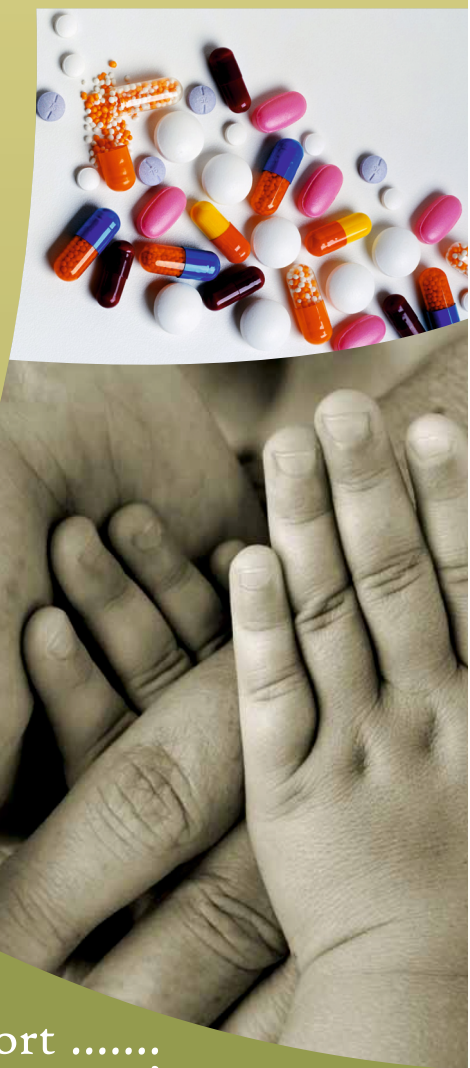




Annual Report

: 2011-2012



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

Board of Directors

Shri Hoshang Sinor
Chairman

Shri Humayun Dhanrajgir
Director

Shri Vijay Agarwal
Director

Dr. Dinesh Patel
Managing Director & CEO

Dr. Laszlo Kovacs
Representative of Foreign Collaborator

Shri Rajneesh Anand
Director

Dr. Sachin Patel
Deputy Managing Director

Mr. Lajos Kovacs
Representative of Foreign Collaborator

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 &
Business Development

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

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

REGISTERED OFFICE

Plot No. 69A, G.I.D.C. Industrial Estate,
Vapi – 396 195 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)

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 Managing Director & CEO

Dear Stakeholder,

At the outset I would like to convey my sincere thanks for your support and encouragement by way of your continued stake-holding in Themis Medicare.

Your Company, like several others in the Bulk Drug (API) Industry, has for the last couple of years been a victim of the fluctuating economies. However while we have been moving along steadily and recouping losses, we were once again hindered by some major hurdles on the 'biotech' and 'domestic formulation' business fronts.

Efforts are in place, to cause a turn around and importantly ensure returns on your investment! In keeping with these plans, your Company has undertaken the following:

1. To focus on the business of Formulations which has better profit margin; Herein the drift has been towards –
 - a) Brand establishment, which offers greater stability to business;
 - b) Introduction of Five Divisions to systematically take care of each activity viz.,
 - Establishment of Trade business through a strong marketing force of field representatives all over India.
 - Hospital business through experienced managers all over India with senior level marketing personnel working exclusively with corporate hospitals.
 - Introduction of our developed research products for Institution business with Armed Forces, ESIC and various government supplies through established stockists.
 - Co-marketing with international companies and the 'first fifteen' ORG Companies.
 - Exports of established brands in certain countries where the products of Themis Medicare are recognized and promoted by field staff.
 - c) Focusing on the revival of our research brands like E-Mal, Lumether, Peritol, Ketmin, Sepgard, Hemolok, Themiseal, Yummy-Cal etc;
 - d) Concentration on established API business where Themis Medicare enjoys high reputation and goodwill of customers;
 - e) Enforce strong inventory and debtors control at distributors` / stockists` levels to avoid long credit facilities to trade and exports which has resulted in discipline in terms of payment;
 - f) Inventory control management has also been strictly implemented and this is one of the reasons why last year`s formulation 'trade' business had been affected which now however has started to yield results;
 - g) Introduction of various new formulations;

The strategy has started yielding results as can be evidenced from the first two months of operations in the current year.

2. To take advantage of the major re-vamping and up-grading undertaken at the API Plants situated at both Vapi and Hyderabad. We are looking to a good yield on the investments made especially based on the various cost-cutting strategies adopted for production of major products at the Hyderabad Plant.

(Contd.)

I would like to assure you dear stakeholder that any apprehension you might have after noting the results of 2011-2012 will be short term. We are expecting to put the smile back on your face by the end of 2012-13. Henry R. Luce the creator of Time-Life magazine once said, *"Business, more than any other occupation, is a continual dealing with the future; it is a continual calculation; an instinctive exercise in foresight".....*

On this note, I would most sincerely like to thank the Company's bankers for their valuable support, the collaborators for their continued faith in us, colleagues on the Board, staff and once again you stake-holder for standing by us.

Sincerely,

DINESH S. PATEL
MANAGING DIRECTOR & CEO

Notice to Members

NOTICE is hereby given that the 42nd 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 Tuesday, 3rd July, 2012 at 10.00a.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 2012 and the Statement of Profit & Loss for the year ended 31st March 2012 and the Auditors' Report and Directors' Report thereon.
2. To appoint a Director in place of Mr. Lajos Kovacs who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rajneesh Anand who retires by rotation and being eligible, offers himself for re-appointment.
4. 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.

SPECIAL BUSINESS:

5. **To consider and if thought fit, to pass with or without modifications the following resolution as a Special Resolution,**

"RESOLVED THAT, in terms of section 31 of the Companies Act 1956, the Articles of Association of the Company be amended."

"RESOLVED FURTHER THAT, after existing clause 7(B) following shall be added as clause 7 (C)

7(C) notwithstanding anything to the contrary contained in the Articles of Association, the Company may issue further shares arising out of Equity Stock Option Scheme and/or Equity Stock Purchase Scheme offered to the existing and future employees as well as Directors including Whole Time & Working Directors of the Company and its Indian & Foreign Subsidiaries if any, in accordance with the statutes / guidelines issued by the Central Government or Regulatory Authorities from time to time.

6. **To consider and if thought fit, to pass with or without modifications the following resolution as a Special Resolution**

"RESOLVED THAT, in terms of section 31 of the Companies Act 1956, the Articles of Association of the Company be amended."

"RESOLVED FURTHER THAT, after existing clause 7(C) following shall be added as clause 7 (D).

7 (D) notwithstanding anything to the contrary contained in the Articles of Association, the Company may issue convertible instruments such as warrants / fully convertible debentures /partly convertible debentures or any other instrument in India or abroad either to the existing Shareholders and /or to select group of persons on preferential basis.

Notice to Members (Contd.)

7. To consider and if thought fit, to pass with or without modifications the following resolution as a Special Resolution

"RESOLVED THAT in accordance with the provisions contained in the Articles of Association and Section 81 (1A) and all other applicable provisions of the Companies Act, 1956 ("the Act") and the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") (including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include Remuneration and Compensation Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution), consent of the members of the Company be and is hereby accorded to the Board to create, offer, issue grant/allot up to 4,00,000 (Four lakhs) Equity Stock options to the eligible present and future employees and Directors of the Company in one or more tranches through Themis Medicare Employee Stock Option Scheme 2012 (Themis Medicare ESOS 2012), which entitles the option holders to subscribe to 1 (one) equity share of the Company of face value of Rs 10/- (Rs Ten) per option granted at grant price on such terms and conditions as may be fixed or determined by the Board."

"RESOLVED FURTHER THAT the said equity shares may be allotted directly to such employees/ Directors in accordance with a Scheme framed in that behalf and that the scheme may also envisage for providing any financial assistance to the employee(s) to enable the employee(s) to acquire, purchase or subscribe to the equity shares of the Company."

"RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company; unless otherwise decided by the Board of Directors of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment or listing of Equity shares, the Board be and is hereby authorised on behalf of the Company to evolve, decide upon and bring into effect the ESOS and make any modifications, changes, variations, alterations or revisions in the said Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

8. To consider and if thought fit, to pass with or without modifications the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions contained in the Articles of Association and Sections 81 (1A) and all other applicable provisions of the Companies Act, 1956 ("the Act") and the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") (including any statutory modification(s) or

Notice to Members (Contd.)

re-enactment of the Act or the Guidelines, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include Remuneration and Compensation Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution), consent of the members of the Company be and is hereby accorded to the Board to extend the benefits of Themis Medicare Employee Stock Option Scheme 2012 (Themis Medicare ESOS 2012) proposed in the Special Business sr. no. 7 in this Notice, to employees/Directors of subsidiary Companies, whether Indian or Foreign Subsidiaries, existing and as and when formed, under prevailing laws, rules and regulations and /or amendments thereto from time to time on such terms and conditions as may be fixed or determined by the Board on the basis of Salient Features of ESOS mentioned in aforesaid resolution and its annexure.

"RESOLVED FURTHER THAT the said Equity shares may be allotted directly to such employees/ Directors in accordance with a Scheme framed in that behalf and that the scheme may also envisage for providing any financial assistance to the employee(s) to enable the employee(s) to acquire purchase or subscribe to the equity shares of the Company."

"RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company; unless otherwise decided by the Board of Directors of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment or listing of Equity shares, the Board be and is hereby authorised on behalf of the Company to evolve, decide upon and bring in to effect the Scheme and make any modifications, changes, variations, alterations or revisions in the said Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

9. To consider and if thought fit to pass with or without modification, the following as a Special Resolution:

"RESOLVED THAT pursuant to Sections 81 and 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 ("the Act" as amended or re-enacted from time to time), SEBI (Issue of capital and Disclosure requirements) Regulations, 2009("the ICDR Regulations") for Preferential Issues and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to the permission(s), sanction(s) and approval(s) of the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), Bombay Stock Exchange Limited (BSE), National Stock Exchange Ltd. and such other authorities as may be applicable in this regard from time to time and subject to such conditions, modifications and alterations as may be prescribed by any one of them while granting such permission(s), sanction(s) and approval(s), which may be agreed to by the Company, consent of the Members of the Company be and is hereby accorded to offer, issue and allot 4,00,000 (Four lacs) Optionally Fully Convertible Preferential Warrants ("Warrants") in one or more tranches, at such time or times, in such manner, form and numbers as may be prescribed while granting permission(s), sanction(s)

Notice to Members (Contd.)

and approval(s) by the aforesaid authorities and/or which may at its absolute discretion consider proper, desirable and expedient by way of Preferential allotment(s) to the persons/ entities including Promoters of the Company and/or persons acting in concert with them as per the details mentioned below or any of them as approved by the Stock Exchanges.

Sr. No.	Name of Party	No. of warrants proposed to be allotted
	Promoter	
1	Mr. Dinesh Shantilal Patel	1,00,000
2	Mrs. Jayshree Dinesh Patel	1,00,000
3	Mr. Sachin Dinesh Patel	1,00,000
4	Mrs. Reena Sachin Patel	1,00,000
	Total	4,00,000

RESOLVED FURTHER THAT -

- Each Optionally Fully Convertible Preferential Warrant will be of the face value of Rs. 85/- (Rupees Eighty five only) the price of which is determined in accordance with the SEBI Guidelines as applicable.
- Each Warrant shall be convertible at the option of the holder thereof, any time before the expiry of 18 months from the date of allotment thereof, into 1 (one) fully paid-up equity share of the Company of the face value of Rs. 10/- (Rupees Ten only) at an exercise price (including premium) of Rs. 85/- (Rupees Eighty five only) per Equity Share (the pricing of which is determined in accordance with the SEBI guidelines as applicable) aggregating to Rs.3,40,00,000/- (Rupees Three Crore forty lakhs only).
- Amount to be paid up on Warrants at the time of allotment thereof shall not be less than 25% of the exercise price.
- The Board of Directors shall finalise and determine the rights and entitlements attached to the Warrants and the terms and conditions subject to which the same shall be issued, allotted and converted into Equity Shares, in accordance with the applicable ICDR Regulations and other laws and amendments.
- The relevant date for the purpose of calculating the minimum price for the Equity Shares and the exercise price for the Warrants under Chapter XIII of the relevant ICDR Regulations is 3rd June, 2012.
- The new equity shares to be allotted on the conversion of the Warrants shall rank pari passu in all respects with the then existing equity shares of the Company.
- The Warrants shall not be sold, transferred, hypothecated or encumbered by the holder thereof in any manner during the period of lock-in as provided under the ICDR Regulations except to the extent and in the manner permitted there under.
- The offer, issue and allotment of Warrants and the resultant allotment of new equity shares on conversion of the Warrants shall be made at such time or times as the Board of Directors may in their absolute discretion decide, subject to the ICDR Regulations and other applicable laws, and the terms agreed between the Board of Directors and the proposed allottees of the Warrants.

Notice to Members (Cont.)

9. The Board of Directors of the Company is hereby authorised to change / decrease / increase the number of preferential warrants to be allotted to the allottees as stated herein (but not exceeding 4,00,000 warrants) if so required by the stock exchanges or any other authority in this regard.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company, be and is hereby authorized to do all deeds, acts and things and take action on matters, give such directions or instructions for settling any questions, doubts or difficulties which may arise with regard to the offer, issue, allotment of the Warrants and new equity shares on conversion of the Warrants and to take appropriate actions from time to time to give effect to the above resolutions and the matters related thereto."

By order of the Board of Directors

PRAKASH D. NARINGREKAR
CFO & COMPANY SECRETARY

MUMBAI : 2nd June, 2012
Regd. Office : Plot no. 69-A, GIDC Industrial Estate,
Vapi-396 195, Dist. Valsad, (Gujarat).

Notice to Members (Contd.)

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 25th June, 2012 to 3rd July, 2012 (both days inclusive).
4. 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.
5. Members are requested to quote their Folio Numbers in their correspondence with the Company / Registrar & Share Transfer Agent.
6. 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 2012-13 to the above Stock Exchanges.
7. The eligible members of the Company (except members whose shares are forfeited) are hereby informed that unclaimed dividend for the Company's accounting year 2004-2005 will be credited to the Central Government's Investors' Education and Protection Fund at appropriate time during the calendar year 2012. Hence, no claim, if any, will be entertained for unclaimed dividend thereafter.
8. Members are requested to register their e-mail address and / or changes therein to the company's Registrar & Share Transfer Agents (R & T Agents) of themismedicaregogreen@linkintime.co.in for obtaining soft copy of Annual Reports etc.

By order of the Board of Directors

PRAKASH D. NARINGREKAR
CFO & COMPANY SECRETARY

MUMBAI : 2nd June, 2012
Regd. Office : Plot no. 69-A, GIDC Industrial Estate,
Vapi-396 195, Dist. Valsad, (Gujarat).

Explanatory Statement as required under Section 173 (2) of the Companies Act, 1956

Item No. 5:

In order to reward the employees /directors of the Company, the Board of Directors have deemed it fit to introduce Employees Stock Option Scheme (ESOS) / Employees Stock Purchase Scheme (ESPS) at opportune time. The present Articles of Association of the Company does not contain any provision for such Scheme whereby employee's participation in ownership of the Company is possible. In view of the same it is proposed to include an article enabling the Company to introduce the ESOS /ESPS.

The members are requested to pass the above resolution as a Special Resolution.

None of the Directors of the Company except for the entitlement of grants, if any, under the ESOS/ESPS be deemed to be Concerned or interested in the aforesaid resolution.

Item No. 6:

In order to augment the Long Term and Working Capital requirements of the Company, issue of Capital through convertible instruments as well as fully/partly convertible debentures etc., is resorted to by the corporate bodies. Our present Articles of Association does not provide for issue of such instruments.

In view of the same it is proposed to include an article enabling the Company to issue any of the aforesaid instruments if need arises.

The members are requested to pass the above resolution as a Special Resolution.

None of the Directors of the Company except for the entitlement of such instruments that may be offered by the Company in future, be deemed to be Concerned or interested in the aforesaid resolution.

Item No.7:

Board has identified the need to reward Permanent employees/ Directors of the Company. Dedication and Committed contribution of such employees in pursuing growth and financial success is very important. To enhance awareness of creating value for shareholders, attract and retain talent for mutual prosperity, it is proposed to introduce, Themis Medicare Employee Stock Option Scheme 2012 (Themis Medicare ESOS 2012).

Board of Directors at its meeting on 12th May, 2012 has constituted a Committee to be called as Remuneration and Compensation Committee (RCC) for administration and superintendence of Themis Medicare ESOS 2012.

The information required as per Clause 6.2 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI ESOS Guidelines") is given below.

1	The total number of Options to be granted	Options granted under the scheme shall not exceed 4,00,000 (Four lakhs). One option is convertible into one equity share of face value of Rs.10 each. Suitable adjustment in quantity to be done in case of corporate action like Split, Bonus, Rights, Sale of division, Merger, Demerger etc.
2	Identification of classes of employees entitled to participate in Themis Medicare ESOS 2012	Present & future employees of the Company upto certain level/ criteria as decided by RCC including eligible Directors / Whole Time Directors of the Company, its subsidiary companies and as may be decided by the Remuneration and Compensation Committee constituted for the purpose.
3	Requirements of vesting, period of vesting and maximum period within which Options shall be vested.	The vesting period shall commence after expiry of One year from the date of Options, and extend up to Five years from date of each grant or such further or other period as the Board / Committee may determine, from time to time. The Options would vest subject to continued employment with the Company. In addition to this, the Board / Committee may specify performance criteria / conditions to be met subject to which Options would vest in the employee. The Options may vest in tranches subject to the terms and conditions stipulated by the Remuneration and Compensation Committee.

Explanatory Statement (Contd.)

4	Exercise price and pricing formula	The exercise price shall be at such discount, if any, to the Market Price at the time of each Grant as may be decided by Remuneration and Compensation Committee. However, the grant price shall not be less than the face value of the share.
5	Exercise period and process of	Subject to the provisions of Themis Medicare ESOS 2012, the Exercise period exercise shall commence from the date of vesting and will, subject to certain circumstances such as termination of employment, death, disability, etc., expire on completion of not less than five years from the date of vesting as may be specified in each Grant. The Option Holder shall make a written application for the exercise of such Options through an Exercise application. Payment of the aggregate Exercise price for Options vested may be made by cheque or draft or any other method at the time of exercise of the Options.
6	The appraisal process for determining the eligibility of employees to Themis Medicare ESOS 2012.	The eligibility of such employees to receive performance-linked grants will be determined in terms of the Themis Medicare ESOS 2012 formulated as aforesaid. In determining the eligibility of such employees, factors like duration of service, overall performance of the employee and positions held by the employee, shall be given due importance.
7	Maximum number of Options to be issued per employee and in aggregate.	The maximum number of options that may be granted under the Themis Medicare ESOS 2012 to an individual Eligible Participant shall not exceed 5,000 options. The limit on the maximum number of options shall also be applicable to Directors, including independent Directors. The number of Options to be issued per employee and such other factors as are deemed necessary by the RCC etc. will be determined by the Remuneration and Compensation Committee.
8	The method the Company shall use to value its options: fair value or Intrinsic value	The Company may use the Intrinsic Value method to value its Options. In this respect, Intrinsic Value means the excess of the Market price of the share under ESOS over the exercise price of the option (including up-front payment, if any).
9	Taxes and duties	In the event of any tax liability of any kind arising on account of the Grant of the Options, Vesting of Options, Exercise of Options, sale of shares or any other event, the liability for such Tax shall be that of the Eligible Participant alone. In the event that any Taxes are required to be paid by the Company, the same shall be recovered from Eligible Participant.

The Company shall confirm to the accounting policies specified in the SEBI ESOP Guidelines.

In case the company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

The Board / Committee shall have the absolute authority to vary or modify the terms of ESOS in accordance with the regulations and guidelines prescribed by SEBI or regulations that may be issued by any appropriate authority from time to time, unless such variation, modification or alteration is detrimental to the interest of the Employees.

In the terms of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 and the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the shareholders' consent is sought to authorize the Board to issue equity shares in the manner set out in the resolution aforesaid.

The Board recommends the resolution for approval by the shareholders.

None of the Directors of the Company are in any way, concerned or interested in the resolution except to the extent the Options which may be granted to them.

Item No 8

The Company has two subsidiary Companies in India and abroad. It is also likely that Company may have more subsidiaries in future. As stipulated by SEBI guidelines, a separate resolution is required to be passed if the benefits of ESOS are to be extended to employees/ Directors of subsidiaries.

Thus, a separate resolution has been proposed. The features of scheme mentioned in explanatory notes are same for employees/ Directors of subsidiary Companies.

Explanatory Statement (Contd.)

The Board recommends the resolution for approval by the shareholders.

None of the Directors of the Company are in any way, concerned or interested in the resolution except to the extent the Options which may be granted to them.

Item No.9

The present promoter's shareholding in the Company is 69.70%. As per the SEBI's guidelines, listed Company has to maintain minimum 25% Public Shareholding.

The Company now proposes to allot 4,00,000 optionally fully convertible preferential warrants to some of the Indian promoters mentioned below in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 (herein after called SEBI (ICDR) Regulation, 2009). The statement of disclosure as required under the aforesaid regulations is given below:

a) Objects of the preferential issue

The Company has to augment its long term Working Capital requirements and as per the consortium bankers requirements (who have lend loans to the Company) the promoters are required to bring in their contribution in respect of restructuring of the working capital loan of the Company. The promoters are of the view that their contribution by way of participation in optionally fully convertible warrants would boost the over all investors confidence in the Company.

b) Proposal of the promoters, Directors of the issuer to subscribe to the offer

The Company has already taken proposal from the promoters to subscribe to the preferential issue of optionally fully convertible warrants and conversion thereof into equity shares as per SEBI (ICDR) Regulation, 2009 or any changes therein as suggested by the Stock Exchanges where the Company's shares are listed or any other authority.

c) Shareholding pattern of the issuer before and after preferential issue

Sr. No.	Category of shareholders	Before the preferential issue As on 31st March, 2012		After the preferential issue	
		No. of shares held	% to total shareholding	No. of shares held	% to total shareholding
A)	Shareholding of Promoter & Promoter Group				
1	Indian				
	Individual / HUF	2283561	28.37	2683561	31.76
	Bodies Corporate	2026946	25.18	2026946	23.99
	Sub Total	4310507	53.55	4710507	55.75
2	Foreign				
	Bodies Corporate	1300308	16.15	1300308	15.39
	Total shareholding of promoters (1+2)	5610815	69.70	6010815	71.14
B)	Public shareholding				
1	Institutions				
	Mutual / UTI	405909	5.04	405909	4.80
	Financial Institutions / Banks	1000	0.01	1000	0.01
	Individuals / HUF	22264	0.28	22264	0.26
	Sub Total (B1)	429173	5.33	429173	5.07
2	Non-Institutions				
	a Bodies corporate	340494	4.23	340494	4.03
	b Individuals				
	Individuals holding nominal share capital upto Rs. 1 Lac	1039553	12.91	1039553	12.30
	Individuals holding nominal share capital in excess of Rs. 1 Lac	489118	6.07	489118	5.79
	Others - NRI	133315	1.66	133315	1.57
	Clearing members	8032	0.10	8032	0.10
	Sub Total (B2)	2010512	24.97	2010512	23.79
	Total Public shareholding (B)	2439685	30.30	2439685	28.86
C)	Shares held by Custodians	-	-	-	-
	Grand Total (A+B+C)	8050500	100	8450500	100

Explanatory Statement (Contd.)

d) The time within which the preferential issue will be completed

As per SEBI (ICDR) Regulation, 2009 guidelines the issue of optionally fully convertible preferential warrants will be allotted within 15 days of members passing of such resolution or within 15 days of obtaining of requisite approvals. The equity shares will be allotted on or before 18 months of allotment of preferential warrants.

e) Identity of proposed allottees etc.

Sr. No.	Name of the proposed allottees	% of post preferential issue capital
1	Shri Dinesh Shantilal Patel	7.88
2	Mrs. Jayshree Dinesh Patel	7.23
3	Mr. Sachin Dinesh Patel	6.10
4	Mrs. Reena Sachin Patel	3.99
	Total	25.20

Note : There will not be any change in the control of the Company consequent to the preferential issue.

f) Undertaking about re-computation of price

The Company as well as the proposed allottees have given undertaking that as per the SEBI (ICDR) Regulations, 2009 the price of preferential issue of warrants / equity shares arising out of the same will be recomputed, in case required.

g) Undertaking about continued lock in of specified securities

The Company as well as the proposed allottees have given under taking to the effect that if the amount payable on account of re-computation of the price is not paid within the time stipulated under SEBI (ICDR) Regulation, 2009 the specified securities shall continue to be locked in till the time such amount is paid by the allottees.

As per the SEBI guidelines, promoters contribution can be increased upto 75% of the paid up capital of the Company. The proposed issue of 4,00,000 warrants when converted into equity shares will amount to 71.13% as promoters shareholding in the Company.

Dr. Dinesh S Patel, Managing Director & CEO of the Company as well as Dr. Sachin D Patel, Dy. Managing Director of the Company are to be treated as directly and indirectly interested in the aforesaid resolution. None of the other directors are interested in the aforesaid resolution.

The Members are recommended to pass the above resolution.

By order of the Board of Directors

PRAKASH D. NARINGREKAR
CFO & COMPANY SECRETARY

MUMBAI : 2nd June, 2012
Regd. Office : Plot no. 69-A, GIDC Industrial Estate,
Vapi-396 195, Dist. Valsad, (Gujarat).

Directors' Report

Your Directors have pleasure in presenting the 42nd Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

The results for the year ended 31st March, 2012 are summarized below:

(Rs. in lakhs)

PARTICULARS	2011-12	2010-11
Profit/(Loss) before Depreciation and tax	(2942.81)	1537.00
Less: Depreciation	508.02	513.60
Profit/(Loss) before Tax	(3450.83)	1023.40
Less : Provision for Taxation		
Current Tax	-	-
Deferred Tax	16.57	(15.05)
Profit/(Loss) after Tax	(3467.40)	1038.45
Add/ (Less): Net Adjustments in respect of earlier years.	-	(24.71)
Excess/(short) Provision for tax in respect of earlier years	-	-
Balance brought forward from previous year	887.61	455.08
Amount available for appropriation	(2579.79)	1468.82
Less: Final Dividend	-	241.52
Less: Dividend Tax	-	39.69
Less: Transfer to General Reserve	-	300.00
Balance carried forward	(2579.79)	887.61

OPERATIONS:

Sales / Income from operations at Rs.13775 lakhs, decreased by 44% as compared to the previous year's sale of Rs.23971 lakhs. Your Company has recorded loss of Rs 3467.40 lakhs as against profit of Rs. 1013.73 lakhs in the previous year.

BUSINESS ACTIVITIES

Your Company had witnessed a turbulent year 2011-12 resulting in financial losses. We suffered a major

setback on the export front, around February 2011, due to certain technical problems faced by one of our major customer causing us to suspend supplies to the party. We were further led to take a call in the domestic business market by streamlining and disciplining credit terms. The cumulative effect of both was unfortunately "reduced business", with turnover almost halved during the period. This severely affected our bottom line and cash flow.

CURRENT OUTLOOK

On a positive note, however, We are pleased to inform that business with the above mentioned major export customer re-commenced in November 2011. As far as the domestic market business is concerned, the required discipline in credit terms is slowly beginning to yield fruit and should make it possible to pick up momentum in the coming months. All efforts are being made to contain costs except for financial costs, which unfortunately have increased in the last one and half years due to some economic policies that have been adopted by the R.B.I and the Central Government.

Barring unforeseen circumstances, We are confident that we should see a positive change in the Company's financials in the forthcoming year.

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 31.03.2012 :-

- 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 loss 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.

Directors' Report (Contd.)

iv) Accounts have been prepared on a going concern basis.

Details of Directors seeking appointment /re-appointment at the 42nd Annual General Meeting pursuant to Clause 49 of the Listing Agreement.

Name of the Director	Mr. Lajos Kovacs	Mr. Rajneesh Anand
Date of Birth	30.08.1960	05.03.1954
Date of appointment	27.08.2004	03.10.2008
Expertise in specific functional areas	R & D Management & Manufacturing	Over 33 years of industrial experience in the areas of production, Planning, Project implementation, Engineering, Finance, Administration etc.
Qualifications	Chemical Engineer	B.E.(Mech), MIE, DMS
List of Companies (Excluding foreign and private Ltd. Companies) in which outside Directorship held as on 31st March, 2012 Chairman / Member of the Committees of the Board of the Companies on which he is a director as on 31st March 2012.	- -	Richter Themis Medicare(India)Pvt. Ltd- Alternate Director -

DIVIDEND:

In view of losses incurred no dividend is recommended by the Directors for the year under review.

SUBSIDIARIES:

There were no business transactions in the Indian subsidiary Companies during the year under review.

CONSOLIDATED ACCOUNTS :

Consolidated accounts are prepared and submitted to you consisting of your Company's 49% interest in a Joint Venture Company.

CORPORATE GOVERNANCE:

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

Directors' Report (Contd.)

DIRECTORS:

- ▶ In terms of Articles of Association of the Company as well as the requirements of the Companies Act, 1956, Mr. Lajos Kovacs and Mr. Rajneesh Anand 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.

During the year under review, Mrs. Jayshree D. Patel, Whole time Director resigned on 3-5-2011 & Shri Erik Bogsch resigned on w.e.f. 25-8-2011. The Board places on record its sincere thanks to both of them for their contribution, timely and valuable guidance to the Board and Company during their tenure as Directors.

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, 2012.

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:

There was no employee drawing remuneration as contemplated under Section 217(2A) of the Companies Act, 1956 hence the information is not given.

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

H. N. Sinor
Chairman

Place: MUMBAI.

Dated: 12th May, 2012.

Annexure I to Director's Report

Conservation of Energy

FORM - A

(See Rule 2)

	Current Year 2011-12	Previous Year 2010-11
A POWER AND FUEL CONSUMPTION		
1 Electricity		
a) Purchased Unit (KWH)	8367416	12361812
Total amount (Rs. Lakhs)	430.88	544.46
Rate/Unit (Rs.)	5.15	4.40
b) Own Generation		
Through D. G. Set (KWH)	816715	821878
Unit per liter of diesel	2.64	2.69
Cost /Unit (Rs.)	13.46	15.25
2 Coal		
Qty. (Tons)	2351	3996
Total Cost (Lakhs)	128.27	146.38
Average rate	5455.98	3663.16
3 Furnace oil		
Quantity (K. Ltrs)	130.98	189.93
Total Amount (Rs. Lakhs)	59.70	55.41
Average rate (Rs)	45578.16	29173.40
4 Steam		
Steam Purchased (M.T.)	9599	10756
Total Cost (Lakhs)	202.84	165.99
Average rate (Rs./ M.T.)	2,110.00	1,540.00
5 Other Internal Generation	Nil	Nil

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.

Annexure I to Director's Report

FORM – B

(DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION)

RESERACH AND 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. 1.99 Lacs
b) Recurring	Rs. 201.64 Lacs
c) Total	Rs. 203.63 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

Research & Development (R&D) (Contd.)

- 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. 6641.30 lacs. The Company's outgo of foreign exchange activities amounted to Rs. 3709.15 lacs. Particulars of Foreign Exchange earnings and the utilization during the year appears in Note No. 4 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 8 Directors comprising of 3 Indian Promoter Directors of which 1 is Managing Director & 1 is Whole Time Director. 2 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 Hoshang N. Sinor	Chairman	Independent/ Non-Executive	5	Yes	10	3	4
Mr. Erik Bogsch (resigned w.e.f. 25.08.2011)	Director	Representing Promoter/ Non-Executive	Nil	No	1	Nil	Nil
Dr. Laszlo Kovacs	Director	Representing Promoter/ Non-Executive	Nil	No	1	Nil	Nil
Mr. Lajos Kovacs	Director	Representing Promoter/ Non-Executive	Nil	No	1	Nil	Nil
Shri Humayun Dhanrajgir	Director	Independent/ Non-Executive	5	Yes	7	2	5
Shri Vijay Agarwal	Director	Independent/ Non-Executive	5	No	6	2	3
Shri Rajneesh Anand	Director	Non-Executive	3	Yes	Nil	Nil	Nil
Mrs. J. D. Patel (Resigned w.e.f. 03.05.2011)	Whole time Director	Promoter/ Executive	1	Yes	Nil	Nil	Nil
Dr. Sachin D. Patel	Deputy Managing Director	Promoter/ Executive	5	Yes	2	Nil	Nil
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)

Report on Corporate Governance (Contd.)

• Dates of Board Meetings held during the F.Y. 2011-12

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

- 3rd May, 2011
- 30th July, 2011
- 4th November, 2011
- 23rd December, 2011
- 31st January, 2012

• Risk Management

Risk Management is a practice with processes, methods and tools for managing risks. During the year 2011-12, 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, inter alia,

- Oversee 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 2011-12, 4 Meetings of the Audit Committee of the Company were held as follows :

- 3rd May, 2011
- 30th July, 2011
- 4th November, 2011
- 31st January, 2012

4. REMUNERATION COMMITTEE

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

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

During the financial year 2011-12, 1 Meeting of the Remuneration Committee of the Company was held.

Report on Corporate Governance (Contd.)

• 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 2011-12 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	1,80,000 /-	1,80,000 /-
Shri Humayun Dhanrajgir	NIL	NIL	1,80,000 /-	1,80,000 /-
Mr. Rajneesh Anand	NIL	NIL	60,000/-	60,000/-
Shri Vijay Agarwal	NIL	NIL	1,20,000/-	1,20,000/-
Mrs. Jayshree D. Patel (upto 3rd May 2011)	4,05,228/-	NIL	NIL	4,05,228/-
Dr. Sachin D. Patel	54,05,077/-	NIL	NIL	54,05,077/-
Dr. Dinesh S. Patel	56,06,769/-	NIL	NIL	56,06,769/-

Note: 1) Gratuity is included in computation of remuneration paid to Executive Directors.

• Shareholdings of Directors in the Company as on 31st March, 2012

Name of Director	No. of Equity shares of Rs.10/- each held	% holding
Dr. Laszlo Kovacs	NIL	NIL
Mr. Lajos Kovacs	NIL	NIL
Shri Humayun Dhanrajgir	NIL	NIL
Shri Hoshang N. Sinor (2nd Holder)	2100	0.02
Shri Vijay Agarwal	NIL	NIL
Shri Rajneesh Anand	600	0.01
Dr. Sachin D. Patel	415405	5.16
Dr. Dinesh S. Patel	565707	7.03
Dinesh S. Patel (HUF)	98900	1.23
TOTAL	10,82,712	13.45

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

The Committee has met three times during the financial year ended 31st March, 2012 i.e. on 30th July, 2011, 4th November, 2011 and on 31st January, 2012.

Report on Corporate Governance (Contd.)

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
31.03.2009	39th AGM	09.12.2009	10.30 a.m.	Plot No.69/A, GIDC Ind Estate, Vapi, Dist - Valsad, Gujarat 396195
31.03.2010	40th AGM	25.06.2010	10.00 a.m.	- do -
31.03.2011	41st AGM	30.07.2011	11.00 a.m.	- do -

7. DISCLOSURE ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

Transactions with the related parties are disclosed in Note no. 4 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, Times of India – Surat and Economic Times - 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 - www.corpfiling.co.in.

10. GENERAL SHAREHOLDERS INFORMATION

- Annual General Meeting :
Date, Time & : 3rd July, 2012 at 10.00 a.m
Venue : Plot no. 69A, G.I.D.C.
Vapi – 396 195, Dist. Valsad, Gujarat.
- Financial Calendar (Tentative) : April to March
Results for the Quarter ending
(With Limited Review by the
Statutory Auditors)
First Quarter Results : By 15th August
Half yearly Results : By 15th November
Third Quarter Results : By 15th February
Audited Results for the year : By end of May

Report on Corporate Governance (Contd.)

- Dates of Book Closure / Record Date : 25th June, 2012 to 3rd July, 2012
(Both days inclusive)
- 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 2012-13 : The Company has paid listing fees to above Stock Exchanges.
- **Stock Code**
Bombay Stock Exchange, Mumbai : 530199
National Stock Exchange, Mumbai : THEMISMED
DEMAT ISIN Number for NSDL & CDSL : INE083B01016
- Websites : www.bseindia.com
www.nseindia.com

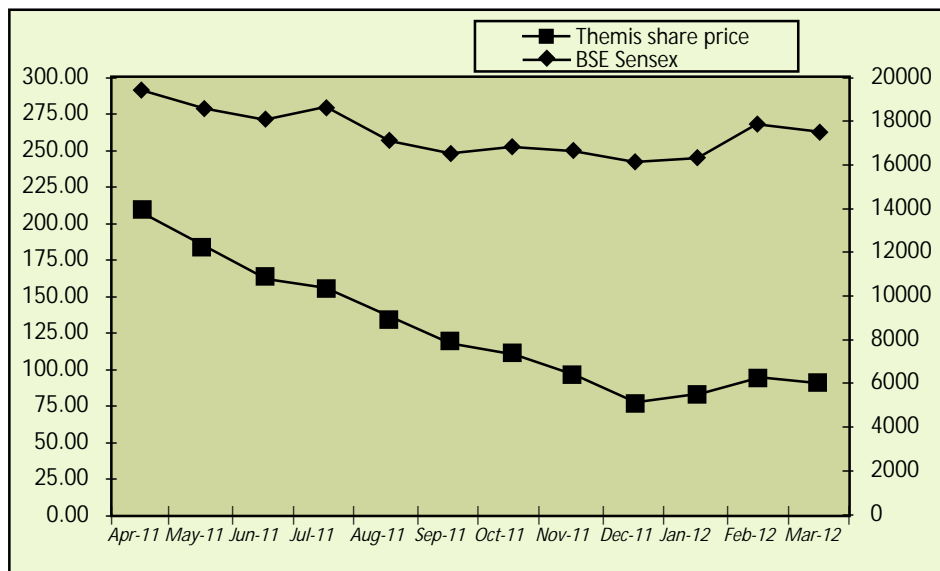
- **Market Price Data and Performance in comparison to BSE Sensex**

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 2011-12 is furnished below:

Stock price and BSE Sensex data							
Month	BSE Sensex	The Stock Exchange, Mumbai			National Stock Exchange of India Limited		
		High Price	Low Price	Monthly Volume (Nos.)	High Price	Low Price	Monthly Volume (Nos.)
Apr-11	19393.67	219.70	200.00	26952	225.00	200.30	15611
May-11	18520.00	206.50	157.50	67196	203.40	156.00	31261
Jun-11	18093.89	170.00	154.55	7437	168.90	156.05	3490
Jul-11	18631.78	164.90	145.00	17248	160.00	145.00	9869
Aug-11	17102.80	149.90	118.00	18285	146.95	115.25	4794
Sep-11	16506.41	129.80	106.75	126506	132.90	102.25	88607
Oct-11	16826.78	114.90	105.15	9216	114.15	104.05	2376
Nov-11	16590.48	115.00	76.60	27220	114.90	75.00	5573
Dec-11	16069.79	84.70	68.25	17138	84.60	66.00	2084
Jan-12	16308.50	95.75	67.15	31887	96.15	65.10	9245
Feb-12	17792.67	104.85	83.15	26725	105.00	85.05	10714
Mar-12	17480.65	96.45	82.50	34425	97.80	84.50	12075

Report on Corporate Governance (Contd.)

THEMIS MEDICARE LIMITED
BSE SENSEX/SHARE PRICES GRAPH



- **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 : 91-22-25963838
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, 2012			
	No. of Shareholders	% of Shareholders	Shares	% of Shareholders
Upto – 500	3692	89.71	437020	5.43
501 – 1000	177	4.3	140571	1.75
1001 – 2000	93	2.26	143017	1.77
2001 – 3000	24	0.58	60131	0.74
3001 – 4000	22	0.53	78129	0.97
4001 – 5000	30	0.73	139751	1.74
5001 – 10000	31	0.75	212521	2.64
10001 & Above	47	1.14	6839360	84.96
TOTAL	4116	100	8050500	100

Report on Corporate Governance (Contd.)

• **Shareholding Pattern as on 31st March, 2012 :**

S. No	Category	No. of Shares	% of total no. of shares
1.	Promoters Holding -Indian Promoters (including relatives) -Foreign Promoters	4310507 1300308	53.55 16.15
2.	Mutual Funds	405909	5.04
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	340494	4.23
6.	Indian Public		
	Individuals / Undivided Family	22264	0.28
	Individual shareholders holding nominal share capital upto Rs. 1 Lakh.	1039553	12.91
	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh.	489118	6.08
7.	NRIs / OCBs	133315	1.65
8.	Any other		
	Clearing Member	8032	0.10
	TOTAL	8050500	100.00

• **Dematerialisation of Shares :**

6192381 shares i.e. 76.92% of the paid-up capital has been dematerialized as on 31.03.2012.

- 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

Report on Corporate Governance (Contd.)

- 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: 91-22-25963838
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

Mumbai
12th May,2012

**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, 2012 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, 2012 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.

For **M. T. ANKLESHWARIA & CO.**
CHARTERED ACCOUNTANTS

MADHU T. ANKLESHWARIA
PROPRIETOR
Membership No. 30128

Place: Mumbai
Date: 12th May, 2012

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, 2012, the statement of Consolidated Profit and Loss 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, 2011 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, 2012, 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, 2012 are Rs.4818.96 lacs and total revenues for the year then ended are Rs. 1962.17 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, 2012 ;
 - b) the statement of Consolidated Profit and Loss 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.

For and on behalf of
M. T. ANKLESHWARIA & CO.,
CHARTERED ACCOUNTANTS,
REGISTRATION NO: 100501W
MADHU T. ANKLESHWARIA,
PROPRIETOR.
Membership No. 30128.

Place: Mumbai
Date: 12/05/2012

Consolidated Balance Sheet as at 31st March, 2012

(Rs. in Lacs)

Particulars	Note No.	As At 31st March, 2012	As At 31st March, 2011
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2.1	805.05	805.05
(b) Reserves and surplus	2.2	5,002.84	8,351.36
2 Non-current liabilities			
(a) Long-term borrowings	2.3	6,492.78	6,088.80
(b) Deferred tax liabilities (Net)	2.4	443.00	423.63
(c) Other Long term liabilities	2.5	125.35	125.25
(d) Long Term Provisions	2.6	154.97	123.76
3 Current liabilities			
(a) Short-term borrowings	2.7	7,535.00	5,414.51
(b) Trade payables	2.8	5,921.95	6,416.83
(c) Other current liabilities	2.9	1,290.61	1,060.38
(d) Short-term provisions	2.10	187.54	516.23
TOTAL		27,959.09	29,325.80
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	2.11		
(i) Tangible assets		13,110.95	11,855.77
(ii) Intangible assets		18.49	19.40
(iii) Capital work-in-progress		682.32	1,688.64
(b) Non-current investments	2.12	50.71	50.71
(c) Long-term loans and advances	2.13	1,168.10	1,202.46
(d) Other non current assets	2.14	27.86	152.19
2 Current assets			
(a) Inventories	2.15	4,770.33	4,626.43
(b) Trade receivables	2.16	4,800.18	6,656.80
(c) Cash and Bank balances	2.17	690.93	618.08
(d) Short-term loans and advances	2.18	2,639.22	2,455.32
TOTAL		27,959.09	29,325.80

Significant Accounting Policies

1

Notes to the Balance Sheet

2

Other Notes

4

As per our attached report of even date

For **M. T. ANKLESHWARIA & CO.**
 CHARTERED ACCOUNTANTS
 REGISTRATION NO : 100501W

PRAKASH D. NARINGREKAR
 COMPANY SECRETARY & CFO

For and on behalf of the Board

(**Mr. H. N. SINOR**)
 CHAIRMAN

MADHU T. ANKLESHWARIA
 PROPRIETOR
 MEMBERSHIP NO : 30128
 PLACE : MUMBAI
 DATE : 12 / 05 /2012

(**Dr. DINESH PATEL**)
 MANAGING DIRECTOR & CEO

Statement of Consolidated Profit and loss for the year ended 31st March, 2012

(Rs. in Lacs)

Particulars	Note No.	Year ended 31st March, 2012	Year ended 31st March, 2011
I. Revenue From Operations	3.1	15,763.97	25,207.57
II. Other income	3.2	277.84	565.67
III. Total Revenue (I + II)		16,041.81	25,773.24
IV. Expenses:			
Cost of materials consumed	3.3	8,917.90	13,857.76
Purchases of Stock-in-Trade		592.86	877.99
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	3.4	369.91	(357.82)
Employee benefits expense	3.5	2,387.67	2,221.89
Finance costs	3.6	1,587.00	1,038.16
Depreciation and amortization expense	3.7	779.44	773.73
Other expenses	3.8	4,734.96	6,244.81
Total expenses		19,369.74	24,656.52
V. Profit (Loss) before tax (III - IV)		(3,327.93)	1,116.72
VI. Tax expense:			
(1) Current tax			
(2) Deferred tax	3.9	50.59	(23.38)
VII. Profit (Loss) for the year (V-VI)		(3,378.52)	1,140.10
VIII. Earnings per equity share: (Face Value of Rs. 10/- each)			
(1) Basic		(41.97)	14.16
(2) Diluted		(41.97)	14.16

As per our attached report of even date

For and on behalf of the Board

For M. T. ANKLESHWARIA & CO.
CHARTERED ACCOUNTANTS
REGISTRATION NO : 100501W

PRAKASH D. NARINGREKAR
COMPANY SECRETARY & CFO

(Mr. H. N. SINOR)
CHAIRMAN

MADHU T. ANKLESHWARIA
PROPRIETOR
MEMBERSHIP NO : 30128
PLACE : MUMBAI
DATE : 12 / 05 /2012

(Dr. DINESH PATEL)
MANAGING DIRECTOR & CEO

Consolidated Cash Flow Statement for the year ended 31st March, 2012

(Rs. in Lacs)

	Year ended 31st March, 2012	Year ended 31st March, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX & INTEREST & EXTRAORDINARY ITEMS	(1791.50)	2054.93
ADJUSTMENTS FOR :		
DEPRECIATION	779.45	785.48
FOREIGN EXCHANGE (NET)	0.00	(40.90)
AMOUNT AMORTISED ON ACCOUNT OF LEASE		0.26
INTEREST / DIVIDEND	(86.86)	(118.78)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(1098.91)	2680.99
ADJUSTMENTS FOR :		
TRADE AND OTHER RECEIVABLES	1677.74	(1708.83)
INVENTORIES	(143.92)	(411.76)
TRADE PAYABLES	(355.25)	958.47
	1178.57	(1162.12)
CASH GENERATED FROM OPERATIONS	79.66	1518.87
INTEREST & FINANCE CHARGES	(1586.99)	(1030.73)
DIRECT TAXES PAID	(20.00)	(39.52)
	(1606.99)	(1070.25)
NET CASH FLOW FROM OPERATING ACTIVITIES	(1527.33)	448.62
B. CASH FLOW FROM INVESTING ACTIVITIES :		
PURCHASE OF FIXED ASSETS	(1010.84)	(1260.46)
CAPITAL SUBSIDY	30.00	
SALE OF INVESTMENTS	(0.00)	224.24
INTEREST RECEIVED	10.91	42.87
DIVIDEND RECEIVED	75.95	75.91
NET CASH USED IN INVESTING ACTIVITIES	(893.98)	(917.44)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
REPAYMENTS / PROCEEDS - LONG TERM BORROWINGS(NET)	75.17	(228.72)
INCREASE/DECREASE) IN FINANCE LEASE LIABILITIES	2.90	(4.92)
DIVIDEND PAID	(241.52)	(241.52)
TAX ON DIVIDEND	(39.69)	(41.05)
FIXED DEPOSITS	86.54	793.96
TERM LOAN	318.25	
ECB LOAN	98.96	(527.31)
NET CASH USED IN FINANCING ACTIVITIES	300.62	(249.56)
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	(2120.70)	(718.38)
CASH AND CASH EQUIVALENTS		
AS AT THE BEGINNING OF THE PERIOD	(4619.16)	(3900.78)
CASH AND CASH EQUIVALENTS		
AS AT THE CLOSE OF THE PERIOD	(6739.86)	(4619.16)

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.

As per our attached report of even date

For and on behalf of the Board

For **M. T. ANKLESHWARIA & CO.**
CHARTERED ACCOUNTANTS
REGISTRATION NO : 100501W

PRAKASH D. NARINGREKAR
COMPANY SECRETARY & CFO

(**Mr. H. N. SINOR**)
CHAIRMAN

MADHU T. ANKLESHWARIA
PROPRIETOR
MEMBERSHIP NO : 30128
PLACE : MUMBAI
DATE : 12 / 05 /2012

(**Dr. DINESH PATEL**)
MANAGING DIRECTOR & CEO

NOTE NO. 1

Significant Accounting Policies

1) Significant Accounting Policies adopted by the Company.

(Annexed to and forming part of the Accounts for the year ended 31.03.2012)

(A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Act. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

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 they 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 Statement of Consolidated Profit and Loss 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 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 Statement of Consolidated Profit and Loss.
- 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 Statement of Profit and Loss.
- 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 Statement of Profit and Loss. 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.

NOTE NO. 2.1

Share Capital	As At 31st March, 2012		As At 31st March, 2011	
	Number	Rs in Lacs	Number	Rs in Lacs
Authorised				
Equity Shares of Rs. 10/- each	10,000,000	1,000.00	10,000,000	1,000.00
Issued, Subscribed & fully Paid up				
Equity Shares of Rs. 10/- each fully paid	8,050,500	805.05	8,050,500	805.05
Total	8,050,500	805.05	8,050,500	805.05

Particulars	As At 31st March, 2012		As At 31st March, 2011	
	Number	Rs in Lacs	Number	Rs in Lacs
Shares outstanding at the beginning of the year	8,050,500	805.05	8,050,500	805.05
Movement during the year	-	-	-	-
Shares outstanding at the end of the year	8,050,500	805.05	8,050,500	805.05

Details of Shareholders holding more than 5% shares in the Company :

Name of Shareholder	Equity Shares			
	As At 31st March, 2012		As At 31st March, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shri Dinesh S. Patel	565707	7.03	648707	8.06
Mrs. Jayashree D. Patel	511134	6.35	508968	6.32
Dr. Sachin D. Patel	415405	5.16	414505	5.15
Vividh Margi Investment Pvt Ltd	1252842	15.56	1252342	15.56
Vividh Distributors Pvt. Ltd	616100	7.65	615800	7.65
Gedeon Richter Investment Management Ltd	884308	10.98	795308	9.88
Szepilona International Limited	416000	5.17	416000	5.17
Reliance Capital Trustee Company Limited	405909	5.04	407709	5.06

Terms / rights attached to shares

Equity Shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend.

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

NOTE NO. 2.2

(Rs. in Lacs)

Reserves & Surplus	As At 31st March, 2012	As At 31st March, 2011
a. Capital Reserves		
Opening Balance	-	-
(+) Capital Subsidy received during the year	30.00	-
Closing Balance	30.00	-
b. General Reserve -		
Opening Balance	6,961.45	6,655.78
(+) Current Year Transfer	-	305.67
Closing Balance	6,961.45	6,961.45
c. Surplus		
Opening balance	1,389.91	924.68
(+) Net Profit/(Net Loss) For the current year	(3,378.52)	1,140.10
(-) Proposed Dividends		(316.98)
(-) Dividend Tax thereon		(52.22)
(-) Transfer to Reserves		(305.67)
Closing Balance	(1,988.61)	1,389.91
Total	5,002.84	8,351.36

NOTE NO. 2.3

(Rs. in Lacs)

Long Term Borrowings	As At 31st March, 2012	As At 31st March, 2011
Secured		
(a) Term loans		
from banks (Secured By an equitable mortgage created by deposit of title deeds of the Company's factory land and buildings situated at Vapi, Hyderabad, Haridwar and Baroda and hypothecation of Plant & Machinery both present and future and also secured by Directors of the Company) Repayable in 16 quarterly installments after a holiday period of one year from first disbursement.	264.10	-
(b) Long term maturities of finance lease obligations	14.04	5.64
(Secured By hypothecation of vehicles acquired under hire purchase arrangement) Repayable in 36 equated Monthly Installments as per various arrangements.		-
	278.14	5.64
Unsecured		
(a) Term loans		
Foreign Currency Loan from a foreign promoter Repayable in 18 quarterly Installments commencing from October 2011..	1,475.52	1,648.60
From a Body Corporate Repayable in 11 Equated monthly installments	-	12.38
(b) Deposits		
Fixed Deposits Repayable in 1, 2, and 3 years, based on the deposit period.	1,789.58	1,847.77
	3,265.10	3,508.74
Total	3543.24	3514.38
Groups Proportionate Share in Long Term Borrowings of the Joint Venture	2,949.54	2,574.42
Total	6,492.78	6,088.80

NOTE NO. 2.4

(Rs. in Lacs)

Deferred Tax Liability (Net)	As At 31 March, 2012	As At 31 March, 2011
(A) Deferred Tax Assets		
Provision for unencashed Leave	92.62	79.62
Bonus	8.24	8.24
Provision for Gratuity	(5.30)	(5.30)
Total	95.56	82.56
(B) Deferred Tax Liability		
For Depreciation	404.55	408.13
NET	308.99	325.57
Groups Proportionate Share in Deferred Tax Liability of Joint Venture	134.01	98.06
Total	443.00	423.63

NOTE NO. 2.5

Other Long Term Liabilities	As At 31 March, 2012	As At 31 March, 2011
Deposit from Dealers and Suppliers	125.35	125.25
Total	125.35	125.25

NOTE NO. 2.6

Long Term Provisions	As At 31 March, 2012	As At 31 March, 2011
Groups Proportionate Share in Long term provisions of the Joint Venture	154.97	123.76
Total	154.97	123.76

NOTE NO. 2.7

(Rs. in Lacs)

Short Term Borrowings	As At 31 March, 2012	As At 31 March, 2011
Secured		
Loans repayable on demand		
from banks		
i) Cash Credits against hypothecation of raw materials, Stock in Process, finished goods, packing material and book debts and also guaranteed by the Directors of the Company	3,170.10	2,912.98
ii) Bills Discounted	2,038.15	1,852.58
iii) Advance as Packing Credit for Export	477.75	238.70
iv) Secured Loan against Fixed Deposit Receipts	-	100.66
v) Buyers Credit	807.48	277.27
vi) Overdue Devolved Letter of Credit	949.00	-
	7,442.48	5,382.19
Unsecured		
Other loans and advances :		
Advances from Customers	92.52	32.32
	92.52	32.32
Total	7,535.00	5,414.51

NOTE NO. 2.8

Trade Payables	As At 31 March, 2012	As At 31 March, 2011
Trade Payables	5,740.06	6,217.80
Groups Proportionate Share in Trade Payables of Joint Venture	181.89	199.03
Total	5,921.95	6,416.83

NOTE NO. 2.9

(Rs. in Lacs)

Other Current Liabilities	As At 31st March, 2012	As At 31st March, 2011
(a) Current maturities of long-term debt	1,024.38	841.03
(b) Current maturities of finance lease obligations	12.64	18.14
(c) Interest accrued but not due on borrowings	115.57	86.59
(d) Unclaimed dividends	6.81	5.73
(e) Duties and Taxes (incl. Excise duty, service tax, TDS)	24.84	28.94
(f) Over drawn Bank Balances as per Books of account only.	54.22	7.67
Total	1,238.46	988.10
Groups Proportionate share in Other Current Liabilities	52.15	72.28
Total	1,290.61	1,060.38

NOTE NO. 2.10

Short Term Provisions	As At 31st March, 2012	As At 31st March, 2011
(a) Provision for employee benefits		
Gratuity	111.78	69.78
Leave Encashment	47.58	45.98
(b) Others		
Proposed Dividend	-	241.52
Tax on Dividend	-	39.69
Total	159.36	396.97
Groups Proportionate Share in Short Term Provisions of Joint Venture	28.18	119.26
Total	187.54	516.23

NOTE NO. 2.11

(Rs. in Lacs)

(a)	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
		Balance as at 1 April 2011	Additions/ Adjustment	Deduction/ Amortisation	Balance as at 31 March 2012	Balance as at 1 April 2011	For the year	On disposals	Balance as at 31 March 2012	Balance as at 31 March 2012	Balance as at 31 March 2011
(i)	Tangible Assets (Not Under Lease)										
	Land	1,522.28			1,522.28				-	1,522.28	1,522.28
	Buildings	2,302.56		(3.23)	2,299.33	484.38	59.21	(2.20)	541.39	1,757.94	1,818.18
	Plant and Equipment	6,489.63	1,699.40	(0.23)	8,188.80	2,275.77	373.65	(0.01)	2,649.41	5,539.39	4,213.86
	Furniture and Fixtures	634.75	16.10	(3.78)	647.07	507.77	41.34	(0.72)	548.39	98.68	126.98
	Vehicles	166.02	3.61	(28.55)	141.08	99.33	8.17	(18.90)	88.60	52.48	66.69
	Office equipment	47.09	0.72	(0.06)	47.75	20.73	0.93		21.66	26.09	26.36
	Electrical Installation	356.14			356.14	136.25	16.82		153.07	203.07	219.89
	Total (i)	11,518.47	1,719.83	(35.85)	13,202.45	3,524.23	500.12	(21.83)	4,002.52	9,199.93	7,994.24
	Tangible Assets (Under Lease)										
	Land	1,093.48	-	(7.88)	1,085.60	-			-	1,085.60	1,093.48
	Vehicles	67.11	33.38	0.00	100.49	10.45	7.90	0.00	18.35	82.14	56.66
	Total (ii)	1,160.59	33.38	(7.88)	1,186.09	10.45	7.90	-	18.35	1,167.74	1,150.14
	Groups Proportionate Share in Tangible Assets of Joint Venture (iii)	3,838.58	302.40	-	4,140.98	1,127.19	270.51	-	1,397.70	2,743.28	2,711.39
	Total (i+ii+iii)	16,517.64	2,055.61	(43.73)	18,529.52	4,661.87	778.53	(21.83)	5,418.57	13,110.95	11,855.77
(ii)	Intangible Assets										
	Trademarks	15.95	-	-	15.95	-			-	15.95	15.95
	Groups Proportionate Share in Intangible Assets of Joint Venture	10.44	-	-	10.44	6.99	0.91	-	7.90	2.54	3.45
	Total	26.39	-	-	26.39	6.99	0.91	-	7.90	18.49	19.40
	Total	16,544.03	2,055.61	(43.73)	18,555.91	4,668.86	779.44	(21.83)	5,426.47	13,129.44	11,875.17

NOTE NO. 2.12

(Rs. in Lacs)

Non Current Investments	As At 31st March, 2012	As At 31st March, 2011
Non Current Investments at Cost		
LONG TERM INVESTMENTS-UNQUOTED		
A) TRADE : IN SHARES OF COMPANIES		
i) 16000 (Previous Year 16000) Equity Shares of The Kapol Co.op.Bank Ltd. of Rs.10 each fully paid up	1.60	1.60
ii) 600 (Previous Year 600)Equity Shares of Jeedimetla Effluent Treatment Ltd of Rs 100/- each fully paid up	0.60	0.60
Total	2.20	2.20
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.	0.72	0.72
Total	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 1.19 lacs, previous year Rs 1.75 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 14.29 lacs , previous year Rs 17.34 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.28.48 Lacs, Previous year Rs. 32.94 Lacs)	44.09	44.09
Total	46.18	46.18
Groups Proportionate Share In Non Current Investments (unquoted) of Joint Venture	0.03	0.03
Total	50.71	50.71
NOTE : AGGREGATE VALUE OF QUOTED INVESTMENTS	46.18	46.18
AGGREGATE VALUE OF UNQUOTED INVESTMENTS	4.53	4.53

NOTE NO. 2.13

(Rs. in Lacs)

Long Term Loans and Advances unsecured, considered good.	As At 31st March, 2012		As At 31st March, 2011	
a. Capital Advances		36.96		31.76
b. Security Deposits		238.90		235.43
c. Other loans and advances				
Advance Tax and Tax deducted at source	127.09		206.69	
Mat Credit Entitlement	303.08	430.17	303.08	509.77
Total		706.03		776.96
Groups Proportionate Share in Long Term Loans and Advances of Joint Venture		462.07		425.50
Total		1,168.10		1,202.46

NOTE NO. 2.14

Other Non Current Assets	As At 31st March, 2012	As At 31st March, 2011
Other Bank Balances :		
Deposit for more than 12 months Maturity	18.94	144.62
In Deposit accounts towards Share application money	0.33	0.33
Total	19.27	144.95
Groups Proportionate Share in Other Non Current Assets of the Joint Venture	8.59	7.24
Total	27.86	152.19

NOTE NO. 2.15

(Rs. in Lacs)

Inventories	As At 31st March, 2012		As At 31st March, 2011	
a. Raw Materials and components (Valued at Cost)	1,464.26		1,099.04	
Goods-in transit	126.43	1,590.69	201.28	1,300.32
b. Work-in-progress (Valued at Cost)		1,124.76		1,773.46
c. Finished goods (Valued at cost or Market Value whichever is lower)		604.05		468.27
d. Stores and spares (Valued at Cost)		24.36		32.52
e. Packing Material and Power and Fuel (Valued at Cost)		517.39		284.58
Total		3,861.25		3,859.15
Groups Proportionate Share in Inventories of Joint Venture		909.08		767.28
Total		4,770.33		4,626.43

NOTE NO. 2.16

Trade Receivables	As At 31st March, 2012	As At 31st March, 2011
Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured, considered good	3,576.82	5,914.21
Trade receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good	734.73	485.62
Total	4,311.55	6,399.83
Groups Proportionate Share in Trade Receivables of Joint Venture	488.63	256.97
Total	4,800.18	6,656.80

Trade Receivable stated above include debts due by:

Particulars	As At 31st March, 2012	As At 31st March, 2011
Private Companies in which directors are member	1,269.83	2,650.09
Total	1,269.83	2,650.09

NOTE NO. 2.17

(Rs. in Lacs)

Cash and Bank balances	As At 31st March, 2012		As At 31st March, 2011	
a. Cash and Cash Equivalents				
Cash on Hand	8.31		8.82	
Cheques / drafts on hand	-		-	
Balances with banks in current accounts	325.21		250.80	
Deposits (with less than 3 months maturity)	-		-	
		333.52		259.62
b. Other Bank Balances				
Margin Money	186.97		196.98	
Guarantees	23.74		38.26	
Deposits (with more than 3 months but less than 12 months maturity)	-		-	
		210.71		235.24
Total		544.23		494.86
Groups Proportionate Share in Cash and Cash Equivalent of Joint Venture		146.70		123.22
Total		690.93		618.08

NOTE NO. 2.18

Short-term loans and advances, unsecured, considered good	As At 31st March, 2012	As At 31st March, 2011
Advance to Suppliers	1,223.11	956.70
Staff Advance	28.24	17.03
Interest Receivable	12.36	-
Prepaid Expenses	28.18	28.71
Dues from Government Authorities	155.43	60.59
Balance with Central Excise	1,091.71	1,203.07
Insurance claim	60.10	164.51
Others	6.11	0.16
Total	2,605.24	2,430.77
Groups Proportionate Share in Short Term Loans and Advances of Joint Venture	33.98	24.55
Total	2,639.22	2,455.32

NOTE NO. 3.1

(Rs. in Lacs)

Revenue From Operation	Year ended 31st March 2012	Year ended 31st March 2011
I. In respect of a company other than a finance company revenue from operations shall be disclosed separately showing revenue from:		
(a) sale of products;	13,774.67	23,971.01
(b) other operating revenues;	316.12	190.99
	14,090.79	24,162.00
Less:		
(C) Excise duty.	288.99	594.21
Total (I)	13,801.80	23,567.79
II. Groups Proportionate Share in Revenue from Operation of Joint Venture		
(a) sale of products;	1931.38	1630.18
(b) other operating revenues; (Incl duty Drawback & Sale of Scrap)	30.79	9.60
Total (II)	1,962.17	1,639.78
Total (I) + (II)	15,763.97	25,207.57

NOTE NO. 3.2

Other Income	Year ended 31st March 2012	Year ended 31st March 2011
Interest Income (in case of a company other than a finance company)	10.91	42.87
Dividend Income	75.95	75.91
Other non-operating income (net of expenses directly attributable to such income) (Specify nature)	130.96	440.62
Total	217.82	559.40
Groups Proportionate Share in Other Income of Joint Venture	60.02	6.27
Total	277.84	565.67

NOTE NO. 3.3

(Rs. in Lacs)

Cost of Material Consumed	Year ended 31st March, 2012	Year ended 31st March, 2011
Inventory at the beginning of the year	1,099.04	1,110.46
Add: Purchases	8,163.25	12,336.94
	9,262.29	13,447.40
Less: Inventory at the end of the year	1,464.26	1,099.04
Cost of raw material consumed	7,798.02	12,348.36
Packing Material	508.17	861.56
Total	8,306.20	13,209.92
Groups Proportionate Share in Material Cost of Joint Venture	611.70	647.84
Total	8,917.90	13,857.76

NOTE NO. 3.4

Details of changes in Inventory	Year ended 31st March, 2012	Year ended 31st March, 2011	Increase/ (Decrease)
Inventory at the end of the year			
Work in Progress	1,124.76	1,773.46	(648.70)
Finished Goods	604.05	468.27	135.78
Total	1,728.82	2,241.73	(512.92)
Groups Proportionate share in Closing Stock of Work in Progress and Finished Goods			143.01
Total			(369.91)
Inventory at the beginning of the year			
Work in Progress	1,773.46	1,358.57	414.89
Finished Goods	468.27	641.31	(173.04)
Total	2,241.73	1,999.88	241.85
Groups Proportionate share in Opening Stock of Work in Progress and Finished Goods			115.97
Total			357.82

NOTE NO. 3.5

(Rs. in Lacs)

Employee Benefits Expense	Year ended 31st March, 2012	Year ended 31st March, 2011
(a) Salaries and incentives	1,893.44	1,786.05
(b) Contributions to Provident and other fund	132.96	128.14
(c) Gratuity fund contributions	42.00	33.72
(d) Staff welfare expenses	29.20	27.17
Total	2,097.60	1,975.09
Groups Proportionate share in Employee benefit Expense of Joint Venture	290.07	246.80
Total	2,387.67	2,221.89

Payments to the auditor as	Year ended 31st March, 2012	Year ended 31st March, 2011
a. As auditors - statutory audit	5.45	5.15
b. For other services	1.29	2.59
c. For reimbursement of expenses	0.33	1.68
Total	7.07	9.42

NOTE NO. 3.6

Finance Costs	Year ended 31st March, 2012	Year ended 31st March, 2011
Interest expense	1,148.30	888.68
Bank Charges	199.78	142.92
Total	1,348.08	1,031.60
Groups Proportionate Share in Finance Cost of Joint Venture	238.92	6.56
Total	1,587.00	1,038.16

NOTE NO. 3.7

Depreciation and amortisation expense	Year ended 31st March, 2012	Year ended 31st March, 2011
Depreciation and amortisation expense	508.02	513.60
Total	508.02	513.60
Groups Proportionate Share in Depreciation and amortisation expense	271.42	260.13
Total	779.44	773.73

NOTE NO. 3.8

(Rs. in Lacs)

Others Expenses	Year ended 31st March, 2012	Year ended 31st March, 2011
a. Consumption of Stores and Spares	91.79	162.38
b. Power and Fuel	1,027.47	1,146.86
c. Processing charges	529.93	1,736.60
d. Rent	26.80	21.34
e. Repairs to Buildings	6.88	24.28
f. Repairs to Machinery	34.48	48.07
g. Repairs to Others	64.77	82.17
h. Insurance	118.51	100.23
i. Rates and Taxes, excluding taxes on income	23.10	16.98
j. Travelling and conveyance	584.36	714.29
k. Freight and Forwardings charges	305.05	346.89
l. Legal and Professional Charges	215.04	178.22
m. Exchange Difference	188.81	-
n. Commission	162.26	225.13
o. Advertisement and Sale Prom	121.60	217.95
P. Miscellaneous Expenses	637.06	740.77
Total	4,137.91	5,762.16
Groups Proportionate Share in Other Expenses of joint Venture	597.05	482.65
Total	4,734.96	6,244.81

NOTE NO. 3.9

Tax Expenses	Year ended 31st March, 2012	Year ended 31st March, 2011
Current Tax	-	-
Deferred Tax	(16.57)	(15.05)
Total	(16.57)	(15.05)
Groups Proportionate Share in Tax Expense of Joint Venture	67.16	(8.33)
Total	50.59	(23.38)

NOTE NO. 4

Other Notes Forming Part of the Accounts

- 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) Private Limited	India	49%

- 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.

(Rs. in Lacs)

Contingent liabilities and commitments (to the extent not provided for)	As At 31st March, 2012	As At 31st March, 2011
3 Contingent Liabilities		
(a) Claims against the company not acknowledged as debt		
(i) The Ministry of Chemicals & Fertilizers, Government of India has raised demand under Drug Price Control Order, 1979 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
(b) Guarantees	205.64	181.14
(c) Other money for which the company is contingently liable		
(i) In respect of Letter of Credit	26.38	660.87
(ii) Disputed Income Tax and Sales Tax as matters are in appeal	61.58	65.76
(iii) Customs duty payable on raw materials imported under duty exemption scheme in case of non-fulfillment of export obligation.	231.81	556.38
Total (I)	859.61	1,798.35

NOTE NO. 4 : Other Notes Forming Part of the Accounts (Contd.)

	As At 31st March, 2012	As At 31st March, 2011
4 Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		101.98
(b) Uncalled liability on shares and other investments partly paid	NIL	NIL
(c) Other commitments (specify nature)		
(i) Liability on account of Custom duty on goods in bonded warehouse or in transit is, as per the Company's practice charged to Statement of Consolidated Profit & Loss only in the year in which the goods are cleared from the Custom. This accounting policy has no effect on the Loss for the year.	22.25	36.16
(ii) Liability on account of Excise duty in respect of goods manufactured and liable to payment of Excise duty when cleared from the factory premises, is accounted at the time of removal of the goods from the place of manufacture for sale or for captive use. This accounting policy has no effect on the Loss for the year.	2.98	16.85
Total (II)	25.23	154.99
Total (I + II)	884.84	1,953.34

- 5 Revenue expenditure on Research & Development incurred & Charged out during the year through the natural heads of expenses amount to Rs.201.64 Lacs (Previous year Rs.283.92 Lacs) Capital expenditure incurred during the year thereof amounts to Rs.1.99 Lacs has been included in Fixed Assets. (Previous year Rs. 31.31 Lacs).
- 6 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"
- 7 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. 153.23 lacs (Previous year Rs.184.58 Lacs).

NOTE NO. 4 : Other Notes Forming Part of the Accounts (Contd.)

8 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
(d) Directors/Relatives of Key Management personnel	Mrs.Jayshree D.Patel Mrs H.B.Patel Mrs Margi R Choksy Mrs Reena Patel

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

(Rs. 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	765.71	4,459.68					1,269.83	2,650.09
Income:								
Dividend	75.46	75.46						
Expenses:								
Electricity	1.76	0.60						
Telephone	0.07	0.13						
Freight/Others	9.02	18.41						
Remuneration			118.58	193.89	17.14	24.94		
Fixed deposit interest			31.16	43.75	34.70	15.72		
Consultancy Charges			-	-	26.71	-		
Others:								
Dividend paid		65.14		47.17		23.91		
Fixed deposit			140.00	3.50	142.00	5.50	848.60	566.60

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

NOTE NO. 4 : Other Notes Forming Part of the Accounts

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

- The deferred tax liability of Rs 50.59 lacs (Dr) for the year has been recognised in the Profit and Loss Account.
- Break up of Deffered Tax Assets and Liabilities into major componenets of the respective balances are as under

	2011-12 Rs in Lacs	2010-11 Rs in Lacs
Deferred Tax Liabilities :		
Depreciation	548.10	506.18
Deferred Tax Assets :		
Retirement benefits	96.46	74.31
Bonus	8.64	8.24
	105.10	82.55
	443.00	423.63

10 Earnings Per Share (EPS)

	2011-2012	2010-2011
a) Weighted average Number of Equity Shares outstanding during the year	8050500	8050500
b) Net Profit(Loss) after tax available for EquityShareholder - Rs in lacs	(3,378.52)	1,140.10
c) Basic and Diluted Earnings Per Share (Rs.)	(41.97)	14.16
d) Nominal Value Per Share (Rs)	10	10

11 The financial statements for the year ended 31 March 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Act. Consequent to the notification of Revised Schedule VI under the Act, the financial statements for the year ended 31 March 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's period's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

PLACE : MUMBAI
DATED : 12 / 05/ 2012

Mr. H. N. SINOR
CHAIRMAN

Dr. DINESH S. PATEL
MANAGING DIRECTOR & CEO

Report of the Auditors to the members

We have audited the attached Balance Sheet of THEMIS MEDICARE LIMITED as at 31st March, 2012, and the annexed Statement of Profit & Loss 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 Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) Attention is invited to note 3. of Other Notes No. 4 regarding managerial remuneration of Rs. 15.89 lacs paid during the year 2010-11, in excess of specified limits, for which Central Government's approval is still to be obtained.
 - e) 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, 2012 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 Statement of Profit & Loss 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 2012.
- (b) in the case of Statement of Profit and Loss , of the Loss 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.

For and on behalf of
M. T. ANKLESHWARIA & CO.,
 CHARTERED ACCOUNTANTS,
 REGISTRATION NO: 100501W
MADHU T. ANKLESHWARIA,
 PROPRIETOR.
 Membership No. 30128.

Place: Mumbai
 Date: 12/05/2012

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, 2012.

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 16 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 854.60 lacs and Rs.854.60 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 2045.12 lacs and Rs.1882.56 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 there are delays in depositing undisputed statutory dues, during the year, 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. Further, an amount of Rs. 76.23 Lacs is outstanding for a period exceeding six months in respect of Corporate tax for the assessment year 2011-12.
- (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, 2012 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	61.58	Various demands for 1987-88 to 1998-99 and 2004-05 to 2006-07	Various appellate stages in Sales Tax Dept.

- x. The Company has no accumulated losses at the end of the year. The Company has incurred cash losses in the current year. However, it has not incurred cash losses in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of dues to banks in respect of letter of credit which have devolved on the bank. Details of defaults in repayment of principal of the same are as under.

Period of Default	Rs. in lacs	Remark
Less than 30 days	702.93	Rs. 702.93 lacs outstanding as on 31.03.2012
30 – 60 days	381.07	Rs. 246.07 lacs outstanding as on 31.03.2012

- 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.

For and on behalf of
M. T. ANKLESHWARIA & CO.,
 CHARTERED ACCOUNTANTS,
 REGISTRATION NO: 100501W
MADHU T. ANKLESHWARIA,
 PROPRIETOR.
 Membership No. 30128.

Place: Mumbai
 Date: 12/05/2012

Balance Sheet as at 31st March, 2012

(Rs. in Lacs)

Particulars	Note No.	As At 31st March, 2012	As At 31st March, 2011
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2.1	805.05	805.05
(b) Reserves and surplus	2.2	4,370.66	7,808.06
2 Non-current liabilities			
(a) Long-term borrowings	2.3	3,543.24	3,514.38
(b) Deferred tax liabilities (Net)	2.4	308.99	325.57
(c) Other Long term liabilities	2.5	125.35	125.25
3 Current liabilities			
(a) Short-term borrowings	2.6	7,535.00	5,414.51
(b) Trade payables		5,740.06	6,217.80
(c) Other current liabilities	2.7	1,238.46	988.10
(d) Short-term provisions	2.8	159.36	396.97
TOTAL		23,826.17	25,595.69
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	2.9		
(i) Tangible assets		10,367.67	9,144.38
(ii) Intangible assets		15.95	15.95
(iii) Capital work-in-progress		658.30	1,592.16
(b) Non-current investments	2.10	737.81	736.68
(c) Long-term loans and advances	2.11	706.03	776.96
(d) Other non current assets	2.12	19.27	144.95
2 Current assets			
(a) Inventories	2.13	3,861.25	3,859.15
(b) Trade receivables	2.14	4,311.55	6,399.83
(c) Cash and Bank balances	2.15	536.65	494.86
(d) Short-term loans and advances	2.16	2,611.69	2,430.77
TOTAL		23,826.17	25,595.69

Significant Accounting Policies

1

Notes to the Balance Sheet

2

Other Notes

4

As per our attached report of even date

For and on behalf of the Board

For **M. T. ANKELSHWARIA & CO.**
 CHARTERED ACCOUNTANTS
 REGISTRATION NO : 100501W

PRAKASH D. NARINGREKAR
 COMPANY SECRETARY & CFO

(**Mr. H. N. SINOR**)
 CHAIRMAN

MADHU T. ANKLESHWARIA
 PROPRIETOR
 MEMBERSHIP NO : 30128
 PLACE : MUMBAI
 DATE : 12 / 05 /2012

(**Dr. DINESH PATEL**)
 MANAGING DIRECTOR & CEO

Statement of Profit and loss for the year ended 31st March, 2012

(Rs. in Lacs)

Particulars	Note No.	Year ended 31st March, 2012	Year ended 31st March, 2011
I. Revenue From Operations	3.1		
Sale of products		13,774.67	23,971.01
Other operating revenues		316.12	190.99
Less:			
Excise duty		(288.99)	(594.21)
II. Other income	3.2	217.82	559.40
III. Total Revenue (I + II)		14,019.62	24,127.19
IV. Expenses:			
Cost of materials consumed	3.3	8,306.20	13,209.92
Purchases of Stock-in-Trade		592.86	877.99
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	3.4	512.92	(241.85)
Employee benefits expense	3.5	2,097.60	1,975.09
Finance costs	3.6	1,348.08	1,031.60
Depreciation and amortization expense		508.02	513.60
Other expenses	3.7	4,137.91	5,762.16
Total expenses		17,503.59	23,128.51
V. Profit (Loss) before tax (III - IV)		(3,483.97)	998.68
VI. Tax expense:			
(1) Current tax			
(2) Deferred tax		(16.57)	(15.05)
VII. Profit (Loss) for the year (V-VI)		(3,467.40)	1,013.73
VIII. Earnings per equity share: (Face Value of Rs. 10/- each)			
(1) Basic		(43.07)	12.59
(2) Diluted		(43.07)	12.59

As per our attached report of even date

For and on behalf of the Board

For **M. T. ANKLESHWARIA & CO.**
CHARTERED ACCOUNTANTS
REGISTRATION NO : 100501W

PRAKASH D. NARINGREKAR
COMPANY SECRETARY & CFO

(**Mr. H. N. SINOR**)
CHAIRMAN

MADHU T. ANKLESHWARIA
PROPRIETOR
MEMBERSHIP NO : 30128
PLACE : MUMBAI
DATE : 12 / 05 /2012

(**Dr. DINESH PATEL**)
MANAGING DIRECTOR & CEO

Cash Flow Statement for the year ended 31st March, 2012

(Rs. in Lacs)

	Year ended 31st March, 2012	Year ended 31st March, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX & INTEREST & EXTRAORDINARY ITEMS	(2135.89)	2095.91
ADJUSTMENTS FOR :		
DEPRECIATION	508.02	513.60
FOREIGN EXCHANGE (NET)	0.00	(40.90)
AMOUNT AMORTISED ON ACCOUNT OF LEASE		0.26
INTEREST / DIVIDEND	(86.86)	(118.78)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(1714.72)	2450.09
ADJUSTMENTS FOR :		
TRADE AND OTHER RECEIVABLES	1955.44	(1827.33)
INVENTORIES	(2.13)	(242.99)
TRADE PAYABLES	(274.37)	900.84
	1678.94	(1169.48)
CASH GENERATED FROM OPERATIONS	(35.78)	1280.61
INTEREST & FINANCE CHARGES	(1348.08)	(1031.60)
DIRECT TAXES PAID	(20.00)	(29.43)
	(1368.08)	(1061.03)
NET CASH FLOW FROM OPERATING ACTIVITIES	(1403.86)	219.58
B. CASH FLOW FROM INVESTING ACTIVITIES :		
PURCHASE OF FIXED ASSETS	(782.66)	(1155.01)
CAPITAL SUBSIDY	30.00	
INTEREST RECEIVED	10.91	42.87
DIVIDEND RECEIVED	75.95	75.91
NET CASH USED IN INVESTING ACTIVITIES	(665.80)	(1036.23)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
REPAYMENTS / PROCEEDS - LONG TERM BORROWINGS(NET)	75.17	(228.72)
INCREASE/DECREASE) IN FINANCE LEASE LIABILITIES	2.91	(4.92)
DIVIDEND PAID	(241.52)	(241.52)
TAX ON DIVIDEND	(39.69)	(41.05)
FIXED DEPOSITS	86.54	793.96
TERM LOAN	(56.86)	
ECB LOAN	98.96	(12.40)
NET CASH USED IN FINANCING ACTIVITIES	(74.50)	265.36
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	(2144.17)	(551.30)
CASH AND CASH EQUIVALENTS		
AS AT THE BEGINNING OF THE PERIOD	(4742.39)	(4191.09)
CASH AND CASH EQUIVALENTS		
AS AT THE CLOSE OF THE PERIOD	(6886.56)	(4742.39)
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.		

As per our attached report of even date

For and on behalf of the Board

For **M. T. ANKLESHWARIA & CO.**
 CHARTERED ACCOUNTANTS
 REGISTRATION NO : 100501W

PRAKASH D. NARINGREKAR
 COMPANY SECRETARY & CFO

(**Mr. H. N. SINOR**)
 CHAIRMAN

MADHU T. ANKLESHWARIA
 PROPRIETOR
 MEMBERSHIP NO : 30128
 PLACE : MUMBAI
 DATE : 12 / 05 / 2012

(**Dr. DINESH PATEL**)
 MANAGING DIRECTOR & CEO

NOTE NO. 1

Significant Accounting Policies

1) Significant Accounting Policies adopted by the Company.

(Annexed to and forming part of the Accounts for the year ended 31.03.2012)

(A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Act. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

(B) USE OF ESTIMATES

The preparation of financial statements is 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,
Raw Materials | - First in First out |
| 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.

NOTE NO. 2.1

Share Capital	As At 31st March 2012		As At 31st March 2011	
	Number	Rs in Lacs	Number	Rs in Lacs
Authorised				
Equity Shares of Rs. 10/- each	10,000,000	1,000.00	10,000,000	1,000.00
Issued, Subscribed & fully Paid up				
Equity Shares of Rs. 10/- each fully paid	8,050,500	805.05	8,050,500	805.05
Total	8,050,500	805.05	8,050,500	805.05

Particulars	As At 31st March 2012		As At 31st March 2011	
	Number	Rs in Lacs	Number	Rs in Lacs
Shares outstanding at the beginning of the year	8,050,500	805.05	8,050,500	805.05
Movement during the year	-	-	-	-
Shares outstanding at the end of the year	8,050,500	805.05	8,050,500	805.05

Details of Shareholders holding more than 5% shares in the Company :

Name of Shareholder	Equity Shares			
	As At 31st March 2012		As At 31st March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shri Dinesh S. Patel	565707	7.03	648707	8.06
Mrs. Jayashree D. Patel	511134	6.35	508968	6.32
Dr. Sachin D. Patel	415405	5.16	414505	5.15
Vividh Margi Investment Pvt Ltd	1252842	15.56	1252342	15.56
Vividh Distributors Pvt. Ltd	616100	7.65	615800	7.65
Gedeon Richter Investment Management Ltd	884308	10.98	795308	9.88
Szepilona International Limited	416000	5.17	416000	5.17
Reliance Capital Trustee Company Limited	405909	5.04	407709	5.06

Terms / rights attached to shares**Equity Shares**

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend.

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

NOTE NO. 2.2

(Rs. in Lacs)

Reserves & Surplus	As At 31st March, 2012	As At 31st March, 2011
	Rs in Lacs	Rs in Lacs
a. Capital Reserves		
Opening Balance	-	-
(+) Capital Subsidy received during the year	30.00	-
Closing Balance	30.00	-
b. General Reserve -		
Opening Balance	6,920.46	6,620.46
(+) Current Year Transfer		300.00
Closing Balance	6,920.46	6,920.46
c. Surplus		
Opening balance	887.60	455.08
(+) Net Profit/(Net Loss) For the current year	(3,467.40)	1,013.73
(-) Proposed Dividends		(241.52)
(-) Dividend Tax thereon		(39.69)
(-) Transfer to Reserves		(300.00)
Closing Balance	(2,579.80)	887.60
Total	4,370.66	7,808.06

NOTE NO. 2.3

(Rs. in lacs)

Long Term Borrowings	As At 31st March, 2012	As At 31st March, 2011
Secured		
(a) Term loans		
from banks (Secured By an equitable mortgage created by deposit of title deeds of the Company's factory land and buildings situated at Vapi, Hyderabad, Haridwar and Baroda and hypothecation of Plant & Machinery both present and future and also secured by Directors of the Company) Repayable in 16 quarterly installments after a holiday period of one year from first disbursement.	264.10	-
(b) Long term maturities of finance lease obligations (Secured By hypothecation of vehicles acquired under hire purchase arrangement) Repayable in 36 equated Monthly Installments as per various arrangements.	14.04	5.64
	278.14	5.64
Unsecured		
(a) Term loans		
Foreign Currency Loan Repayable in 18 quarterly Installments commencing from October 2011..	1,475.52	1,648.60
From a Body Corporate Repayable in 11 Equated monthly installments	-	12.37
(b) Deposits		
Fixed Deposits Repayable in 1, 2, and 3 years, based on the deposit period.	1,789.58	1,847.77
	3,265.10	3,508.74
Total	3,543.24	3,514.38

NOTE NO. 2.4

(Rs. in lacs)

Deferred Tax Liability (Net)	As At 31st March, 2012	As At 31st March 2011
(A) Deferred Tax Assets		
Provision for unencashed Leave	92.62	79.62
Bonus	8.24	8.24
Provision for Gratuity	(5.30)	(5.30)
Total	95.56	82.56
(B) Deferred Tax Liability		
For Depreciation	404.55	408.13
NET	308.99	325.57

NOTE NO. 2.5

Other Long Term Liabilities	As At 31st March, 2012	As At 31st March, 2011
Deposit from Dealers and Suppliers	125.35	125.25
Total	125.35	125.25

NOTE NO. 2.6

Short Term Borrowings	As At 31st March, 2012	As At 31st March, 2011
Secured		
Loans repayable on demand		
from banks		
i) Cash Credits against hypothecation of raw materials, Stock in Process, finished goods, packing material and book debts and also guaranteed by the Directors of the Company	3,170.10	2,912.98
ii) Bills Discounted	2,038.15	1,852.58
iii) Advance as Packing Credit for Export	477.75	238.70
iv) Secured Loan against Fixed Deposit Receipts	-	100.66
v) Buyers Credit	807.48	277.27
vi) Overdue Devolved Letter of Credit	949.00	-
	7,442.48	5,382.19
Unsecured		
Other loans and advances :		
Advances from Customers	92.52	32.32
	92.52	32.32
Total	7,535.00	5,414.51

NOTE NO. 2.7

(Rs. in lacs)

Other Current Liabilities	As At 31st March, 2012	As At 31st March, 2011
(a) Current maturities of long-term debt	1,024.38	841.03
(b) Current maturities of finance lease obligations	12.64	18.14
(c) Interest accrued but not due on borrowings	115.57	86.59
(d) Unclaimed dividends	6.81	5.73
(e) Duties and Taxes (incl. Excise duty, service tax, TDS)	24.84	28.94
(f) Over drawn Bank Balances as per Books of account only.	54.22	7.67
Total	1,238.46	988.10

NOTE NO. 2.8

Short Term Provisions	As At 31st March, 2012	As At 31st March, 2011
(a) Provision for employee benefits		
Gratuity	111.78	69.78
Leave Encashment	47.58	45.98
(b) Others		
Proposed Dividend	-	241.52
Tax on Dividend	-	39.69
Total	159.36	396.97

NOTE NO. 2.9

(Rs in Lacs)

	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
		Balance as at 1 April 2011	Additions/ Adjustment	Deduction/ Amortisation	Balance as at 31 March 2012	Balance as at 1 April 2011	For the year	Deduction/ Adjustment	Balance as at 31 March 2012	Balance as at 31 March 2012	Balance as at 31 March 2011
a	Tangible Assets (Not Under Lease)										
	Land	1,522.28			1,522.28				-	1,522.28	1,522.28
	Buildings	2,302.56		(3.23)	2,299.33	484.38	59.21	(2.20)	541.39	1,757.94	1,818.18
	Plant and Equipment	6,489.63	1,699.40	(0.23)	8,188.80	2,275.77	373.65	(0.01)	2,649.41	5,539.39	4,213.86
	Furniture and Fixtures	634.75	16.10	(3.78)	647.07	507.77	41.34	(0.72)	548.39	98.68	126.98
	Vehicles	166.02	3.61	(28.55)	141.08	99.33	8.17	(18.90)	88.60	52.48	66.69
	Office equipment	47.09	0.72	(0.06)	47.75	20.73	0.93		21.66	26.09	26.36
	Electrical Installation	356.14			356.14	136.25	16.82		153.07	203.07	219.89
	Total (i)	11,518.47	1,719.83	(35.85)	13,202.45	3,524.23	500.12	(21.83)	4,002.52	9,199.93	7,994.24
	Tangible Assets (Under Lease)										
	Land	1,093.48	-	(7.88)	1,085.60	-			-	1,085.60	1,093.48
	Vehicles	67.11	33.38	0.00	100.49	10.45	7.90	0.00	18.35	82.14	56.66
	Total (ii)	1,160.59	33.38	(7.88)	1,186.09	10.45	7.90	-	18.35	1,167.74	1,150.14
	Total (i+ii)	12,679.06	1,753.21	(43.73)	14,388.54	3,534.68	508.02	(21.83)	4,020.87	10,367.67	9,144.38
b	Intangible Assets										
	Trademarks	15.95	-	-	15.95	-			-	15.95	15.95
	Total	15.95	-	-	15.95	-	-	-	-	15.95	15.95
	Total	12,695.01	1,753.21	(43.73)	14,404.49	3,534.68	508.02	(21.83)	4,020.87	10,383.62	9,160.33

- Notes :-**
- Buildings and Leasehold Land which were revalued are shown at " Book Value ". Other Fixed Assets appear at " COST "
 - Buildings include :
 - 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.
 - Documents for godown premises purchased during the earlier year for a value of Rs. 6800758 have been lodged for registration with concerned authorities
 - 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
 - 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
 - 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

NOTE NO. 2.10

(Rs. in Lacs)

Non Current Investments	As At 31st March, 2012	As At 31st March, 2011
Non Current Investments at Cost		
LONG TERM INVESTMENTS-UNQUOTED		
A) TRADE : IN SHARES OF COMPANIES		
i) 16000 (Previous Year 16000) Equity Shares of The Kapol Co.op.Bank Ltd. of Rs.10 each fully paid up	1.60	1.60
ii) 600 (Previous Year 600)Equity Shares of Jeedimetla Effluent Treatment Ltd of Rs 100/- each fully paid up	0.60	0.60
iii) 6860000(Previous Year 6860000) Equity shares of Richter Themis Medicare (India) Pvt. Ltd of Rs 10/- each fully paid up (a Joint Venture Company)	686.00	686.00
iv) HUF 500000 (Previous Year NIL) held as quota capital in "HID-PUL KFT", Hungary a wholly owned Overseas limited liability Company .	1.13	-
Total	689.33	688.20
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.	0.72	0.72
Total	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 1.19 lacs, previous year Rs 1.75 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 14.29 lacs , previous year Rs 17.34 lacs)	1.53	1.53
iii) 440903(PY. 440903) shares of Rs 10 each of Gujarat Themis Biosyn Ltd. fully paid up (Market Val Rs.28.48 Lacs, Previous year Rs. 32.94 Lacs)	44.09	44.09
Total	46.18	46.18
Total	737.81	736.68
NOTE : AGGREGATE VALUE OF QUOTED INVESTMENTS	46.18	46.18
AGGREGATE VALUE OF UNQUOTED INVESTMENTS	691.63	690.50

NOTE NO. 2.11

(Rs. in Lacs)

Long Term Loans and Advances unsecured, considered good.	As At 31st March, 2012		As At 31st March, 2011	
a. Capital Advances		36.96		31.76
b. Security Deposits		238.90		235.43
c. Other loans and advances				
Advance Tax and Tax deducted at source	127.09		206.69	
Mat Credit Entitlement	303.08		303.08	
		430.17		509.77
Total		706.03		776.96

NOTE NO. 2.12

Other Non Current Assets	As At 31st March, 2012	As At 31st March, 2011
Other Bank Balances :		
Deposit for more than 12 months Maturity	18.94	144.62
In Deposit accounts towards Share application money	0.33	0.33
Total	19.27	144.95

NOTE NO. 2.13

Inventories	As At 31st March, 2012		As At 31st March, 2011	
a. Raw Materials and components (Valued at Cost)	1,464.26		1,099.04	
Goods-in transit	126.43		201.28	
		1,590.69		1,300.32
b. Work-in-progress (Valued at Cost)		1,124.76		1,773.46
c. Finished goods (Valued at cost or Market Value whichever is lower)		604.05		468.27
d. Stores and spares (Valued at Cost)		24.36		32.52
e. Packing Material and Power and Fuel (Valued at Cost)		517.39		284.58
Total		3,861.25		3,859.15

NOTE NO. 2.14

(Rs in Lacs)

Trade Receivables	As At 31st March, 2012	As At 31st March, 2011
Trade receivables outstanding for a period less than six months from the date they are due for payment unsecured, considered good	3,576.82	5,914.21
Trade receivables outstanding for a period exceeding six months from the date they are due for payment unsecured, considered good	734.73	485.62
Total	4,311.55	6,399.83

Trade Receivable stated above include debts due by:

Particulars	As At 31st March, 2012	As At 31st March, 2011
Private Companies in which directors are member	1,269.83	2,650.09
Total	1,269.83	2,650.09

NOTE NO. 2.15

Cash and Bank balances	As At 31st March, 2012		As At 31st March, 2011	
a. Cash and Cash Equivalents				
Cash on Hand	8.31		8.82	
Cheques / drafts on hand	-		-	
Balances with banks in current accounts	317.63		250.80	
Deposits (with less than 3 months maturity)	-		-	
		325.94		259.62
b. Other Bank Balances				
Margin Money	186.97		196.98	
Guarantees	23.74		38.26	
Deposits (with more than 3 months but less than 12 months maturity)	-		-	
		210.71		235.24
Total		536.65		494.86

NOTE NO. 2.16

(Rs in Lacs)

Short-term loans and advances, unsecured, considered good	As At 31st March, 2012	As At 31st March, 2011
Advance to Suppliers	1,223.11	956.70
Staff Advance	28.24	17.03
Interest Receivable	12.36	-
Prepaid Expenses	28.18	28.71
Dues from Government Authorities	155.43	60.59
Balance with Central Excise	1,091.71	1,203.07
Insurance claim	60.10	164.51
Advance to wholly owned Subsidiary Co.	6.45	-
Others	6.11	0.16
TOTAL	2,611.69	2,430.77

NOTE NO. 3.1

(Rs. in Lacs)

Revenue From Operation	Year ended 31st March, 2012	Year ended 31st March, 2011
I. In respect of a company other than a finance company revenue from operations shall be disclosed separately showing revenue from:		
(a) sale of products;	13,774.67	23,971.01
(b) other operating revenues;	316.12	190.99
	14,090.79	24,162.00
Less:		
(c) Excise duty.	288.99	594.21
Total	13,801.80	23,567.79

NOTE NO. 3.2

Other Income	Year ended 31st March, 2012	Year ended 31st March, 2011
Interest Income (in case of a company other than a finance company)	10.91	42.87
Dividend Income	75.95	75.91
Other non-operating income (net of expenses directly attributable to such income) (Specify nature)	130.96	440.62
Total	217.82	559.40

NOTE NO. 3.3

(Rs. in Lacs)

Cost of Material Consumed	Year ended 31st March, 2012	Year ended 31st March, 2011
Inventory at the beginning of the year	1,099.04	1,110.46
Add: Purchases	8,163.25	12,336.94
	9,262.29	13,447.40
Less: Inventory at the end of the year	1,464.26	1,099.04
Cost of raw material consumed	7,798.02	12,348.36
Packing Material	508.17	861.56
Total	8,306.20	13,209.92

NOTE NO. 3.4

Details of changes in Inventory	Year ended 31st March, 2012	Year ended 31st March, 2011	Increase/ (Decrease)
Inventory at the end of the year			
Work in Progress	1,124.76	1,773.46	(648.70)
Finished Goods	604.05	468.27	135.78
Total	1,728.82	2,241.73	(512.92)
Inventory at the beginning of the year			
Work in Progress	1,773.46	1,358.57	414.89
Finished Goods	468.27	641.31	(173.04)
Total	2,241.73	1,999.88	241.85

NOTE NO. 3.5

(Rs. in Lacs)

Employee Benefits Expense	Year ended 31st March, 2012	Year ended 31st March, 2011
(a) Salaries and incentives	1,893.44	1,786.05
(b) Contributions to Provident and other fund	132.96	128.14
(c) Gratuity fund contributions	42.00	33.72
(d) Staff welfare expenses	29.20	27.17
Total	2,097.60	1,975.09

Payments to the auditor as	Year ended 31st March, 2012	Year ended 31st March, 2011
a. As auditors - statutory audit	5.45	5.15
b. For other services	1.29	2.59
c. For reimbursement of expenses	0.33	1.68
Total	7.07	9.42

NOTE NO. 3.6

Finance Costs	Year ended 31st March, 2012	Year ended 31st March, 2011
Interest expense	1,148.30	888.68
Bank Charges	199.78	142.92
Total	1,348.08	1,031.60

NOTE NO. 3.7

(Rs. in Lacs)

Others Expenses	Year ended 31st March, 2012	Year ended 31st March, 2011
a. Consumption of Stores and Spares	91.79	162.38
b. Power and Fuel	1,027.47	1,146.86
c. Processing charges	529.93	1,736.60
d. Rent	26.80	21.34
e. Repairs to Buildings	6.88	24.28
f. Repairs to Machinery	34.48	48.07
g. Repairs to Others	64.77	82.17
h. Insurance	118.51	100.23
i. Rates and Taxes, excluding taxes on income	23.10	16.98
j. Travelling and conveyance	584.36	714.29
k. Freight and Forwardings charges	305.05	346.89
l. Legal and Professional Charges	215.04	178.22
m. Exchange Difference	188.81	-
n. Commission	162.26	225.13
o. Advertisement and Sale Prom	121.60	217.95
p. Miscellaneous Expenses	637.06	740.77
Total	4,137.91	5,762.16

NOTE NO. 4

Other Notes Forming Part of the Accounts

(Rs. in Lacs)

Contingent liabilities and commitments (to the extent not provided for)		As At 31st March, 2012	As At 31st March, 2011
1	Contingent Liabilities		
	(a) Claims against the company not acknowledged as debt		
	(i) The Ministry of Chemicals & Fertilizers, Government of India has raised demand under Drug Price Control Order, 1979 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
	(b) Bank Guarantees	205.64	181.14
	(c) Other money for which the company is contingently liable		
	(i) In respect of Letter of Credit	26.38	660.87
	(ii) Disputed Income Tax and Sales Tax as matters are in appeal	61.58	65.76
	(iii) Customs duty payable on raw materials imported under duty exemption scheme in case of non-fulfillment of export obligation.	231.81	556.38
	Total (I)	859.61	1,798.35
2	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		101.98
	(b) Uncalled liability on shares and other investments partly paid	NIL	NIL
	(c) Other commitments (specify nature)		
	(i) Liability on account of Custom duty on goods in bonded warehouse or in transit is, as per the Company's practice charged to Profit & Loss Account only in the year in which the goods are cleared from the Custom. This accounting policy has no effect on the Loss for the year.	22.25	36.16
	(ii) Liability on account of Excise duty in respect of goods manufactured and liable to payment of Excise duty when cleared from the factory premises, is accounted at the time of removal of the goods from the place of manufacture for sale or for captive use. This accounting policy has no effect on the Loss for the year.	2.98	16.85
	Total (II)	25.23	154.99
	Total (I + II)	884.84	1,953.34

NOTE NO. 4 : Other Notes Forming Part of the Accounts (Contd.)

3

i) 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.

ii) 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.. 15.89 lacs. The Company is making an application to the Central Govt. for the waiver of the excess remuneration paid.

(Rs. in Lacs)

	31/03/2012	31/03/2011
4 A) CIF value of imports :		
i) Raw materials (other than in transit)	3,547.43	5,414.88
ii) For Machinery/Equipment	-	30.94
B) Expenditure in Foreign currency in respect of :		
i) Travelling expenses	62.01	55.65
ii) Interest & Bank charges	6.82	6.52
iii) Commission	52.96	56.04
iv) Sales Promotion Expenses, product Registration & Subscription	29.76	3.87
v) Consultancy Charges	0.67	1.82
vi) Technical Know-how R & D	-	15.04
vii) Salary	3.39	29.72
viii) Others	6.11	-
C) Dividend to Non Resident share holders		
No. of Share Holders	28	28
No. of Shares	1081000	1192283
Gross Amount of Dividend (Rs. In Lacs)	32.43	-
D) Earnings in Foreign Currency :		
Export of Goods calculated on FOB Basis (Rs. In Lacs)	6,641.30	8,079.18

NOTE NO. 4 : Other Notes Forming Part of the Accounts (Contd.)

E) Raw material consumed :

PARTICULARS	2011-12	2010-11
	(Rs. in lacs)	(Rs. in lacs)
1. Drug intermediates	6035.03	8335.72
2. Bulk drug	811.53	1890.96
3. Solvents	859.75	1778.41
4. Others	91.72	343.27
Total	7798.03	12348.36

F) Value of imported and indigenous raw materials consumed

	2011-12		2010-11	
	%	(Rs. in lacs)	%	(Rs. in lacs)
Imported	40	3,146.56	40	4,956.56
Indigenous	60	4,651.46	60	7,391.80
Total	100.00	7,798.02	100.00	12,348.36

G) Value of imported and indigenous Stores and spares consumed and percentage thereof to total value of consumption .

	2011-12		2010-11	
	%	(Rs. in lacs)	%	(Rs. in lacs)
Imported	NIL	NIL	NIL	NIL
Indigenous	100	91.79	100	162.38
Total	100	91.79	100	162.38

- 5 Revenue expenditure on Research & Development incurred & Charged out during the year through the natural heads of expenses amount to Rs.201.64 Lacs (Previous year Rs.283.92 Lacs) Capital expenditure incurred during the year thereof amounts to Rs.1.99 Lacs has been included in Fixed Assets. (Previous year Rs. 31.31 Lacs).
- 6 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"
- 7 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. 153.23 lacs (Previous year Rs.184.58 Lacs).

NOTE NO. 4 : Other Notes Forming Part of the Accounts (Contd.)

8 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
(d) Directors/Relatives of Key Management personnel	Mrs.Jayshree D.Patel Mrs H.B.Patel Mrs Margi R Choksy Mrs Reena Patel

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

(Rs. 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	765.71	4,459.68					1,269.83	2,650.09
Income:								
Dividend	75.46	75.46						
Expenses:								
Electricity	1.76	0.60						
Telephone	0.07	0.13						
Freight/Others	9.02	18.41						
Remuneration			118.58	193.89	17.14	24.94		
Fixed deposit interest			31.16	43.75	34.70	15.72		
Consultancy Fees			-	-	26.71	-		
Others:								
Dividend paid		65.14		47.17		23.91		
Counter guarantee to Bank		NIL						
Investment in shares of subsidiary companies							1.13	-
Investment in Joint Venture Co.							686.00	686.00
Fixed deposit			140.00	3.50	142.00	5.50	848.60	566.60

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

NOTE NO. 4 : Other Notes Forming Part of the Accounts (Contd.)

- 9 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 Asset Rs.16.57 lacs (Cr) is recognized in Profit & Loss Account during the current year (Previous year Rs.15.05 lacs Cr.); comprising Rs 1.53 lacs (Cr) towards Current Years leave encashment (Previous Year Asset Rs.7.50 lacs (Cr)) and Rs.4.08 lacs (Cr.) towards Bonus (Previous Year Rs 18.88 lacs (Cr) , Rs 7.38 lacs (Cr.) towards provision of Gratuity (Previous Year assets Rs. 11.47 lacs (Cr) and Rs. 3.58 lacs (Cr) depreciation (Previous Year Rs. 22.80 lacs (Dr.).
- 10 Details of Dues to Micro, Small and Medium Enterprises as per Micro,Small and Medium Enterprises Development Act,2006 (MSMED Act).

(Rs. in lacs)

Particulars	2011-2012	2010-2011
The principal amount remaining unpaid as at the end of the year	121.51	182.98
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.

- 11 Earnings Per Share (EPS)

	2011-2012	2010-2011
a) Weighted average Number of Equity Shares outstanding during the year	8050500	8050500
b) Net Profit(Loss) after tax available for EquityShareholder - Rs in lacs	(3,467.40)	1,013.73
c) Basic and Diluted Earnings Per Share (Rs.)	(43.07)	12.59
d) Nominal Value Per Share (Rs)	10	10

NOTE NO. 4 : Other Notes Forming Part of the Accounts (Contd.)

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

(Rs in lacs)

	2011-12	2010-11
A) Assets		
a) Fixed Assets (Net Block) :	2,745.82	2714.84
Capital Work - in Progress	24.03	96.49
b) Investments	0.03	0.03
c) Current Assets, Loans and Advances :		
Inventories	909.08	767.28
Sundry Debtors	488.63	256.97
Cash & Bank Balances	146.70	123.22
Loans & Advances	496.08	450.04
Other Current Assets	8.59	7.24
B) Liabilities		
a) Loan Funds		
Secured Loans	-	-
Unsecured Loans	2,949.54	2574.42
b) Current Liabilities and Provisions :		
Liabilities	234.05	271.32
Provisions	183.15	243.03
c) Deferred Tax Liability (net)	134.01	98.06
C) Income :		
a) Sales	1,931.38	1630.18
b) Other Income	90.80	15.88
D) Expenditure		
a) Material Cost	468.68	531.87
b) Manufacturing Expense	597.05	482.65
c) Employment Cost	290.07	246.80
d) Finance cost	238.92	6.56
e) Depreciation	271.42	260.13
f) Provision for taxation	67.16	(8.33)

NOTE NO. 4 : Other Notes Forming Part of the Accounts (Contd.)

13 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

(Rs. in lacs)

	Gratuity 2011-12	Gratuity 2010-11
I Change in Benefit Obligation		
Liability at the beginning of the year	217.67	237.67
Interest Cost	16.59	17.50
Current Service Cost	17.58	16.94
Benefit Paid	(20.74)	(37.72)
Acturial (gain)/Loss on obligations	(26.52)	(16.72)
Liability at the end of the year	204.58	217.67
II Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	178.72	209.59
Expected Return on Plan Assets	13.47	13.20
Benefit Paid	(20.74)	(37.72)
Acturial (gain)/Loss on Plan Assets	(7.21)	(6.35)
Fair Value of Plan Assets at the end of the year	164.24	178.72
III Amount Recognised in the Balance Sheet		
Liability at the end of the year	204.58	217.67
Fair Value of Plan Assets at the end of the year	164.24	152.97
Difference	40.34	64.70
Amount Recognised in the Balance Sheet	40.34	64.70
IV Expenses Recognised in the Income Statement		
Current Service Cost	17.58	16.94
Interest Cost	16.59	17.50
Expected Return on Plan Assets	(13.47)	(13.20)
Net Acturial (gain)/loss to be recognised	(19.31)	(10.37)
Expense Recognised in Profit & Loss Account	1.39	10.87
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	7.85%	6.96%
Corporate Bonds	75.82%	77.71%
Special Deposit Schemes	14.42%	12.78%
Others- Banks	1.91%	2.55%

NOTE NO. 4 : Other Notes Forming Part of the Accounts (Contd.)

- 14 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 said notification has been further amended by notification dated 29th Dec. 2011 allowing to recognise the Foreign Exchange Gains and Losses arising on translation of all long term monetary assets and liabilities, as capital cost of acquisition of asset upto 31st March, 2020. 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. 232.73 lacs has been adjusted against the cost of assets/ CWIP.

- 15 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

- 16 The financial statements for the year ended 31 March 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Act. Consequent to the notification of Revised Schedule VI under the Act, the financial statements for the year ended 31 March 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's period's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

PLACE : MUMBAI
DATED : 12 / 05 / 2012

Mr. H. N. SINOR
CHAIRMAN

Dr. DINESH S. PATEL
MANAGING DIRECTOR & CEO

**DETAILS OF INFORMATION REGARDING OPENING STOCKS, GOODS MANUFACTURED,
PURCHASED, TURNOVER AND CLOSING STOCKS FOR THE YEAR ENDED 31ST MARCH, 2012**

(Rs. in lacs)

Sl.	Particulars	Bulk Drugs	Tablets	Injections	Syrups	Others	TOTAL
A)	Purchases for Resale	286.80 (531.18)	2.49 (7.34)	206.94 (110.29)	0.00	96.63 (229.18)	592.86 (877.99)
B)	Opening stock						
	i) Manufactured	85.33 (121.59)	109.19 (172.43)	78.62 (143.67)	9.60 (11.15)	33.85 (23.09)	316.59 (471.93)
	ii) Purchased	0.00 (-)	11.73 (72.69)	3.48 (16.82)	0.00 (11.81)	136.47 (0.13)	151.68 (101.45)
C)	Closing stock						
	i) Manufactured	80.02 (85.33)	161.10 (109.19)	117.72 (78.62)	12.81 (9.60)	77.97 (33.85)	449.62 (316.60)
	ii) Purchased	17.36 (-)	19.59 (11.73)	29.89 (3.48)	0.00 0.00	87.59 (136.47)	154.43 (151.68)
D)	Turnover						
	i) Manufactured	8794.58 (12186.36)	2285.75 (3628.17)	1306.93 (5131.38)	386.43 (545.90)	372.50 (549.74)	13,146.19 (22,041.54)
	ii) Purchased	278.39 (1560.87)	2.03 (13.22)	279.87 (136.92)	0.00 1.75	68.19 (220.22)	628.48 (1,929.48)
	Total	9072.97 (13,747.23)	2287.78 (3,641.38)	1586.81 (5,268.30)	386.43 (544.15)	440.69 (769.96)	13,774.67 (23,971.02)

NOTES:

FIGURES IN BRACKET INDICATE FIGURES RELATING TO PREVIOUS YEAR.

Regd Office: 69/A, GIDC, VAPI- 396 195. DISTRICT – VALSAD, GUJARAT, INDIA.

NOTES : I hereby register my presence at the meeting.

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.

Signature of the Member/ Proxy

Regd Office : 69/A,GIDC, VAPI- 396 195.
DISTRICT – VALSAD GUJARAT, INDIA.

I/ WE _____ of _____

In the district of _____eing 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

FORTIETH ANNUAL GENERAL MEETING of the Company

to be held on TUESDAY, 3RD JULY, 2012, 10.00. a.m

and at any adjournment(s) thereof.

Signed this _____ day of _____ 2012.

AFFIX
30 Paise
Revenue
Stamp

Signature(s)

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



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