Arrangement approved by the High Court	-	6,320.45
b) Set aside from Profit and Loss Account	300.00	300.00
	6,920.45	6,620.45

Rupees in Lacs

	March 31, 2011	March 31, 2010
RECONSTRUCTION RESERVE ACCOUNT		
Transferred during the year from:		
i) Capital Reserve Account	-	184.33
ii) Revaluation Reserve Account	-	2,494.48
iii) Share Premium Account	-	1,440.75
iv) General Reserve Account	-	4,808.83
	-	8,928.39
Less : Transferred to Profit and Loss Account	-	8,928.39
	-	-
SURPLUS AS PER ANNEXED PROFIT & LOSS A/C	887.61	455.08
TOTAL	7,808.06	7,075.53
SCHEDULE - III : SECURED LOANS		
A) From Banks		
i) Cash credits against hypothecation of raw materials stock in process finished goods packing materials & book debts.	2,912.98	2,534.18
ii) Bills discounted	1,852.58	2,298.06
iii) Advance as Packing Credit for Export	238.70	245.56
iv) Secured Loan against Fixed Deposit Receipts	100.66	76.60
v) Buyers Credit	277.27	273.81
	5,382.19	5,428.21
B) Term Loan from		
i) Bank of Baroda	57.97	99.84
ii) Industrial Development Bank of India	-	125.00
iii) Union Bank of India	130.96	262.50
	188.93	487.34
Notes:		
a) The term loans are 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.		
b) Long term loan due within one year Rs 188.93 lacs (Previous year Rs 312.48 lacs)		
c) From suppliers of vehicles secured against hypothecation of the vehicles acquired under hire purchase arrangement.	23.78	38.58
TOTAL	5,594.90	5,954.13
SCHEDULE - IV : UNSECURED LOANS		
A) Fixed Deposits:	745.24	
from Directors/Share Holders	1,562.32	542.60
from public		971.00
		1,513.60
B) Foreign Currency Loan:		
from a foreign Promoter	1,783.60	1,796.00
C) From a Body Corporate	23.78	-
D) From a Bank		
(Due within one year Rs.656.19 Lacs & Previous Year Rs. 39.28 Lacs)	45.91	-
TOTAL	4,160.85	3,309.60
SCHEDULE - V		
(A) Deferred Tax Assets		
Provision for unencashed Leave	79.62	47.65
Bonus	8.24	5.67
Provision for Gratuity	(5.30)	1.12
TOTAL	82.56	54.44
(B) Deferred Tax Liability		
For Depreciation	408.13	395.04
NET	325.57	340.60

SCHEDULE - VI : FIXED ASSETS

Rupees in Lacs

Description of Asset	Gross Block				Depreciation				Net Block	
	As at 01/04/10	Additions / Adjustments	Deductions/ Amortisation	As at 31/03/11	As at 01/04/10	For the Year	Deduction/ adjustment	Upto 31/03/11	As at 31/03/11	As at 31/03/10
Trade Marks Freehold Land Leasehold Land Buildings Plant & Machinery Furniture fixtures Electrical Installation Vehicles Total Previous Year Total :	15.94	-	-	15.94	-	-	-	-	15.94	15.94
	1522.27	-	-	1522.27	-	-	-	-	1522.27	1522.27
	1119.49	-	1.03	1118.46	-	-	-	-	1118.46	1119.49
	2264.65	13.13	-	2277.78	429.12	60.88	-	490.00	1787.78	1835.53
	6189.13	298.16	62.68	6424.61	2020.92	367.00	12.09	2375.83	4048.78	4168.21
	698.98	47.81	0.08	746.71	370.93	48.22	0.01	419.14	327.57	328.05
	356.11	-	-	356.11	106.60	16.90	-	123.50	232.61	249.51
	234.14	-	1.01	233.13	106.05	20.60	0.44	126.21	106.92	128.09
	12400.71	359.10	64.80	12695.01	3033.62	513.60	12.54	3534.68	9160.33	9367.09
13047.13	261.54	907.96	12400.71	2917.21	522.00	405.59	3033.62	9367.09		

NOTES :

- 1) Buildings and Leasehold Land which were revalued are shown at " Book Value ".Other Fixed Assets appear at " COST "
- 2) Buildings include :
 - a) Staff quarters of the value of Rs.259200 purchased by the Company from Gujarat Industrial Development Corporation under hire - purchase scheme for which title documents in favour of the Company are yet to be executed.
 - b) Documents for godown premises purchased during the earlier year for a value of Rs. 6800758 have been lodged for registration with concerned authorities
- 3) Execution of conveyance and other documents in respect of Office Premises purchased for Rs.9100000 in an earlier year are yet pending. The relevant expenses pertaining to the same will be accounted in the year of execution.Amount not ascertainable
- 4) Documents for Registration of Trade Marks of the value of Rs.27200 acquired in an earlier year have been submitted to concerned authorities for registering in Company's name
- 5) Execution of conveyance and other documents in respect of Training Centre premises at Goregaon purchased for Rs.10635000 in earlier year are yet pending. The relevant expenses pertaining to the same will be accounted in the year of execution.Amount not ascertainable

Rupees in Lacs

	Total As At 31/03/2011	Total As At 31/03/2010
SCHEDULE - VII : INVESTMENTS (AT COST)		
LONG TERM INVESTMENTS-UNQUOTED		
A) Trade : In Shares of Companies		
i) 16000 (Previous Year 15000) Equity Shares of The Kapol Co.op.Bank Ltd. of Rs.10 each fully paid	1.60	1.50
ii) 600 (Previous Year 600)Equity Shares of Jeedimetla Effluent Treatment Ltd of Rs 100/- each fully paid up		
iii) 6860000(Previous Year 6860000) Equity shares of Richter Themis Medicare (India) Pvt. Ltd of Rs 10/- each fully paid up.	0.60	0.60
	<u>686.00</u>	<u>686.00</u>
	688.20	686.00
B) Other than Trade :		
i) In Govt. Securities		
a) National Savings Certificates [including Rs 0.84 lacs (Previous year Rs.0.84 lacs) deposited as security with various Government and Semi-Government departments.] (NSC worth Rs. 0.10 lacs is held in the name of a Director of the Company)	1.43	1.43
b) 5 1/2yrs / Kisan Vikas Patra (including Rs 0.10 lacs deposited as security with Sales tax Authorities at Daman.)	0.15	0.15
ii) In Bonds		
20(Previous year 20) 20 yrs Deep Discount Bonds of Sardar Sarovar Narmada Nigam Limited of Rs.3600 eachfully paid up.	<u>0.72</u>	<u>0.72</u>
	2.30	2.30
Long Term Investments Quoted		
i) 505 (Previous Year 505) Equity shares of Union Bank of India of Rs 10 each fully paid. (Market Value Rs 1.75 lacs, previous year Rs 1.48 lacs)	0.56	0.56
ii) 1800 (Previous Year 1800) Equity Shares of Bank of Baroda of Rs 10/- each fully paid (Market Value Rs 17.34 lacs , previous year Rs 11.51 lacs)	1.53	1.53
iii) 440903(P.Y. 440903) shares of Rs 10 each of Gujarat Themis Biosyn Ltd. fully paid up (Market Val Rs.32.94 Lacs, Previous year Rs. 58.16 Lacs)	44.09	44.09
TOTAL	736.68	736.58
Note : Aggregate Value Of Quoted Investments	46.18	46.18
Aggregate Value Of Unquoted Investments	690.50	690.40

Rupees in Lacs

		Total As At 31/03/2011	Total As At 31/03/2010
SCHEDULE - VIII : CURRENT ASSETS LOANS AND ADVANCES			
(A) Interest Accrued on Investments		-	-
(B) Inventories: (As takenvalued and certified by the Management)			
Stores Spares Fuel Packing materials etc. at cost.	317.09		401.78
Stock In Trade :			
Raw materials at cost	1,099.04		1,110.46
Stocks-in-process at cost	1,773.46		1,358.57
Finished goods at lower of cost or market value	468.27		641.31
'Materials-in-transit at cost	201.28		104.02
TOTAL		3,859.14	3,616.14
(C) Sundry Debtors (unsecured): Considered Good			
Debts outstanding for a period exceeding 6 months	602.31		262.27
Other debts	5,797.52		5,116.86
TOTAL		6,399.83	5,379.13
(D) Cash and Bank Balances			
Cash on hand	8.81		6.42
Balances with Scheduled Banks :			
In Current Accounts	250.80		592.55
In Margin Money Accounts	97.74		162.76
In Fixed Deposit Account (endorsed in favour of Banks Rs. 273.15 lacs)	282.12		396.34
In Deposit Account towards Share Application Money	0.33		0.33
Funds in Transit	-		78.71
TOTAL		639.80	1,237.11
(E) Loans and Advances (Unsecured Good Unless Otherwise Specified) :			
Advances Recoverable in cash or in kind or for value to be received	1,089.48		960.17
Deposits	235.43		224.70
Balances with Central Excise	1,203.08		629.90
Insurance Claim / Interest Receivable	164.50		35.56
Advance taxes and tax deducted at source	206.69		413.30
MAT Credit Entitlement	303.08		132.00
TOTAL		3,202.26	2,395.63
TOTAL		14,101.03	12,628.01

Rupees in Lacs

		Total As At 31/03/2011	Total As At 31/03/2010
SCHEDULE - IX : CURRENT LIABILITIES AND PROVISIONS			
(A) Current Liabilities			
Acceptances	1,708.77		1,250.91
Sundry Creditors			
- Dues to Micro and Medium Enterprises	182.98		25.23
- Dues to Other than Micro and Medium Enterprises	4,467.84		4,181.71
Advances from customers	32.32		20.94
Deposits from dealers and suppliers	125.25		125.25
Unclaimed / Unpaid Dividend *	5.73		6.88
Overdrawn bank balances as per books of account	7.67		18.79
TOTAL		6,530.56	5,629.71
* There is no amount due and outstanding to be credited to the Investor Education and Protection Fund			
(B) Provisions			
Proposed Dividend	241.52		241.52
Tax on Dividend	39.69		41.05
Provision for Leave encashment & Gratuity	115.76		109.60
		396.97	392.17
TOTAL		6,927.53	6,021.88

Rupees in Lacs

	2010-11	2009-10
SCHEDULE - X : SALES (NET OF RETURNS & CLAIMS)		
i) Formulations	10,223.24	6,772.01
ii) API's and Others	13,747.78	15,083.53
TOTAL	23,971.02	21,855.54
SCHEDULE - XI : OTHER INCOME		
Interest (Gross Tax deducted at source Rs 2.30 lacs, previous year Rs 3.35 lacs)	42.87	23.74
Exchange Difference	40.90	82.45
Profit on Sale of Asset	1.00	4.19
Duty Drawback	171.48	100.98
Miscellaneous receipts	161.08	23.67
Dividend received on investments	75.91	151.26
Credit balances appropriated	100.41	25.92
Processing Charges received	17.19	-
Insurance claim received	139.54	29.73
TOTAL	750.38	441.94
SCHEDULE - XII : CONSUMPTION OF MATERIALS AND FINISHED GOODS		
Opening stock :	1,110.46	943.90
Add : Purchases	12,336.94	10,236.02
	13,447.40	11,179.92
Less: (i) Closing stock :	1,099.04	1,110.46
(ii) obsolete materials adjusted against Reconstruction Reserve	-	37.93
	1,099.04	1,148.39
TOTAL	12,348.36	10,031.53
Packing materials consumed	861.56	692.95
Less:obsolete materials adjusted against Reconstruction Reserve Account	-	64.61
	861.56	628.34
Purchase of goods for resale	877.99	580.67
(INCREASE) \ DECREASE IN STOCKS		
Opening stock :		
Stocks-in-process	1,358.57	2,645.54
Finished goods	641.31	573.39
	1,999.88	3,218.93
Less :- (i) Closing stock		
Stocks-in-process	1,773.46	1,358.57
Finished goods	468.27	641.31
	2,241.73	1,999.88
(ii) write down of stocks adjusted against reconstruction Reserve	-	1,055.75
	2,241.73	3,055.63
(Increase) / Decrease in Stock	(241.85)	163.29
TOTAL	13,846.06	11,403.83

Rupees in Lacs

	2010-11	2009-10
SCHEDULE - XIII : MANUFACTURING AND OTHER EXPENSES		
Stores and spares consumed	162.38	161.96
Processing charges	1,736.60	1,843.62
Power Fuel	1,107.93	967.45
Water Charges	38.93	34.04
Effluent Treatment Charges	66.89	72.53
Payments to and provision for employees:		
Salaries wages bonus etc.	1,819.77	1,618.73
Contribution to Provident and other funds.	128.14	114.69
Employees' welfare expenses	27.17	31.13
	1,975.08	1,764.55
Repairs and maintenance :		
Buildings	24.28	9.97
Plant and machinery	48.07	54.16
Others	82.18	74.12
	154.53	138.25
Printing and Stationery	41.25	39.60
Rent	21.34	21.47
Postage Telegram Telephone and Telex charges	89.93	85.14
Rates and Taxes	16.98	40.53
Insurance charges	100.23	84.63
Commission	225.13	161.37
Travelling and Conveyance	714.29	522.84
Technical Literature	13.77	28.33
Advertisement and Sales promotion expenses	217.95	226.68
Freight and Forwarding charges	346.89	234.81
Legal and Professional charges	178.22	150.59
Auditors' remuneration :		
Audit fees (excluding service tax)	5.15	4.20
Certification work	2.48	2.56
Other services	0.11	0.06
Out of pocket expenses	1.68	1.27
(Includes remuneration to Branch auditors Rs 1.20 lacs, previous year Rs 1.20 lacs)	9.42	8.09
Cost Auditors' remuneration	1.04	0.96
Motor car expenses	33.55	31.15
Directors' fees	7.40	6.80
Debit balances Receivables and Advances written-off	0.84	-
Bad Debts Written off	-	462.38
Less: adjusted against Reconstruction Reserve A/c	-	462.38
	-	-
Miscellaneous expenses.	448.20	389.36
Loss on sale of Vehicles/Fixed Assets	0.42	4.96
Loss of Machinery due to Fire	29.39	-
Less :- Insurance Claim	29.39	-
	-	-
Claims/Advances/Deposits recoverable written off	-	755.36
Less: adjusted against Reconstruction Reserve	-	755.36
	-	-
Donations	2.31	1.47
Balance Goodwill and Technologies writtenoff	-	208.48
Less: adjusted against Reconstruction Reserve A/c	-	208.48
	-	-
Inventories W/off	-	16.95
Less: adjusted against Reconstruction Reserve A/c	-	16.95
	-	-
Amount amortised against leasehold land	1.03	1.04
TOTAL	7,712.53	7,022.23

			Rupees in Lacs	
			2010-11	2009-10
SCHEDULE - XIV : INTEREST AND FINANCE CHARGES				
On Fixed deposits	116.45			232.68
Others	915.15			702.41
TOTAL			1,031.60	935.09

Schedule - XV

Notes Forming Part of the Accounts

Rupees in Lacs

	Total As At 31/03/2011	Total As At 31/03/2010
1 Contingent Liabilities not provided for:		
a) In respect of Letter of Credit.	660.87	876.55
b) Disputed Income Tax, Sales Tax, as matters are in appeal.	65.76	86.11
c) Bank Guarantee	181.14	185.78
d) Custom duty payable on raw materials imported under duty exemption scheme in case of non-fulfillment of export obligation.	556.38	250.91
e) Claims against the Company not acknowledged as debts.		
i) The Ministry of Chemicals & Fertilizers, Government of India has raised demand under Drug Price Control Order, 1979 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 Hon'ble 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 Hon'ble High Court Gujarat directed the Company to deposit Principal Liability of Rs. 34.80 Lacs out of the total liability of Rs. 126.08 Lacs as worked out by the Department of Chemicals & Fertilizers, Govt. of India. The Company has already complied with the directions of the Hon'ble Court. In respect of Liability for Bulk Drug Ethambutol, the Hon'ble 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 Honourable High Court.	333.33	333.33
ii) Others	0.87	0.87
2 Liability on account of Custom duty on goods in bonded warehouse or in transit is, as per the Company's practice charged to Profit & Loss Account only in the year in which the goods are cleared from the Custom. Such liability as at 31st March, 2011 is estimated at Rs. 36.16 Lacs (previous year Rs. 12.26 Lacs) This accounting policy has no effect on the Profit for the year.	-	-
3 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. Such Excise duty liability on stocks as at 31st March, 2011 is estimated at Rs. 16.85 Lacs (previous year Rs. 13.23 Lacs) This accounting policy has no effect on the Profit for the year.	-	-

Rupees in Lacs

	Total As At 31/03/2011	Total As At 31/03/2010
4 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	101.98	93.70
5 A) Closing Stock of Raw Material include :		
i) Goods lying with third parties	403.84	306.98
ii) Goods lying in Custom bonded warehouse	175.64	-
B) Closing stock of packing material include :		
i) Goods lying with third parties	90.89	138.56
C) Closing stock of stocks-in-process include :		
i) Goods lying with third parties	139.05	206.75
D) Closing stock of finished goods include :		
i) Goods lying with third parties	107.29	129.83
ii) Goods in Transit	34.92	104.02
6 Managing Directors/Wholtime Directors remuneration included in Profit & Loss Account:		
A) 1. Salaries	170.45	163.20
2. Contribution to Provident Fund	12.78	12.24
3. Other Perquisites	10.65	10.20
B) Number of Directors	3	3
<p>Note : 1) In respect of Dr. Dinesh S. Patel MD and CEO, applications are made to the Central Govt. for approval of remuneration paid / payable to him in view of Loss in the year 2008-09 & consequently remuneration exceeded the limits prescribed under Schedule XIII. In view of carried forward Losses to 2009-10, the remuneration for the year exceeded limits as prescribed U/s.198 read with the applicable sections of Companies Act 1956 and hence applications for Managing Director and Whole time Directors are made to Central Government for waiver of excess remuneration paid.</p> <p>2) Consequent to inadequacy of profits in the current year, remuneration paid to Managing Director and Whole-time Directors, is in excess of the limits specified in Section 198 read with Schedule XIII of the Companies Act, 1956. The excess remuneration drawn by the Directors amount to Rs.. 73.89 lacs. The Company is making an application to the Central Govt. for the waiver of the excess remuneration paid.</p>		
7 Sundry Creditors includes due to : Directors/Wholtime Directors on account of remuneration	38.42	15.98
8 A) CIF value of imports :		
i) Raw materials (other than in transit)	5414.88	3790.37
ii) For Machinery/Equipment	30.94	49.03
B) Expenditure in Foreign currency in respect of :		
i) Travelling expenses	55.65	85.32
ii) Interest & Bank charges	6.52	14.46
iii) Commission	56.04	38.81
iv) Sales Promotion Expenses, product Registration & Subscription	3.87	16.61
v) Consultancy Charges	1.82	0.00
vi) Technical Know-how R & D	15.04	22.89
vii) Salary	29.72	10.53
viii) Others	0.00	8.62
C) Dividend To Non- Resident Shareholders Equity: No. of Share Holders 28 Shares held 2010-11: 1,081,000 Shares held 2009-10: 1,192,283	32.43	NIL
D) Earnings in Foreign Currency: Export of goods calculated on FOB basis	8,079.18	7318.86

9 Additional information pursuant to the provision of paragraph 3,4 and 4Dof Part II of Schedule VI to the Companies Act ,1956:

A) Details of information regarding goods manufactured, purchased ,turnover, opening stock and closing stock as per Annexure 'I' attached.

Rupees in Lacs

Particulars	2010-11		2009-10	
	Qty.(M.T.)	Rs.	Qty.(M.T.)	Rs.
B) Raw material consumed:				
1 Drug intermediates	584.32	8,216.83	490.65	7,093.26
2 Bulk drug	137.73	1,643.57	147.54	1,075.30
3 Solvents	666.22	1,761.93	787.71	1,600.42
4 Others	-	726.03	-	262.55
TOTAL		12,348.36		10,031.53
Value of imported and indigenous raw materials consumed	%	Rs	%	Rs
Imported	40	4956.56	31	3,084.57
Indigenous	60	7391.80	69	6,946.96
TOTAL	100	12348.36	100.00	10,031.53
C) Value of imported and indigenous Stores and spares consumed and percentage thereof to total value of consumption.	%	Rs	%	Rs
Imported	0	0.00	0	0.00
Indigenous	100	162.38	100	161.96
TOTAL	100	162.38	100	161.96

10 Revenue expenditure on Research & Development incurred & Charged out during the year through the natural heads of expenses amount to Rs.283.92 Lacs (Previous year Rs.120.84 Lacs) Capital expenditure incurred during the year thereof amounts to Rs. 31.31 Lacs has been included in Fixed Assets. (Previous year Rs. 32.86 Lacs).

11 The Company has only one segment namely pharmaceuticals, hence no separate disclosure of segment wise information has been made,as required by Accounting Standard 17 on "Segment Reporting"

12 Sundry Debtors includes Rs.2650.09 Lacs (previous year Rs.791.89 Lacs) due from private companies in which directors are interested as directors/members.

13 Interest on borrowings attributed to new projects is Capitalised and included in the cost of Fixed Assets/Capital Work in Progress, as appropriate.Current year Rs. 184.58 lacs (Previous year Rs. NIL).

14 Related Party Disclosures

A. Name of the related parties and nature of relationship

- | | | |
|----|---|--|
| a) | Associate companies | Themis Distributors Pvt. Ltd.
Vividh Distributors Pvt. Ltd.
Vividh Margi Investments Pvt. Ltd. |
| b) | Joint Venture | Richter Themis Medicare (India) Pvt. Ltd. |
| c) | Key Management personnel | Dr. D.S. Patel (M.D & CEO)
Dr. Sachin D. Patel
Mrs. Jayshree D. Patel |
| d) | Directors/Relatives of Key Management Personnel | Mr S. D. Patel
Mrs Madhuben Patel
Mrs H. B. Patel
Mrs Margi R Choksy
Mrs Reena Patel |

B. Transactions with related parties as per books of account.

Rupees in Lacs

Nature of Transaction	Associate Companies and Joint Venture		Key Management Personnel		Relatives of Key Management Personnel		Balance Outstanding	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sales:								
Sale of Finished goods	4,459.68	2,246.47					2,650.09	791.89
Income:								
Dividend	75.46	150.92						
Expenses:								
Electricity	0.60	1.07						
Telephone	0.13	0.53						
Freight/Others	18.41	10.07						
Remuneration			193.89	185.64	24.94	10.92		
Fixed deposit interest			43.75	43.84	15.72	14.79		
Others:								
Dividend paid	65.14	-	47.17	-	23.91	-		
Counter guarantee to Bank	NIL	NIL						
Investment in shares of subsidiary companies							-	-
Investment in Joint Venture Co.							686.00	686.00
Fixed deposit			3.50	NIL	5.50	NIL	566.60	542.60

C. The information given above, have been reckoned on the basis of information available with the Company.

- 15 Deferred tax liability is provided by implementing Accounting Standard -22 "Accounting for Taxes on Income" issued by Companies (Accounting Standards) Rules, 2006. The Deferred Tax Liability Rs.15.05 lacs (Cr) is recognized in Profit & Loss Account during the current year (Previous year Rs.17.56 lacs Cr.); comprising Rs 7.50 lacs (Cr) towards Current Years leave encashment (Previous Year Asset Rs.10.9 lacs) and Rs.18.88 lacs (Cr.) towards Bonus (Previous Year Rs 19.11 lacs (Cr) , Rs 11.47 lacs (Cr.) towards provision of Gratuity (Previous Year assets Rs..0.13 lacs (Dr) and Rs. 22.80 lacs (Dr) depreciation (Previous Year Rs.12.32 lacs (Dr.).
- 16 Details of Dues to Micro, Small and Medium Enterprises as per Micro,Small and Medium Enterprises Development Act,2006 (MSMED Act).

Rupees in Lacs

Particulars	2010-11	2009-10
The principal amount remaining unpaid as at the end of the year	182.98	25.23
Interest due on above principal and remaining unpaid as at the end of the year	-	-
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year ; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

The above information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

17 Earnings Per Share (EPS)

	2010-11	2009-10
a) Weighted average Number of Equity Shares outstanding during the year	8050500	8050500
b) Net Profit after tax available for Equity Shareholder - Rs in lacs	1,013.74	1,866.50
c) Basic and Diluted Earnings Per Share (Rs.)	12.59	23.19
d) Nominal Value Per Share (Rs)	10	10

18 Interest in the assets, liabilities, income with respect to jointly controlled entity.

	Rupees in Lacs	
	2010-11	2009-10
A) Assets		
a) Fixed Assets (Net Block) :	2718.30	2,977.00
Capital Work - in Progress	104.96	12.69
b) Investments	0.03	224.37
c) Current Assets, Loans and Advances :		
Inventories	796.79	628.03
Sundry Debtors	280.11	320.77
Cash & Bank Balances	118.12	264.56
Loans & Advances	437.77	365.04
Other Current Assets	6.88	6.31
B) Liabilities		
1) Loan Funds		
Secured Loans	-	-
Unsecured Loans	2574.42	3,089.33
2) Current Liabilities and Provisions :		
Liabilities	255.50	197.88
Provisions	162.48	207.61
3) Deferred Tax Liability (net)	295.02	113.02
C) Income :		
a) Sales	1651.03	1,605.45
b) Other Income	15.38	99.13
D) Expenditure		
a) Material Cost	500.37	577.62
b) Manufacturing Expense	464.34	422.03
c) Employment Cost	223.60	181.23
d) Finance cost	(0.87)	0.75
e) Depreciation	271.88	253.07
f) Provision for taxation	222.48	(61.78)

- 19 **Employees Benefit:**
Liability for Employee Benefit has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Accounting Standard -15(Revised) the details of which are as under :

Funded Scheme

Rupees in Lacs

	Gratuity 2010-11	Gratuity 2009-10
I Change in Benefit Obligation		
Liability at the beginning of the year	237.67	179.11
Interest Cost	17.50	13.78
Current Service Cost	16.94	17.81
Benefit Paid	(37.72)	(13.68)
Acturial (gain)/Loss on obligations	(16.72)	40.65
Liability at the end of the year	217.67	237.67
II Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	141.21	149.99
Expected Return on Plan Assets	13.20	13.78
Benefit Paid	(37.72)	(13.68)
Acturial (gain)/Loss on Plan Assets	(6.35)	(8.88)
Fair Value of Plan Assets at the end of the year	110.34	141.21
III Amount Recognised in the Balance Sheet		
Liability at the end of the year	217.67	237.67
Fair Value of Plan Assets at the end of the year	152.97	170.29
Difference	64.70	67.38
Amount Recognised in the Balance Sheet	64.70	67.38
IV Expenses Recognised in the Income Statement		
Current Service Cost	16.94	17.81
Interest Cost	17.50	13.78
Expected Return on Plan Assets	(13.20)	(13.78)
Net Acturial (gain)/loss to be recognised	(10.37)	49.53
Expense Recognised in Profit & Loss Account	10.87	67.34
V Acturial Assumptions		
Discount Rate Current	8%	8%
Rate of Return on Plan Assets Current	8%	8%
Salary Escalation Current	4%	4%
VI Asset Information		
Government of India Securities	6.96%	9.79%
Corporate Bonds	77.71%	70.12%
Special Deposit Schemes	12.78%	12.84%
Others- Banks	2.55%	7.25%

- 20 The Accounting Standard (AS-11) "The effects of changes in Foreign Exchange Rates" prescribed by Companies (Accounting Standards) Rules, 2006 was amended on 31st March, 2009, vide a notification dated 31st March 2009, by the Ministry of Corporate Affairs. The said amendment offered an option to Companies to recognise Foreign Exchange Gains and Losses arising on translation of all long term monetary assets and liabilities acquired upto 31st March 2009, retrospectively from accounting periods commencing after 7th December, 2006 (i.e. from 1st April, 2007 for the Company) upto 31st March, 2011 as capital cost of acquisition of assets where they relate to acquisition of assets or to a Translation Reserve viz. "Foreign Currency Monetary Item Translation Difference Account" (FCMITDA). In other cases the amount so recognised as capital cost of acquisition of assets is to be depreciated over the balance life of the relevant assets and in case of the amount recognised in the FCMITDA is to be amortised over the balance term of the monetary assets or liability but not beyond 31st March, 2011. The Company had chosen to exercise this option in preparation of its financial statements for the year ended 31st March, 2009. Accordingly, Foreign Exchange differences for Rs. 232.80 lacs has been adjusted against the cost of assets/CWIP.
- 21 Disclosures as required by Accounting Standard 19, "Leases " are given below:
- i) The Company has taken various residential , office and godown premises under operating lease or leave and licence agreements. These are generally not non-cancellable and ranging between 11 months and 3 years period under leave and licence, or for longer period in respect of other leases and are renewable by mutual consent on agreeable terms. Also the Company has given refundable interest free security Deposits under certain agreements.
 - ii) Lease payments are recognised in the profit and Loss Account under "Rent" in Schedule.
 - iii) The future minimum lease payments under non-cancellable operating Lease NIL
- 22 Significant accounting policies adopted by the Company are disclosed in the statement annexed to these Accounts as 'Annexure - II'.
- 23 Previous year's figures have been regrouped / recast wherever necessary.

Prakash D. Naringrekar
CFO & Company Secretary

H. N. Sinor
Chairman

Place: Mumbai
Date : 3rd May, 2011

Dr. Dinesh S. Patel
Managing Director & CEO

Annexure - I

DETAILS OF INFORMATION REGARDING LICENSED AND INSTALLED CAPACITY, OPENING STOCKS, GOODS MANUFACTURED, PURCHASED, TURNOVER AND CLOSING STOCKS FOR THE YEAR ENDED 31ST MARCH, 2011

Rupees in Lacs

Particulars	Drug Inter-mediate In M/T	Bulk Drugs In M/T	Tablets In Lacs	Injections		Syrups In Liters	Others (B)	Total Rs.
				In Liters	In Kgs			
A) Licensed Capacity (a)	407 (407)	363 (363)	8267 (8267)	- (-)	- (-)	- (-)	- (-)	
B) Installed Capacity	408 (408)	529 (529)	4800 (4800)	120000 (120000)	250000 (250000)	- (-)	187500 (187500)	
C) Actual Production Qty.		379.28 (398.01)	1143.60 (1100.90)	24580.70 (24181.47)	12720 (24616)	114236 (105255)	82221 (159757)	
D) Purchases for Resale Qty.	- (-)	4.75 (4.19)	8.57 (27.82)	151.33 (95.90)	13112 (13388)	(59622)	9164.76 0.00	
Purchases for Resale Value	- 0.00	531.18 (350.38)	7.34 (24.79)	3.93 (1.42)	106.36 (149.82)	(54.26)	229.18 0.00	877.99 (580.67)
E) Opening stock								
i) Own manufactured Qty.		2.70 (1.87)	106.00 (267.97)	12159.71 (19697.81)	2993.33 (3,125.44)	106861.02 (84017.63)	111845 (1,033,916)	
ii) Purchased Qty.	(-)	(-)	184.60 (111.46)	18.60 (868.05)	69.46 (99.05)	10203.89 (30711.82)	0 (2836)	
i) Own manufactured Value	-	130.93 (121.59)	126.71 (172.43)	200.17 (72.49)	96.14 (71.18)	18.06 (11.15)	26.03 (23.09)	598.05 (471.93)
ii) Purchased Value	(-)	(-)	29.35 (72.69)	0.07 (0.06)	13.67 (16.76)	0.17 (11.81)	0 (0.13)	43.26 (101.45)
F) Closing stock								
i) Own manufactured Qty.		1.72 (2.70)	117.50 (106.00)	5163.19 (12159.71)	0.00 (2993.33)	9798.80 (106861.02)	91035 (111845)	
ii) Purchased Qty.	(-)	(-)	18.18 (184.60)	40.10 (18.60)	0.04 (69.46)	3.00 (10203.89)	59859 0.00	
i) Own manufactured Value	-	85.33 (130.93)	109.19 (126.71)	78.62 (200.17)	0.00 (96.14)	9.60 (18.06)	33.85 (26.03)	316.59 (598.05)
ii) Purchased Value	-	-	11.73 (29.35)	3.36 (0.07)	0.12 (13.67)	0.00 (0.17)	136.47 0.00	151.68 (43.26)
G) Turnover (Includes Goods purchased for resale) Qty.		270.54 (293.17)	1307.05 (1218.03)	31707.05 (32665.05)	28894.63 (38081.26)	221499.56 (162541.98)	52337.21 (78060.05)	
Turnover Value	-	13,747.23 (15,083.53)	3,641.38 (2,458.86)	4,540.19 (2,586.00)	728.11 (724.51)	544.15 (506.81)	769.96 (495.83)	23,971.02 (21,855.54)
H) Captive consumption Qty.	-	114.48 (108.20)	- (-)	- (-)	- (-)	- (-)	- (-)	

(a) INCLUDES CAPACITY REGISTERED WITH DGTD. (b) QUANTITY NOT ENUMERABLE.

NOTES:

1. ANNUAL INSTALLED CAPACITY IS AS CERTIFIED BY A DIRECTOR AND BEING A TECHNICAL MATTER, ACCEPTED BY THE AUDITORS AS CORRECT.
2. TURNOVER QUANTITY IS DERIVED ON THE BASIS OF OPENING STOCK PLUS PRODUCTION OR PURCHASES FOR TRADING ACTIVITY LESS CLOSING STOCK/EXCESSES/SHORTAGES/DAMAGES ETC. IN QUANTITIES HAVE GOT ADJUSTED IN THE TURNOVER QUANTITY.
3. FIGURES IN BRACKET INDICATE FIGURES RELATING TO PREVIOUS YEAR.

Annexure - II

Significant Accounting Policies Adopted by the Company.

(Annexed to and forming part of the Accounts for the year ended 31st March, 2011)

(A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on the accrual basis of accounting, under the historical cost convention, except for revaluation of certain fixed assets, in accordance with the accounting principles generally accepted in India and comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India, as applicable and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company.

(B) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

II. FIXED ASSETS

(A) GROSS BLOCK

All fixed assets (other than leasehold land) are stated at cost, less accumulated depreciation (other than "Freehold Land" and "Trademarks" where no depreciation is charged). However, fixed assets which are revalued by the Company, are stated at book values.

(B) DEPRECIATION/ AMORTISATION :

- i. Depreciation on all fixed assets is provided on the 'Straight Line Method' in terms of Section 205 (2) (b) of the Companies Act, 1956 at the rates specified from time to time in Schedule XIV to the said Act.
- ii. Depreciation on additions to assets or on sale/ discardment of assets is calculated pro-rata from the date of such addition or up to the date of such sale/ discardment, as the case may be.
- iii. Cost of leasehold land is amortised over the period of lease.

(C) BORROWING COSTS

Borrowing cost directly attributable to the acquisition or construction of qualifying assets are capitalized till the month in which the asset is ready to use, as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which these are incurred.

(D) IMPAIRMENT OF FIXED ASSETS

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the assets exceeds the recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimates of the recoverable amount.

III. INVESTMENTS

Long term investments are stated at cost less provision, if any, for diminution in the value of such investments other than temporary. Current investments are valued at lower of cost and net realisable / fair value.

IV. INVENTORIES

Stores, Spares, Fuel, Packing materials, Raw materials and Stock-in-process are valued at cost. Finished goods are valued at cost or market price whichever is lower. The cost of Inventories is arrived at on the following basis:

- | | |
|--|---|
| A) Stores, Spares, Fuel, Packing materials | - First in First out |
| Raw Materials | |
| B) Finished goods for trade | - First in First out |
| C) Finished goods and Stock-in-process | - Material cost, Other direct costs and an appropriate absorption of manufacturing and other overheads. |

V. FOREIGN CURRENCY CONVERSION:

- I. Foreign currency exposure in respect of Long Term Foreign currency Monetary items, for financing fixed assets, outstanding at the close of the financial year are revalored at the contracted and /or appropriate exchange rates at the close of the year. The gain or loss due to decrease / increase in Rupee liability due to fluctuation in rate of exchange is recognized in the Profit and Loss Account.
- ii. Current Assets and other Liabilities in foreign currency outstanding at the close of the financial year are valued at the contracts and/or appropriate exchange rates at the close of the year. The loss or gain due to fluctuation of exchange rates is charged to Profit and Loss Account.
- iii. Though the accounting policy detailed in (i) and (ii) above have been consistently followed in terms with the Accounting Standard 11, the policy followed in current year retrospectively w.e.f. 1st April, 2007, has been overridden by an amendment to the aforementioned accounting standard for limited period of time as stated in Note 20 in Schedule "XV" to the Financial Statements.

VI. RECOGNITION OF INCOME AND EXPENDITURE:

- i. Revenues/ Incomes and Costs/ Expenditure are generally accounted on accrual basis as they are earned or incurred.
- ii. Domestic sales are recognised on despatch of goods to the customers. Sales include Excise duty but excludes Sales tax and are net of returns and claims.
- iii. Claims for return of breakages, date expiry and damaged goods have been adjusted to sales by the Company as and when the same are settled.
- iv. Export sales are accounted on the basis of dates of Bills of Lading or Mate's Receipt, whichever is later.
- v. In respect of receipt of materials/stores, the Company follows the following practice :
 - (i) Raw Materials in Transit (imported) shown in Balance Sheet as asset and liability.
 - (ii) Others on receipt basis.

However, this practice has no effect on the profitability of the Company.
- vi. Liability on account of Custom duty on imported materials in transit or in bonded warehouse is charged to the Profit and Loss Account only in the year in which the goods are cleared from Customs. 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 goods from the place of manufacture, for sale or captive use.
- vii. Expenditure incurred on technical literature of new products are written off in the year the products are launched.

VII. RESEARCH AND DEVELOPMENT EXPENDITURE :

Revenue expenditure on Research and Development is charged to revenue through the natural heads of expenses in the year in which it is incurred. Expenditure of a capital nature is debited to fixed assets and depreciation is provided on such assets as are depreciable.

VIII. RETIREMENT BENEFITS :

Defined Contribution Plans such as Provident Fund etc., are charged to the Profit & Loss Account as incurred.

Defined Benefit Plans – The present value of the obligation under such plan, is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognized immediately in the Profit & Loss Account.

In case of funded defined benefit plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.

Other Long Term Employee Benefits are recognized in the same manner as Defined Benefit Plans.

Termination benefits are recognized as and when incurred.

IX. EARNING PER SHARE (EPS) :

The Basic Earnings per share is computed by dividing the Net Profit / (Loss) attributable to Equity Shareholders for the year by the Number of Equity shares outstanding during the year.

X. TAXATION :

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

XI. PROVISIONS AND CONTINGENCIES

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources, when there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Balance Sheet Abstract and Company's General Business Profile

I. REGISTRATION DETAILS

REGISTRATION NO. : 1590
STATE CODE : 04
BALANCE SHEET DATE : 31ST MARCH 2011

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN Rs. LACS)

PUBLIC ISSUE : NIL RIGHT ISSUE : NIL
BONUS ISSUE : NIL PRIVATE PLACEMENT : NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN Rs. LACS)

TOTAL LIABILITIES : 18,694.43 TOTAL ASSETS : 18,694.43

SOURCES OF FUNDS

PAID UP CAPITAL : 805.05 RESERVES & SURPLUS : 7,808.06
SECURED LOANS : 5,594.90 UNSECURED LOANS : 4,160.85
DEFERRED TAX LIABILITY : 325.57

APPLICATION OF FUNDS

NET FIXED ASSETS : 10,784.25 INVESTMENTS : 736.68
NET CURRENT ASSETS : 7,173.50 ACCUMULATED LOSSES : NIL
MISC. EXPENDITURE : NIL

IV. PERFORMANCE OF COMPANY (AMOUNT IN Rs. LACS)

TURNOVER : 24,127.19 TOTAL EXPENDITURE : 23,103.79
+PROFIT/LOSS BEFORE TAX +1,023.40 +PROFIT/LOSS AFTER TAX +1,013.74
(Please tick Appropriate box (+) for profit (-) for loss)
EARNING PER SHARE Rs. 12.59 DIVIDEND 30%

V. GENERAL NAMES OF THREE PRINCIPAL PRODUCTS OF COMPANY

1. ITEM CODE NO. (ITC CODE)	: 2942.00	PRODUCT DESCRIPTION	: SIMVASTATIN USP/EP
2. ITEM CODE NO. (ITC CODE)	: 2905.14	PRODUCT DESCRIPTION	: ETHAMBUTOL HCL
3. ITEM CODE NO. (ITC CODE)	: 2909.49	PRODUCT DESCRIPTION	: ARTEETHER INJECTION

THEMIS MEDICARE LIMITED

Regd Office : 69/A,GIDC, VAPI- 396 195. District Valsad, Gujarat, India.

FORTY FIRST ANNUAL GENERAL MEETING SATURDAY, 30TH JULY, 2011, 11.00. A.M.	PLEASE HAND OVER THIS ADMISSION SLIP AT THE ENTRANCE OF THE MEETING HALL	
	FOLIO NO.	HOLDING
	MEMBERPROXY	
	NAME OF THE PROXY (IN CAPITAL LETTERS)	
VENUE : THEMIS MEDICARE LIMITED PLOT NO. 69-A, GIDC INDL.ESTATE, VAPI- 396 195. DISTRICT VALSAD GUJARAT, INDIA.		

NOTES :

1. The meeting is for member of the Company only. Members are requested not to bring non members or children

2. Copies of the Annual Report will not be distributed at the meeting. Members are requested to bring their own copies.

I hereby register my presence
at the meeting.

Signature of the Member/ Proxy

THEMIS MEDICARE LIMITED

Regd Office : 69/A,GIDC, VAPI- 396 195. District Valsad, Gujarat, India.

I/We_____of

In the district of _____ being a member/members of **THEMIS MEDICARE LIMITED** hereby
appoint _____ of _____ or failing him
_____ of _____ as my / our proxy to vote for
me/us and on my/our behalf at the FORTY FIRST ANNUAL GENERAL MEETING of the Company to be held on
SATURDAY, 30th JULY 2011 at 11.00 AM and at any
a d j o u r n m e n t (s) t h e r e o f .
Signed this _____ day of _____ 2011.

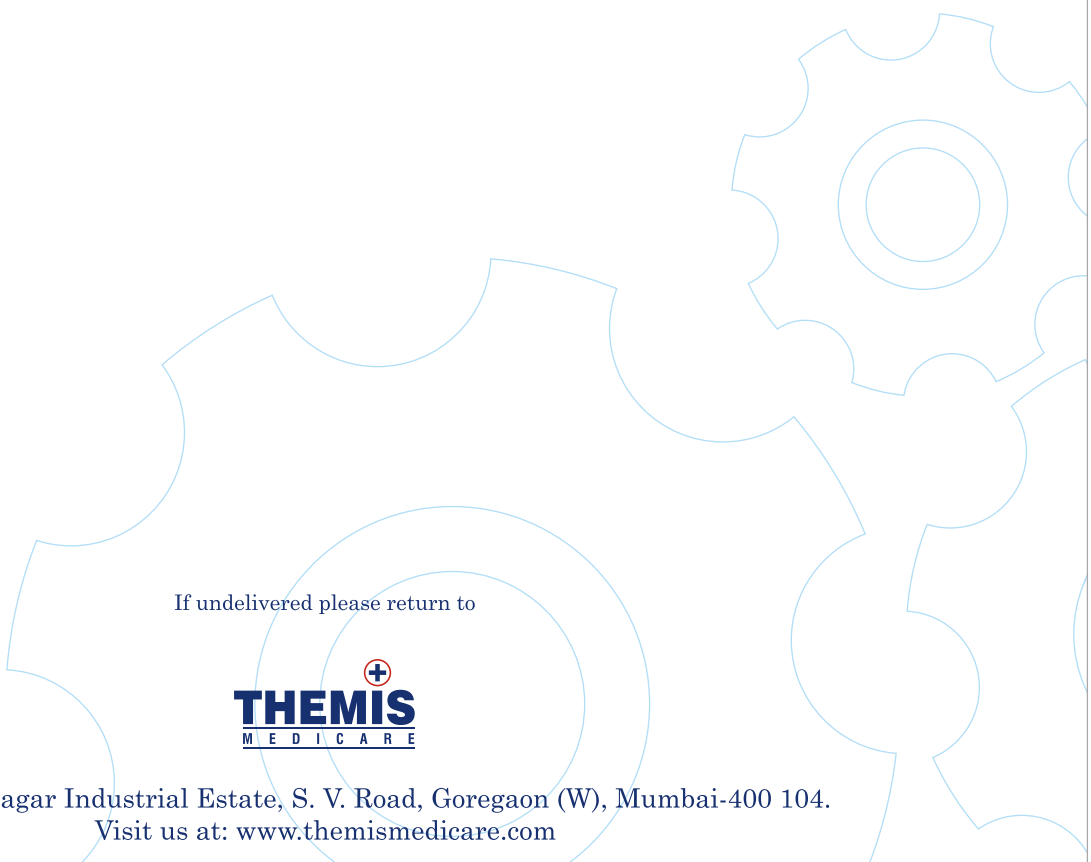
PROXY FORM	
FOLIO NO.	HOLDING
PROXY FORM MUST REACH COMPANY'S REGD.OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING	
For office use only	
DATE OF RECEIPT	

AFFIX
30 Paise
Revenue
Stamp
Signature(s)

Manufacturing Facilities



Book - Post



If undelivered please return to



11/12 Udyog Nagar Industrial Estate, S. V. Road, Goregaon (W), Mumbai-400 104.
Visit us at: www.themismedicare.com