THEMIS
MEDICARE

Annual Report
2012 -2013

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., LLM, 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,

This gives me one more opportunity to share my views with you all.

At the backdrop of last financial year's unprecedented losses, the operations during 2012-13 have given some soothing effect. Yes, we could not stop the business losses totally however, the silver lining was that we could curb the losses substantially.

As a step further in this direction, I would now share some concrete developments made by your Company which are expected to have long term positive effects on the financial performance in the years to come.

- In line with our business philosophy, Company is moving in the right direction of improving its share in the Finished Dosage business. We could achieve a whopping increase of 50% over last year's Formulation sales. Our main thrust will be on Anti Malarial, Anesthesia, Pain Management & other research based products.
- In the Domestic market, your Company has tied up with International pharma major viz. Novartis India Ltd. for manufacture & supply of a transdermal drug delivery system, in finished dosage pharmaceutical form in India. We are confident with this development world market will open for our said drug delivery system.
- On the International front, your Company has tied up with Beta Healthcare International Limited (Internationally renowned Aspen Group Company) for marketing of Research based Pharmaceutical Formulations manufactured by your Company in Sub-Saharan Africa Region. The products to be marketed encompass Therapeutic Group like Anti-Malarial, Pain Management etc.
- Your Company's Hyderabad manufacturing facility has recently successfully undergone stringent EDQM Audit and will enable the Company to tap International Market for supply of Biotechnology based products, at remunerative prices.
- Barring unforeseen circumstances, your Company expects sizable improvement in its Top line & Bottom line once the above tie-ups and developments are commercialized.

Having discussed the positive aspects of future business opportunities, your Company cannot ignore the red lights to be encountered in the coming financial year. Important amongst them are discussed below:

- Your Company had to absorb high financial costs in last couple of years making a sizable dent to bottom line. Efforts are being made either to replace high cost financial obligations with low cost ones or to repay such borrowings.
- Your Company is no exception to the highly volatile foreign exchange market, however, higher exports over imports has provided natural hedge to the operations of your Company to a certain extent.
- The new Drug Price Control Order-2013, announced by the Govt. of India has confused the Pharma Sector a lot. However, your Company is keeping a watch on the developments and reactions of all concerned.

I am confident that with contribution from all the above developments, 2013-14 will result in financial turnaround for your Company.

I would now 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 43rd 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 Friday 30th August, 2013 at 10.30 a.m. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2013 and the Statement of Profit & Loss for the year ended 31st March 2013 and the Auditors' Report and Directors' Report thereon.
2. To appoint a Director in place of Mr. Humayun Dhanrajgir who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Vijay Agarwal 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.

By order of the Board of Directors

PRAKASH D. NARINGREKAR
CFO & COMPANY SECRETARY

MUMBAI : 15th May, 2013
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 23rd August, 2013 to 30th August, 2013 (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 2013-14 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 2005-2006 will be credited to the Central Government's Investors' Education and Protection Fund at appropriate time during the calendar year 2013. Hence, no claim, if any, will be entertained for unclaimed dividend thereafter.

By order of the Board of Directors

PRAKASH D. NARINGREKAR
CFO & COMPANY SECRETARY

MUMBAI : 15th May, 2013
Regd. Office : Plot no. 69-A, GIDC Industrial Estate,
Vapi-396 195, Dist. Valsad, (Gujarat).

Directors' Report

Your Directors have pleasure in presenting the 43RD Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

The results for the year ended 31st March, 2013 are summarized below:

(Rs. in lacs)

PARTICULARS	2012-13	2011-12
Profit/(Loss) before Depreciation and tax	(277.07)	(2942.81)
Less: Depreciation	574.61	508.02
Profit/(Loss) before Tax	(851.68)	(3450.83)
Less : Provision for Taxation		
Current Tax	-	-
Deferred Tax	39.06	16.57
Profit/(Loss) after Tax	(812.62)	(3467.40)
Add/ (Less): Net Adjustments in respect of earlier years.	-	-
Excess/(short) Provision for tax in respect of earlier years	-	-
Balance brought forward from previous year	(2579.79)	887.61
Amount available for appropriation	(3392.41)	(2579.79)
Less: Final Dividend	-	-
Less: Dividend Tax	-	-
Less: Transfer to General Reserve	-	-
Balance carried forward	(3392.41)	(2579.79)

OPERATIONS:

Sales/ Income from operations at Rs.14545 lakhs, increased by 6% as compared to the previous year's sale of Rs.13775 lakhs. Your Company has recorded loss of Rs. 812.62lakhs as against loss of Rs. 3467.40 lakhs in the previous year.

BUSINESS ACTIVITIES

Your Company had witnessed steady growth in the Formulation business as compared to last year. This year Company has managed to curb losses substantially. API business of the Company has succeeded to stabilize itself in the field of production and performance. Your Company also look forward to commence it's business with new entrants like Novartis, ASPEN group etc., which will assure business for long term.

CURRENT OUTLOOK

Your Company has started giving major thrust on Formulation business during the year. A Licensing cum Supply Agreement is already entered into with one of the major international Pharma Company i.e. Novartis India Ltd. The supply expected to commence by middle of the financial year 2013-14.

Further negotiations are at final stage for export of Companies research products overseas, especially the fast growing African markets.

After the drop on domestic formulation business witnessed during the last 2 financial years, the current year's outlook is promising on the backdrop of market discipline as well as introduction of specialty division and institutional Business.

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 31.03.2013 :-

i) The applicable accounting standards have been followed by the Company.

ii) 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.

iii) 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.

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

Directors' Report (Contd.)

Details of Directors seeking appointment /re-appointment at the 43rd Annual General Meeting pursuant to Clause 49 of the Listing Agreement.

Name of the Director	Mr. Humayun Dhanrajgir	Mr. Vijay Agarwal
Date of Birth	02.12.1936	29.06.1957
Date of appointment	25.06.2010	25.06.2010
Expertise in specific functional areas	Expertise knowledge in Marketing and Business Administration	Expertise knowledge in Finance and Taxation.
Qualifications	B. Tech (Chem Eng.) Loughborough University, U.K. M.I. Chem Eng.(London), C Eng (London), A.M.P. (Harward)	B.Com (Hons.), FCA
List of Companies (Excluding foreign and private Ltd. Companies) **in which outside Directorship held As on 31st March, 2013.**	1. Next Gen Publishing Ltd. 2. HDFC Asset Management Co. Ltd. 3. Neuland Laboratories Ltd. 4. Sami Labs Ltd. 5. Emcure Pharmaceuticals Ltd. 6. Cadila Healthcare Ltd. 7. Zydus Wellness Ltd. 8. Next Gen Publishing Ltd.	1. Sparc Samudaya Nirman Sahayak (Section 25 Company) 2. Sanskar Foundation (Section 25 Company) 3. Compuage Infocom Limited 4. Gujarat Themis Biosyn Ltd. 5. Tips Industries Ltd.
Chairman / Member of the Committees of the Board of the Companies on which he is a director as on 31st March 2013.	1. Member of Audit / Remuneration/ Customer Service and Share Transfer Committee of HDFC Asset Management Company Ltd. 2. Chairman of Audit Committee and Member of Remuneration Committee of Neuland Laboratories Ltd. 3. Member of Audit and Remuneration Committee of Emcure Pharmaceuticals Ltd. 4. Chairman of Audit Committee, Member of Remuneration Committee of Themis Medicare Ltd. 5. Member of Audit Committee and Chairman of Remuneration Committee of Next Gen Publishing Ltd. 6. Member of Audit and Remuneration committee of Cadila Healthcare Ltd. 7. Member of Audit Committee and Chairman of Remuneration Committee of Zydus Wellness Ltd.	

Directors' Report (Contd.)

DIVIDEND:

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

EMPLOYEES STOCK OPTION SCHEME:

Remuneration & Compensation Committee of the Board granted 1,33,000 Options to 34 employees and 4 Directors on 31st July 2012. The Options were granted at Rs 77.85 per option/share at the prevailing market price at the time of grant. Options will vest over a period of 3 years

The particulars as required under clause 12 of SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, are annexed.

SUBSIDIARIES:

There were no business transactions in the 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:

- In terms of Articles of Association of the Company as well as the requirements of the Companies Act, 1956, Mr. Humayun Dhanrajgir and Mr. Vijay Agarwal 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.

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, 2013.

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.

Directors' Report (Contd.)

PARTICULARS OF EMPLOYEES:

None of the employee was in receipt of remuneration of more than Rs. 60 Lakhs p.a. (Rs.5 Lakhs p.m) Hence the information required u/s 217(2A) of the Companies Act, 1956 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: 15th May, 2013

Annexure I to Director's Report

Conservation of Energy

FORM - A

(See Rule 2)

	Current Year 2012-13	Previous Year 2011-12
A. Power and Fuel consumption		
1 Electricity		
a) Purchased Unit (KVAH)	**9390378.00**	8367416.00
Total amount (Rs. Lakhs)	**484.77**	430.88
Rate/Unit (Rs.)	**5.16**	5.15
b) Own generation		
i) through diesel generator		
Unit (KWH)	**936964.14**	816715.00
Unit per litre of diesel	**2.99**	2.64
Cost/ Unit (Rs.)	**15.16**	13.46
2 Coal		
Qty (Tons)	**2221.00**	2351.00
Total Cost (Lakhs)	**124.00**	128.27
Average rate	**5591.00**	5455.98
3 Furnace oil		
Quantity (K. Ltrs)	**122.82**	130.98
Total amount (Rs.in Lacs)	**60.00**	59.70
Average rate (Rs)	**49200.86**	45578.16
4 Steam		
Qty (Tons)	**6832.00**	9599.00
Total Cost (Lakhs)	**129.00**	202.84
Average rate	**1888.00**	2110.00
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 II 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	NIL
b)	Recurring	Rs. 202.04 lacs
c)	Total	Rs. 202.04 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.

Name of Government Institutes or Colleges with whom Themis collaborates for Clinical Trial on R & D projects.

1. Tata Memorial Hospital, Mumbai
2. AIIMS, Delhi
3. Post Graduate Institute of Medical Education and Research (PGIMER)
4. Rajendra Prasad Institute of Medical Science, Ranchi
5. Guwahati Medical College, Guwahati
6. King George's Medical College, Lucknow
7. Government Medical College, Aurangabad
8. Government Medical College, Chandigarh
9. Lokmanya Tilak Municipal Medical College & General Hospital, Sion, Mumbai
10. Rajawadi General Municipal Hospital
11. Shri Venkatesh Nursing Home, Mumbai
12. Padmashree Dr. D. Y. Patil Medical College, Nerul, Navi Mumbai
13. Criticare Hospital and Research Centre
14. Safdarjung Hospital, New Delhi
15. T.N. Medical College and B.Y.L.Nair Charitable Hospital, Mumbai
16. MNJ Institute of Oncology and Regional Cancer Centre, Hyderabad
17. L.C.Manek's Nursing Home and Polyclinic, Mumbai
18. Dr. D. Y. Patil Vidyapeeth, Pune

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. 5840.63 lacs. The Company's outgo of foreign exchange activities amounted to Rs. 2572.60 lacs. Particulars of Foreign Exchange earnings and the utilization during the year appears in Schedule XV to the accounts.

Annexure to the Directors' report Themis Medicare Limited
Employees Stock Options Scheme 2012

(a)	Options granted on 31st July, 2012	133000
(b)	Pricing Formula	Rs. 77.85 per share
(c)	Options vested	Nil
(d)	Options exercised	Nil
(e)	Total number of shares arising as a result of exercise of options	Nil
(f)	Options lapsed (Upto 31st March 2013)	11000
(g)	Variation of terms options	No variation
(h)	Money realized by exercise of options	Nil
(I)	Total number of options in force (Upto 31st March 2013)	122000
(j)	Employee wise details of options granted to during the year	
	1 Senior Management personnel	Nil
	Mr.Hoshang Sinor	5000
	Mr.Humayun Dhanrajgir	5000
	Mr.Rajneesh Anand	5000
	Dr.S. P.Kurani	5000
	Dr.Sumedh M Gaikwad	5000
	Mr.Luis Savio Joseph Dias	5000
	Mr.Prakash D Naringrekar	5000
	Mr.Maulik K Patel	5000
	Mr.T.Damodar Reddy	5000
	2 Employees to whom more than 5% options granted during the year	Nil
	3 Employees to whom options more than 1% of issued capital granted during the year	Nil
(k)	Diluted EPS,pursuant to issue of shares on exercise of options	Rs NIL
(l)	1 Method of calculation of employee compensation cost	Calculation is based on intrinsic value method.
	2 Difference between the above and employee compensation cost that shall have been recognized if it had used the fair value of the options	Employee compensation cost would have been higher by Rs.13,58,391/- had the Company used fair value method for accounting the options issued under ESOS
	3 Impact of this difference on Profits and on EPS of the Company	Profits would have been lower by Rs.13,58,391/- and EPS would have been lower by Rs.0.17, had the Company used fair value method of accounting the options issued under ESOS
(m)	1 Weighted average exercise price	Rs. 77.85
	2 Weighted average fair value of options based on Black Scholes methodology	Rs. 29.66
(n)	Sigificant assumptions used to estimate fair value of options including weighted average	
	1 Risk free interest rate	7.97%
	2 Expected life	Average life taken as 2 years from date of Vest
	3 Expected volatility	43%
	4 Expected dividends	Not applicable, dividend applicable is adjusted in a price movement.
	5 Closing market price of share on a date prior to date of Grant	Rs. 77.85

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	13	8	27
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	9	4	12
Shri Vijay Agarwal	Director	Independent/ Non-Executive	2	No	8	1	2
Shri Rajneesh Anand	Director	Non-Executive	5	Yes	2	Nil	Nil
Dr. Sachin D. Patel	Deputy Managing Director	Promoter/ Executive	5	Yes	6	Nil	4
Dr. Dinesh S. Patel	Managing Director & CEO	Promoter/ Executive	5	Yes	6	1	4

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. 2012-13**

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

  - 12th May, 2012
  - 2nd June, 2012
  - 31st July, 2012
  - 10th November, 2012
  - 5th February, 2013

- **Risk Management**

  Risk Management is a practice with processes, methods and tools for managing risks. During the year 2012-13, 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	2
Dr. Dinesh S. Patel	Member	4

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

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

  – 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 2012-13, 4 Meetings of the Audit Committee of the Company were held as follows :

  - 12th May, 2012
  - 31st July, 2012
  - 10th November, 2012
  - 5th February, 2013

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 2012-13, 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 2012-13 are as follows:

(Rs.)

Name of Director	Salary	Perquisites	Sitting Fees	Total
Shri Hoshang N. Sinor	NIL	NIL	1,80,000 /-	1,80,000 /-
Shri Humayun Dhanrajgir	NIL	NIL	1,60,000 /-	1,60,000 /-
Mr. Rajneesh Anand	NIL	NIL	1,00,000/-	1,00,000/-
Shri Vijay Agarwal	NIL	NIL	40,000/-	40,000/-
Dr. Sachin D. Patel	48,05,077/-	NIL	NIL	48,05,077/-
Dr. Dinesh S. Patel	49,05,923/-	NIL	NIL	49,05,923/-

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

- Shareholdings of Directors in the Company as on 31st March, 2013

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, 2013 i.e. on 31st July, 2012, 10th November, 2012 and on 5th February, 2013

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
31.03.2010	40th AGM	25.06.2010	10.00 a.m.	Plot No.69/A, GIDC Ind Estate, Vapi, Dist – Valsad, Gujarat – 396195
31.03.2011	41st AGM	30.07.2011	11.00 a.m.	- do -
31.03.2012	42nd AGM	03.07.2012	10.00 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.

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 &	:	30th August, 2013 at 10.30 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 : 23rd August , 2013 to 30th August, 2013 (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 2013-14 : 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**

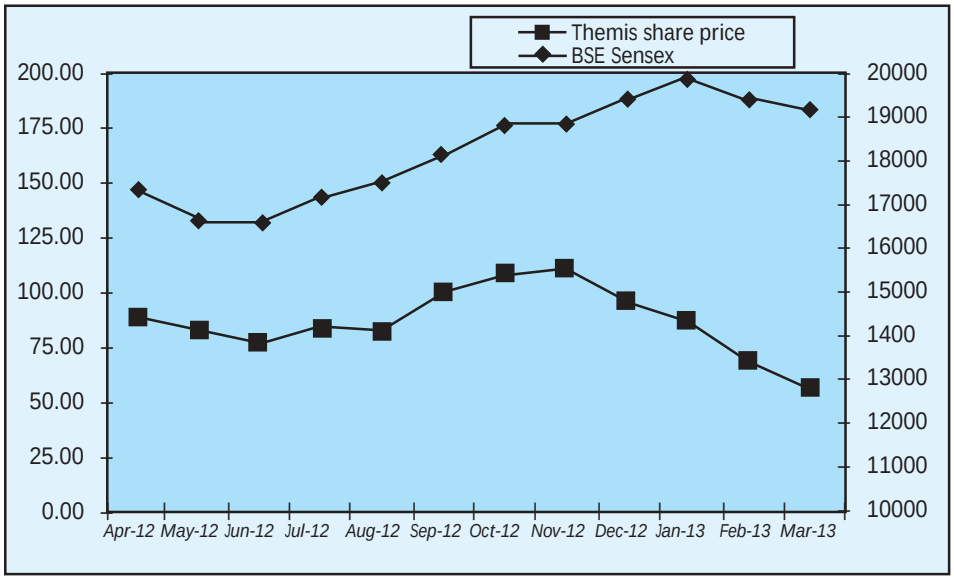
  High/low of market price of the Company's shares traded on Bombay Stock Exchange, Mumbai and National Stock Exchange, Mumbai during the financial year 2012-13 is furnished below:

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-12	17337.13	94.85	83.55	23983	93.85	82.50	11486
May-12	16621.02	89.90	75.35	13332	88.85	72.10	7827
Jun-12	16598.73	83.65	70.05	7188	83.00	70.00	4811
Jul-12	17114.84	95.95	72.10	39308	97.15	66.25	66570
Aug-12	17499.76	89.75	75.00	17407	89.50	75.15	9548
Sep-12	18060.37	117.80	81.15	232351	117.70	80.15	129540
Oct-12	18765.36	120.10	95.00	70465	119.90	95.05	99168
Nov-12	18814.20	120.60	100.20	75771	118.00	100.10	47098
Dec-12	19380.61	102.00	90.25	35451	112.90	91.00	42666
Jan-13	19856.30	99.25	74.00	69240	95.10	74.30	47084
Feb-13	19380.33	78.50	59.50	40203	78.00	58.10	54281
Mar-13	19161.55	64.20	49.00	169546	63.90	50.60	81121

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, 2013			
	No. of Shareholders	% of Shareholders	Shares	% of Shareholders
Upto – 500	3909	89.06	472169	5.87
501 – 1000	205	4.67	161665	2.01
1001 – 2000	116	2.64	174443	2.17
2001 – 3000	34	0.78	83918	1.04
3001 – 4000	20	0.46	72784	0.90
4001 – 5000	28	0.64	130046	1.62
5001 – 10000	30	0.68	209543	2.60
10001 & Above	47	1.07	6745932	83.79
TOTAL	**4389**	**100**	**8050500**	**100**

Report on Corporate Governance (Contd.)

- Shareholding Pattern as on 31st March, 2013 :

S. No	Category	No. of Shares	% of total no. of shares
1.	Promoters Holding -Indian Promoters (including relatives) -Foreign Promoters	 4310507 53.55	 1300308 16.15
2.	Mutual Funds	356356	4.43
3.	Banks, Financial Institutions, Insurance Companies (Central /State Govt. Institutions / Non-Government Institutions)	1000	0.01
4.	FIIs (Foreign Mutual Funds)	NIL	NIL
5.	Bodies Corporate	215801	2.68
6.	Indian Public		
	Individuals / Undivided Family	22414	0.28
	Individual shareholders holding nominal share capital upto Rs. 1 Lakh.	1114457	13.84
	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh.	609700	7.57
7.	NRIs / OCBs	101532	1.26
8.	Any other		
	Clearing Member	18425	0.23
	TOTAL	**8050500**	**100.00**

- Dematerialisation of Shares :

  6523189 shares i.e. 81.03% of the paid-up capital has been dematerialized as on 31.03.2013.

- 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
15th May,2013

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, 2013 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, 2013 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: 15th May, 2013

Auditors' Report to the Board of Directors

OF THEMIS MEDICARE LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THEMIS MEDICARE LIMITED.

Independent Auditors' Report

To the Board of Directors of Themis Medicare Limited

We have audited the accompanying consolidated financial statements of Themis Medicare Limited ('the Company') , its subsidiary and joint venture, which comprise the consolidated balance sheet as at 31 March 2013, the consolidated statement of profit and loss and consolidated cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

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, 2012 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, 2013, 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, 2013 are Rs.5,501.39 lacs and total revenues for the year then ended are Rs. 2,523.97 lacs in respect of Joint Venture Company.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the consolidated balance sheet, of the state of affairs of the Company as at 31 March 2013;

(ii) in the case of the consolidated statement of profit and loss account, of the loss for the year ended on that date; and

(iii) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

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

MADHU T. ANKLESHWARIA
PROPRIETOR
Membership No. 30128

Place: Mumbai
Date: 15 / 05 / 2013

Consolidated Balance Sheet as at 31st March, 2013

(Rs. in Lacs)

Particulars	Note No.	As At 31st March, 2013	As At 31st March, 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2.1	805.05	805.05
(b) Reserves and surplus	2.2	4,481.64	5,046.58
(c) Amount Received against Share Warrants		85.00	-
2 Non-current liabilities			
(a) Long-term borrowings	2.3	9,201.79	6,491.26
(b) Deferred tax liabilities (Net)	2.4	516.05	511.72
(c) Other Long term liabilities	2.5	150.50	125.35
(d) Long Term Provisions	2.6	30.99	29.73
3 Current liabilities			
(a) Short-term borrowings	2.7	5,054.95	7,535.00
(b) Trade payables	2.8	5,147.33	5,903.30
(c) Other current liabilities	2.9	1,474.91	1,292.88
(d) Short-term provisions	2.10	391.91	300.18
TOTAL		**27,340.12**	**28,041.05**
II ASSETS			
1 Non-current assets			
(a) Fixed assets	2.11		
(i) Tangible assets		12,384.56	13,357.04
(ii) Intangible assets		17.56	18.38
(iii) Capital work-in-progress		1,088.75	677.08
(b) Non-current investments	2.12	359.18	50.71
(c) Long-term loans and advances	2.13	1,068.48	953.54
(d) Other non current assets	2.14	54.95	44.54
2 Current assets			
(a) Inventories	2.15	5,470.63	4,723.02
(b) Trade receivables	2.16	3,241.34	4,812.67
(c) Cash and Bank balances	2.17	1,201.39	669.86
(d) Short-term loans and advances	2.18	2,453.28	2,734.21
TOTAL		**27,340.12**	**28,041.05**

Significant Accounting Policies	**1**
Notes to the Balance Sheet	**2**
Other Notes	**4**

The notes referred to above form an integral part of the financial statements.

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 : 15 / 05 /2013

(Dr. DINESH PATEL)
MANAGING DIRECTOR & CEO

Consolidated Statement of Profit and Loss for the year ended 31st March, 2013

(Rs. in Lacs)

	Particulars	Note No.	Year ended 31st March, 2013	Year ended 31st March, 2012
I.	Revenue From Operations	3.1	17,349.63	15,771.60
II.	Other income	3.2	336.96	294.15
III.	**Total Revenue (I + II)**		**17,686.59**	**16,065.75**
IV.	Expenses:			
	Cost of materials consumed	3.3	8,481.73	8,918.13
	Purchases of Stock-in-Trade		447.08	592.86
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	3.4	(763.16)	416.29
	Employee benefits expense	3.5	2,727.35	2,369.63
	Finance costs	3.6	1,527.75	1,354.76
	Depreciation and amortization expense	3.7	861.68	766.94
	Other expenses	3.8	4,810.34	4,759.08
	Total Expenses		**18,092.77**	**19,177.69**
V.	**Profit (Loss) before tax (III- IV)**		(406.18)	(3,111.94)
VI.	Tax expense:			
	(1) Current Tax			
	(2) Deferred Tax	3.9	71.06	135.14
			71.06	**135.14**
VII	**Profit (Loss) for the year (V-VI)**		**(477.24)**	**(3,247.08)**
VIII.	Earnings per equity share: (Face Value of Rs. 10/- each)			
	(1) Basic		(5.93)	(40.33)
	(2) Diluted		(5.39)	(40.33)

Significant Accounting Policies	**1**
Notes to financial statement	**2-3**
Other Notes	**4**

The notes referred to above form an integral part of the financial statements.

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 : 15 / 05 /2013

(Dr. DINESH PATEL)
MANAGING DIRECTOR & CEO

Consolidated Cash Flow Statement for the year ended 31st March, 2013

(Rs. in Lacs)

	Year ended 31st March, 2013	Year ended 31st March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX & INTEREST & EXTRAORDINERY ITEMS	1121.50	(1757.19)
ADJUSTMENTS FOR :		
DEPRECIATION	861.68	766.94
INTEREST / DIVIDEND	(118.93)	(86.86)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**1864.25**	**(1077.11)**
ADJUSTMENTS FOR :		
TRADE AND OTHER RECEIVABLES	1753.53	1792.50
INVENTORIES	(747.62)	(96.58)
TRADE PAYABLES	(816.30)	(561.89)
	189.61	**1134.03**
CASH GENERATED FROM OPERATIONS	2053.86	56.92
INTEREST & FINANCE CHARGES	(1527.75)	(1354.76)
DIRECT TAXES PAID	(71.06)	(135.14)
	(1598.81)	**(1489.90)**
NET CASH FLOW FROM OPERATING ACTIVITIES	**455.05**	**(1432.98)**
B. CASH FLOW FROM INVESTING ACTIVITIES :		
PURCHASE OF FIXED ASSETS	(291.23)	(1292.55)
CAPITAL SUBSIDY	-	30.00
SALE OF INVESTMENTS	(308.47)	0.00
INTEREST RECEIVED	43.13	10.91
DIVIDEND RECEIVED	75.81	75.95
NET CASH USED IN INVESTING ACTIVITIES	**(480.76)**	**(1175.69)**
C. CASH FLOW FROM FINANCING ACTIVITIES :		
REPAYMENTS / PROCEEDS - LONG TERM BORROWINGS(NET)	3554.50	75.17
INCREASE/(DECREASE) IN FINANCE LEASE LIABILITIES	(13.10)	2.90
DIVIDEND PAID	(75.46)	(75.46)
TAX ON DIVIDEND	(12.24)	(12.24)
FIXED DEPOSITS	(824.22)	86.54
MONEY RECEIVED AGAINST SHARE WARRANTS	85.00	0.00
TERM LOAN	196.24	316.73
ECB LOAN	45.45	98.96
NET CASH USED IN FINANCING ACTIVITIES	**2956.17**	**492.61**
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	**2930.47**	**(2116.07)**
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	(6728.00)	(4611.93)
CASH AND CASH EQUIVALENTS AS AT THE CLOSE OF THE YEAR	(3797.53)	(6728.00)

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 REARRENGED & 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 : 15 / 05 /2013

(Dr. DINESH PATEL)
MANAGING DIRECTOR & CEO

NOTE NO. 1

Significant Accounting Policies

(i) Basis Of Preparation

a) The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS) 21 on consolidated financial statements notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).

b) 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.

c) The Consolidated Financial Statements have been prepared and presented in accordance with the generally accepted accounting principles in India. (Indian GAAP) under the historical cost convention on an accural basis. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

d) The Consoildated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.

e) Interest in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 - "Financial Reporting of interests in Joint Ventures" notified by Companies (Accounting Standards) Rules, 2006 (as amended).

f) **Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

g) **Tangible fixed assets and depreciation :**

Tangible fixed assets:

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Tangible asset is derecognized on disposal or when no future economic benefits are expected from its use of disposal. Tangible fixed assets under construction are disclosed as capital work in progress. Losses arising from retirement and gains or losses arising from disposal of an tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

NOTE NO. 1

Intangible fixed assets:

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and accumulated impairment loss. Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates. An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

Depreciation/amortisation:

Depreciation is provided on straight line method over the estimated useful life of each asset as determined by the management. The rates of depreciation prescribed in Schedule XIV of the Companies Act, 1956 are considered at the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than the envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life.

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)

Depreciation is provided on a pro-rata basis i.e. from the date on which asset is ready for use.

Depreciation on assets other than Trademarks is provided at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation/amortization for the year is recognized in the statement of profit and loss.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the statement of profit and loss.

h) **Impairment of assets**

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. The recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Assessment is done at each balance sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exists or may have decreased.

NOTE NO. 1

i) **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.

J) **Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

Long-term investments are carried at cost. Provision for diminution is made to recognize a decline, other than temporary in value of long-term investments and is determined separately for each individual investment. Current investments are carried at lower of cost and fair value, computed separately in respect of each category of investment.

k) **Inventories**

Inventories which comprise raw materials, packing materials, work-in-progress, finished goods, stock-in-trade, stores and spares, and loose tools are carried at the lower of cost and net realizable value.

Cost of inventories comprises all costs of purchase, costs of conversion and other cost incurred in bringing the inventories to their present location and condition.

In determining the cost, weighted average cost method is used. In the case of manufactured inventories and work-in-progress, fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

The comparison of cost and net realizable value is made on an item-by-item basis.

l) **Cash and cash equivalents**

Cash and cash equivalents include cash in hand and demand deposits with banks with original maturities of three months or less.

m) **Revenue recognition**

(i) Revenue from sale of goods in the course of ordinary activities is recognized when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods and regarding its collection. The amount recognized as revenue is exclusive of sales tax, value added taxes (VAT) and service tax, and is net of returns, trade discounts and quantity

(ii) Interest income is recognized on time proportion basis after taking into account the amount outstanding and the interest rate applicable.

(iii) Dividend income is recognized when the right to receive payment is established.

NOTE NO. 1

n) **Research and Development**

Revenue expenditure on research and development is recognized as expense in the year in which it is incurred and the expenditure on capital assets is depreciated over the useful lives of the assets.

o) **Foreign currency transactions**

(i) The Company is exposed to currency fluctuations on foreign currency transactions. Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions.

Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss of the year.

Translation

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the statement of profit and loss. Non monetary items are stated in the balance sheet using the exchange rate at the date of the transaction.

(ii) Foreign currency exposure in respect of Long Term Foreign currency Monetary items, for financing fixed assets, outstanding at the close of the financial year are revalorized at the contracted and /or appropriate exchange rates at the close of the year. The gain or loss due to decrease / increase in Rupee liability due to fluctuation in rate of exchange is recognized in the Profit and Loss Account.

(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 point no. 14 in Note No. 4 “Other notes forming part of the Accounts.

p) **Employee benefits**

In case of Defined Contribution plans the Company’s contributions to these plans are charged to the statement of Profit and Loss as incurred.

The Company’s provident fund, gratuity and leave wages are defined benefit plans.

The Company maintains gratuity fund with a separate trust formed by the Company, to which contributions are made on an annual basis. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation at the balance sheet date using the Projected Unit Credit Method by an independent actuary, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the financial obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans are based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the statement of profit and loss.

q) **Income taxes**

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets,

NOTE NO. 1

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. Deferred tax assets and deferred tax liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognized to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

r) **Provision and contingent liabilities**

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.

s) **Earning per share**

Basic earnings per share is calculated by dividing the Net Profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

NOTE NO. 2.1

Share Capital	As At 31st March, 2013		As At 31st March, 2012	
	Number	Rs. in lacs	Number	Rs. in lacs
Authorised				
Equity Shares of Rs. 10/- each	1,00,00,000	1,000.00	1,00,00,000	1,000.00
Issued, Subscribed & fully Paid up				
Equity Shares of Rs. 10/- each fully paid	80,50,500	805.05	80,50,500	805.05
TOTAL	**80,50,500**	**805.05**	**80,50,500**	**805.05**

Particulars	As At 31st March, 2013		As At 31st March, 2012	
	Number	Rs. in lacs	Number	Rs. in lacs
Shares outstanding at the beginning of the year	80,50,500	805.05	80,50,500	805.05
Movement during the year	-	-	-	-
Shares outstanding at the end of the year	80,50,500	805.05	80,50,500	805.05

Share Holding Information - Equity Shares

Name of Shareholder	As At 31st March, 2013		As At 31st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shri Dinesh S. Patel	5,65,707	7.03	5,65,707	7.03
Mrs. Jayashree D. Patel	5,11,134	6.35	5,11,134	6.35
Dr. Sachin D. Patel	4,15,405	5.16	4,15,405	5.16
Vividh Margi Investment Pvt Ltd	12,52,842	15.56	12,52,842	15.56
Vividh Distributors Pvt Ltd	6,16,100	7.65	6,16,100	7.65
Gedeon Richter Investment Management Ltd	8,84,308	10.98	8,84,308	10.98
Szepilona International Limited	4,16,000	5.17	4,16,000	5.17
Reliance Capital Trustee Company Limited	-	-	4,05,909	5.04

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, 2013	As At 31st March, 2012
a. Capital Reserves		
Opening Balance-	30.00	-
(+) Capital Subsidy received during the year	-	30.00
Closing Balance	**30.00**	**30.00**
b. General Reserve -		
Opening Balance.	6,961.45	6,961.45
(+) Current Year Transfer	-	-
Closing Balance	**6,961.45**	**6,961.45**
c. Surplus		
Opening balance	(1,944.87)	1,389.91
(+) Net Profit/(Net Loss) For the current year	(477.24)	(3,247.08)
(-) Proposed Dividends	(75.46)	(75.46)
(-) Dividend Tax thereon	(12.24)	(12.24)
(-) Transfer to Reserves	-	
Closing Balance	(2,509.81)	(1,944.87)
TOTAL	**4,481.64**	**5,046.58**

NOTE NO. 2.3

(Rs. in Lacs)

Long Term Borrowings	As At 31st March, 2013	As At 31st March, 2012
Secured		
(a) Term loans		
from Banks	3,200.71	264.10
(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)		
Terms of Repayment :		
(i) Term Loan from Bank of Baroda Rs. 414.74 lacs. Repayble in 16 quarterly installments after a holiday period of one year from first disbursement.		
(ii) Term Loan from Kapol Co-op. Bank Ltd. Rs. 71.91 lacs Repayble in 60 monthly installments.		
(iii) Term Loan from Union Bank of India Rs. 2795 lacs and from Bank of Baroda Rs. 500 lacs. Repayble in 20 quarterly installments commencing from June 2013.		
(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.	6.92	14.04
Total Secured Long Term borrowings	3,207.63	278.14
Unsecured		
(a) Term Loans		
Foreign Currency Loan Repayble in 17 quarterly Installments commencing from 1st April 2014.	1,819.39	1,475.52
(b) Deposits		
Fixed Deposits Repayable in 1, 2, and 3 years, based on the deposit period.	1,018.14	1,789.58
Total Unsecured Long Term Borrowings	2,837.53	3,265.10
Total	6,045.16	3,543.24
Groups Proportionate Share in Long Term Borrowings of the Joint Venture	3,156.63	2,948.02
Total	**9,201.79**	**6,491.26**

NOTE NO. 2.4

(Rs. in Lacs)

Deferred Tax Liability (Net)	As At 31st March, 2013	As At 31st March, 2012
(A) Deferred Tax Assets		
Provision for unencashed Leave	98.92	92.62
Bonus	28.40	8.24
Provision for Gratuity	7.30	(5.30)
Total	**134.62**	**95.56**
(B) Deferred Tax Liability		
for Depreciation	404.55	404.55
NET	**269.93**	**308.99**
Groups Proportionate Share in Deferred Tax Liability of the Joint Venture	246.12	202.73
Total	**516.05**	**511.72**

NOTE NO. 2.5

Other Long Term Liabilities	As At 31st March, 2013	As At 31st March, 2012
Deposit from Dealers and Suppliers	150.50	125.35
Total	**150.50**	**125.35**

NOTE NO. 2.6

Long Term Provisions	As At 31st March, 2013	As At 31st March, 2012
Groups Proportionate Share in Long Term provision of Joint Venture	30.99	29.73
Total	**30.99**	**29.73**

NOTE NO. 2.7

(Rs. in Lacs)

Short Term Borrowings	As At 31st March, 2013	As At 31st March, 2012
Secured		
Loans repayble 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.	1,727.45	3,170.10
ii) Bills Discounted	1,485.05	2,038.15
iii) Advance as Packing Credit for Export	866.95	477.75
iv) Buyers Credit	974.41	807.48
v) Overdue Devolved Letter of Credit	-	949.00
	5,053.86	**7,442.48**
Unsecured		
Other Loans and Advances		
Advance from Customers	1.09	92.52
Total	**5,054.95**	**7,535.00**

NOTE NO. 2.8

Trade Payables	As At 31st March, 2013	As At 31st March, 2012
Trade Payables	4,951.30	5,740.06
Groups Proportionate Share in Trade Payables of Joint Venture	196.03	163.24
Total	**5,147.33**	**5,903.30**

NOTE NO. 2.9

(Rs. in Lacs)

Other Current Liabilities	As At 31st March, 2013	As At 31st March, 2012
(a) Current maturities of long-term debt	1,278.70	1,024.38
(b) Current maturities of finance lease obligations	6.67	12.64
(c) Interest accrued but not due on borrowings	63.37	115.57
(d) Unclaimed dividends	5.31	6.81
(e) Duties and Taxes (incl. Excise duty, service tax, TDS)	21.43	24.84
(f) Over drawn Bank Balances as per Books of account only.	27.83	54.22
Total	**1,403.31**	**1,238.46**
Groups Proportionate Share in Other Current Liabilities of Joint Venture	71.60	54.42
Total	**1,474.91**	**1,292.88**

NOTE NO. 2.10

Short Term Provisions	As At 31st March, 2013	As At 31st March, 2012
(a) Provision for Employee Benefits		
(i) Gratuity	147.78	111.78
(ii) Leave Encashment	53.64	47.58
(b) Others		
(i) Proposed Dividend	-	-
(ii) Tax on Dividend	-	-
Total	**201.42**	**159.36**
Groups Proportionate Share in Short Term Provisions of Joint Venture	190.49	140.82
Total	**391.91**	**300.18**

NOTE NO. 2.11

(Rs. in Lacs)

(a)	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
		Balance as at 1 April 2012	Additions	Deduction	Balance as at 31 March 2013	Balance as at 1 April 2012	Depreciation charge for the period	On disposals	Balance as at 31 March 2013	Balance as at 31 March 2013	Balance as at 31 March 2012
a	**Tangible Assets (Not Under Lease)**										
	Land	1,522.28	-	499.88	1,022.40	-	-	-	-	1,022.40	1,522.28
	Buildings	2,299.33	-	-	2,299.33	541.39	59.14	-	600.53	1,698.80	1,757.94
	Plant and Equipment	8,188.80	159.89	248.19	8,100.50	2,649.41	437.87	151.08	2,936.20	5,164.30	5,539.39
	Furniture and Fixtures	647.07	11.08	-	658.15	548.39	41.84	-	590.23	67.92	98.68
	Vehicles	141.08	67.11	15.40	192.79	89.91	13.40	7.12	96.19	96.60	51.16
	Office equipment	47.75	0.95	-	48.70	21.66	2.05	-	23.71	24.99	26.09
	Electrical Installation	356.14	0.30	-	356.44	153.07	16.83	-	169.90	186.54	203.07
	Total (i)	13,202.45	239.33	763.47	12,678.31	4,003.83	571.13	158.20	4,416.76	8,261.55	9,198.62
	Tangible Assets (Under Lease)										
	Land.	1,085.60	-	7.88	1,077.72	-	-	-	-	1,077.72	1,085.60
	Vehicles.	100.49	5.61	67.11	38.99	17.04	3.48	-	20.52	18.47	83.45
	Total (ii)	1,186.09	5.61	74.99	1,116.71	17.04	3.48	-	20.52	1,096.19	1,169.05
	Groups Proportionate Share in Tangible Assets of Joint Venture (iii)	4,374.46	323.69	-	4,698.15	1,385.09	286.24	-	1,671.33	3,026.82	2,989.37
	Total (i+ii+iii)	18,763.00	568.63	838.46	18,493.17	5,405.96	860.85	158.20	6,108.61	12,384.56	13,357.04
b	**Intangible Assets**										
	Trademarks	15.95	-	-	15.95	-	-	-	-	15.95	15.95
	Groups Proportionate Share in Intangible Assets of Joint Venture	10.45	-	-	10.45	8.01	0.83	-	8.84	1.61	2.43
	Total	26.40	-	-	26.40	8.01	0.83	-	8.84	17.56	18.38
	Total	**18,789.40**	**568.63**	**838.46**	**18,519.57**	**5,413.97**	**861.68**	**158.20**	**6,117.45**	**12,402.12**	**13,375.42**

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NOTE NO. 2.12

(Rs in Lacs)

Non Current Investments	As At 31st March, 2013	As At 31st March, 2012
Non Current Investment 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) 3744 (Previous year Nil), Equity Shares of Rs. 100 each fully paid up of Long Island Nutritionals Pvt. Ltd.	15.60	-
Total	**17.80**	**2.20**
B) OTHER THAN TRADE :		
a) IN GOVT.SECURITIES		
(i) 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
(ii) 5 1/2 yrs Kisan Vikas Patra (including Rs 0.10 lacs deposited as security with Sales tax Authorities at Daman.)	0.15	0.15
b) 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 1.10 lacs, previous year Rs 1.19 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 12.20 lacs, previous year Rs 14.29 lacs)	1.53	1.53
(iii) 3369605 (P.Y. 440903) shares of Rs 5/- each of Gujarat Themis Biosyn Ltd. fully paid up (Market Value Rs 269.23 lacs, previous year Rs 28.48 lacs)	336.96	44.09
Total	**339.05**	**46.18**
Groups Proportionate Share in Non Current Investments (Unquoted) of Joint Venture	0.03	0.03
Total	**359.18**	**50.71**
NOTE : AGGREGATE VALUE OF QUOTED INVESTMENTS	339.05	46.18
AGGREGATE VALUE OF UNQUOTED INVESTMENTS	20.13	4.53

NOTE NO. 2.13

(Rs. in Lacs)

Long Term Loans and Advances unsecured, considered good.	As At 31st March, 2013		As At 31st March, 2012	
a) Capital Advances		-		36.96
b) Security Deposits		238.15		238.90
c) Other Loans and Advances				
Advance Tax and Tax deducted at Source	231.29		127.09	
Mat Credit Entitlement	303.08		303.08	
		534.37		430.17
Total		772.52		706.03
Groups Proportionate Share in Long Term Loans and Advances of Joint Venture		295.96		247.51
Total		**1,068.48**		**953.54**

NOTE NO. 2.14

Other Non Current Assets	As At 31st March, 2013	As At 31st March, 2012
Other Bank Balances :		
a) Deposit for more than 12 months maturity	27.00	18.94
b) In Deposit account towards Share Application money	0.33	0.33
Total	27.33	19.27
Groups Proportionate Share in Other Non Current Assets of Joint Venture	27.62	25.27
Total	**54.95**	**44.54**

NOTE NO. 2.15

(Rs. in Lacs)

Inventories	As At 31st March, 2013		As At 31st March, 2012	
(at cost or net realisable value, whichever is lower)				
a) Raw Materials and components	1,440.82		1,464.26	
Goods-in transit	-	1,440.82	126.43	1,590.69
b) Work-in-progress		1,314.30		1,124.76
c) Finished goods		1,362.13		604.05
d) Stores and spares		31.85		24.36
e) Packing Material and Power and Fuel		605.47		517.39
Total		4,754.57		3,861.25
Groups Proprotionate Share in Inventories of Joint Venture		716.06		861.77
Total		**5,470.63**		**4,723.02**

NOTE NO. 2.16

Trade Receivables	As At 31st March, 2013	As At 31st March, 2012
Trade receivables outstanding for a period less than six months from the date they are due for payment unsecured, considered good	2,154.09	3,576.82
Trade receivables outstanding for a period exceeding six months from the date they are due for payment unsecured, considered good	483.46	734.73
Total	2,637.55	4,311.55
Groups Proportionate Share in Trade Receivables of Joint Venture	603.79	501.12
Total Trade Receivables	**3,241.34**	**4,812.67**
Trade Receivable stated above include debts due by: Private Companies in which directors are member	729.62	1,269.83
Total	**729.62**	**1,269.83**

NOTE NO. 2.17

(Rs. in Lacs)

Cash and Bank balances	As At 31st March, 2013		As At 31st March, 2012	
a) Cash and Cash Equivalents				
(i) Cash on Hand	5.40		8.31	-
(ii) Cheques / drafts on hand	-		-	
(iii) Balances with banks in current accounts	410.09		325.21	
		415.49		333.52
b) Other Bank Balances				
(i) Margin Money	134.02		186.97	
(ii) Guarantees	28.28		23.74	
		162.30		210.71
Total		577.79		544.23
Groups Proportionate Share in Cash and Cash Equivalent of Joint Venture		623.60		125.63
Total		**1,201.39**		**669.86**

NOTE NO. 2.18

Short-term loans and advances, unsecured, considered good	As At 31st March, 2013	As At 31st March, 2012
a) Advance to Suppliers	1,234.20	1,223.11
b) Staff Advance and Imprest Cash	33.47	28.24
c) Interest Receivable	12.36	12.36
d) Prepaid Expenses	68.66	28.18
e) Dues from Government Authorities	180.54	155.43
f) Balance with Central Excise	693.09	1,091.71
g) Insurance claim	60.10	60.10
h) Others	15.26	6.11
Total	2,297.68	2,605.24
Groups Proportionate Share in Short Term Loans and Advances of Joint Ventures	155.60	128.97
Total	**2,453.28**	**2,734.21**

NOTE NO. 3.1

(Rs. in Lacs)

REVENUE FROM OPERATIONS	Year ended 31st March 2013	Year ended 31st March 2012
a) Sale of Products	14,544.99	13,774.67
b) Other operating revenues	432.36	316.12
Total	14,977.35	14,090.79
Less:		
c) Excise Duty	151.69	288.99
Total (I)	14,825.66	13,801.80
Groups Proportionate Share in Revenues from Operation of Joint Venture		
a) Sale of Products.	2,431.85	1,831.32
b) Other operating revenues.	92.12	138.48
Total (II)	2,523.97	1,969.80
Total	**17,349.63**	**15,771.60**

NOTE NO. 3.2

Other Income	Year ended 31st March 2013	Year ended 31st March 2012
a) Interest Income	43.13	10.91
b) Dividend Income	75.81	75.95
c) Other non - operating income	204.96	130.96
Total	323.90	217.82
Groups Proportionate Share in Other Income of Joint Ventures	13.06	76.33
Total	**336.96**	**294.15**

NOTE NO. 3.3

(Rs. in Lacs)

Cost of Material Consumed	Year ended 31st March, 2013	Year ended 31st March, 2012
a) Raw Materials		
Inventory at the beginning of the year	1,464.26	1,099.04
Add: Purchases	7,164.86	8,163.25
	8,629.12	9,262.29
Less: Inventory at the end of the year	1,440.82	1,464.26
Cost of raw material consumed	7,188.30	7,798.03
b) Packing Material	624.06	508.17
Total	7,812.36	8,306.20
Groups Proportionate Share in Material Cost of Joint Venture	669.37	611.93
Total	**8,481.73**	**8,918.13**

NOTE NO. 3.4

Details of changes in Inventory	Year ended 31st March, 2013	Year ended 31st March, 2012	Increase/ (Decrease)
Inventory at the end of the year :			
Work in Progress	1,314.30	1,124.76	189.54
Finished Goods	1,362.13	604.05	758.07
	2,676.43	1,728.82	947.61
Groups Proportionate Share in Closing Stock of Work in Progress and Finished Goods			(184.45)
Total			**763.16**
Inventory at the beginning of the year :			
Work in Progress	1,124.76	1,773.46	(648.70)
Finished Goods	604.05	468.27	135.78
	1,728.82	2,241.73	(512.92)
Groups Proportionate Share in Opening Stock of Work in Progress and Finished Goods			96.63
Total			**(416.29)**

NOTE NO. 3.5

(Rs. in Lacs)

Employee Benefits Expense	Year ended 31st March, 2013	Year ended 31st March, 2012
a) Salaries and incentives	2,179.29	1,893.44
b) Contributions to Provident and other fund	144.22	132.96
c) Gratuity fund contributions	42.00	42.00
d) Staff welfare expenses	32.54	29.20
Total	2,398.05	2,097.60
Groups Proportionate Share in Employee Benefits Expense of Joint Venture	329.30	272.03
Total	**2,727.35**	**2,369.63**

Payments to the auditor as	Year ended 31st March, 2013	Year ended 31st March, 2012
a) Auditor - Statutory audit	5.94	5.45
b) for other service	2.12	1.29
c) for reimbursement of expenses	0.88	0.33
Total	**8.94**	**7.07**

NOTE NO. 3.6

Finance Costs	Year ended 31st March, 2013	Year ended 31st March, 2012
a) Interest Expense	1,277.79	1,148.30
b) Bank Charges	242.96	199.78
Total	1,520.75	1,348.08
Groups Proportionate Share in Finance Cost of Joint Venture	7.00	6.68
Total	**1,527.75**	**1,354.76**

NOTE NO. 3.7

DEPRECIATION AND AMORTISATION EXPENSES	Year ended 31st March, 2013	Year ended 31st March, 2012
Depreciation and Amortisation Expenses	574.61	508.02
Total	574.61	508.02
Groups Proportionate Share in Depreciation and Amortisation Expenses	287.07	258.92
Total	**861.68**	**766.94**

NOTE NO. 3.8

(Rs. in Lacs)

Others Expenses	Year ended 31st March, 2013	Year ended 31st March, 2012
a) Consumption of Stores and Spares	93.30	91.79
b) Power and Fuel	1,003.19	1,027.47
c) Processing charges	373.28	529.93
d) Rent	26.78	26.80
e) Repairs to Buildings	11.28	6.88
f) Repairs to Machinery	30.96	34.48
g) Repairs to Others	46.89	64.77
h) Insurance	94.51	118.51
i) Rates and Taxes, excluding taxes on income	65.28	23.10
j) Travelling and conveyance	658.32	584.36
k) Freight and Forwardings charges	337.06	305.05
l) Legal and Professional Charges	279.09	215.04
m) Exchange Difference	109.16	188.81
n) Commission	204.82	162.26
o) Advertisement and Sale Prom	222.75	121.60
p) Miscellaneous Expenses	639.33	637.06
Total	4,196.00	4,137.91
Groups Proportionate Share in Other Expenses of Joint Venture	614.34	621.17
Total	**4,810.34**	**4,759.08**

NOTE NO. 3.9

Tax Expenses	Year ended 31st March, 2013	Year ended 31st March, 2012
Current Tax	-	-
Deferred Tax	(39.06)	(16.57)
Total	(39.06)	(16.57)
Groups Proportionate Share in Tax Expense of Joint Venture	110.12	151.71
Total	**71.06**	**135.14**

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 inidvidual 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, 2013	As At 31st March, 2012
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 & Fertlizers, Govt. of India. The Company has already complied with the directions of the H'norable Court. In respect of Liability for Bulk Drug Ethambutol, the H'norable 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	199.45	205.64
	(c) Other money for which the company is contingently liable		
	(i) In respect of Letter of Credit	206.74	26.38
	(ii) Disputed Income Tax and Sales Tax as matters are in appeal	24.29	61.58
	(iii) Customs duty payable on raw materials imported under duty exemption scheme in case o f non-fulfillment of export obligation.	166.56	231.81
	Total (I)	**931.24**	**859.61**

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

(Rs. in Lacs)

		As At 31st March, 2013	As At 31st March, 2012
4	**Commitments**		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	18.64	-
	(b) 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.	44.37	22.25
	(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.	1.71	2.98
	Total (II)	**64.72**	**25.23**
	Total (I + II)	**995.96**	**884.84**

5 Revenue expenditure on Research & Development incurred & Charged out during the year through the natural heads of expenses amount to Rs.202.04 Lacs (Previous year Rs.201.64 Lacs) Capital expenditure incurred during the year thereof amounts to nil has been included in Fixed Assets.
(Previous year Rs. 1.99 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. 403.97 lacs (Previous year Rs.522.68 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. Long Island Nutritionals 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 Mr. Rajneesh Anand
(d)	Directors/Relatives of Key Management personnel	Mrs. Jayashree D. Patel Mrs. Meena A. Patel Mrs Hemlata B.Patel Mrs Margi R Choksy Mrs. Reena S. 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 Oustanding	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sales:								
Sale of Finished goods	1,935.73	765.71					729.62	1,269.83
Income:								
Dividend	75.46	75.46						
Purchase :								
Purchase of Goods	76.81							
Expenses:								
Electricity	3.02	1.76						
Telephone	0.12	0.07						
Freight/Others	5.73	9.02						
Remuneration			135.64	154.63	17.14	17.14		
Fixed deposit interest			41.68	31.16	47.18	34.70		
Consultancy Fees			-	-	29.40	26.71		
Others:								
Dividend paid			-	-	-	-		
Investment in shares of Associate Company	15.60	-	-	-	-	-	15.60	-
Fixed deposit			(67.25)	140.00	(52.00)	142.00	729.35	848.60

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"

a) The deferred tax liability of Rs 4.32 lacs (Dr) for the year has been recognised in the Profit and Loss Account.

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

	2012-13 Rs in Lacs	2011-12 Rs in Lacs
Deferred Tax Liabilities :		
Depreciation	739.08	694.65
Deferred Tax Assets :		
Retirement benefits	146.40	106.30
Carry Forward business loss and unabosrbed depreciation	76.63	76.63
	223.03	182.93
	516.05	511.72

10 Earnings Per Share (EPS)

		2012-2013	2011-2012
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	(477.24)	(3,247.08)
c)	Basic and Diluted Earnings Per Share (Rs.)	(5.93)	(40.33)
d)	Nominal Value Per Share (Rs)	10	10

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 : 15 / 05 /2013

(Dr. DINESH PATEL)
MANAGING DIRECTOR & CEO

Independent Auditors Report

To the Members of Themis Medicare Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Themis Medicare Limited („the Company) which comprise the balance sheet as at 31 March 2013, the statement of profit and loss and the cash flow statement for the year then ended and significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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

(i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2013;

(ii) in the case of the statement of profit and loss, of the loss for the year ended on that date; and

(iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor s Report) Order, 2003 ("the Order"), as amended, issued

1. by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, 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 and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and

   e. on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Place: Mumbai
Date: 15 / 05 / 2013

Annexure to Auditors' Report

The Annexure referred to in our report to the members of Themis Medicare Ltd (,, the Company) for the year ended 31st March 2013. We report that:

i. (a) The Company has 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) Fixed assets disposed off during the year were not substantial; and therefore, do not affect the going concern assumption.

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 covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the company and hence not commented upon.

(b) The company has taken from 13 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.831.85 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 1952.50 lacs and Rs.1928.01 lacs respectively;

(c) 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;

(d) 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 to us and on the basis of our examination of records of the Company amounts deducted / accrued in the books of accounts in respect of undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues have been deposited late during the year by the Company with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income Tax, Wealth tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute.

The particulars of dues of Sales Tax as at 31st March, 2013 which have not been deposited on account of a dispute are as follows :-

Nature of statute	Nature of Dues	Rs. in lacs	Period To which it relates	Forum where dispute is pending
Sales Tax Act	Sales Tax	24.29	Various demands for 1987-88 to 1998-99, 1993-94 to 1994-95 and 2004-05 to 2006-07	Various appellate stages in Sales Tax Dept.

x. The accumulated losses of the Company at the end of the current financial year are less than fifty percent of its net worth. It has incurred cash losses in current financial year and also in the immediately preceding financial year.

xi. On the basis of records examined by us and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks as at the balance sheet date.

xii. As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities;

xiii. As informed to us the provision of any special statue applicable to chit fund / 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 by the Company has given guarantee for loans taken by others from any bank or financial institution; as mentioned in Note No. 3 in our opinion the terms and conditions thereof are not prejudicial to the interest of the Company.

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 M. T. ANKLESHWARIA & CO.
CHARTERED ACCOUNTANTS
REGISTRATION NO : 100501W
MADHU T. ANKLESHWARIA
PROPRIETOR
Membership No. 30128

Place : Mumbai
Date: 15 / 05 / 2013

Balance Sheet as at 31st March, 2013

(Rs. in Lacs)

	Particulars	Note No.	As At 31st March, 2013	As At 31st March, 2012
I.	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	2.1	805.05	805.05
	(b) Reserves and surplus	2.2	3,558.04	4,370.66
	(C) Amount Received against Share Warrants		85.00	-
2	**Non-current liabilities**			
	(a) Long-term borrowings	2.3	6,045.16	3,543.24
	(b) Deferred tax liabilities (Net)	2.4	269.93	308.99
	(c) Other Long term liabilities	2.5	150.50	125.35
3	**Current liabilities**			
	(a) Short-term borrowings	2.6	5,054.95	7,535.00
	(b) Trade payables		4,951.30	5,740.06
	(c) Other current liabilities	2.7	1,403.31	1,238.46
	(d) Short-term provisions	2.8	201.42	159.36
	TOTAL		**22,524.66**	**23,826.17**
II.	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets	2.9		
	(i) Tangible assets		9,357.74	10,367.67
	(ii) Intangible assets		15.95	15.95
	(iii) Capital work-in-progress		1,038.39	658.30
	(b) Non-current investments	2.10	1,046.28	737.81
	(c) Long-term loans and advances	2.11	772.52	706.03
	(d) Other non current assets	2.12	27.33	19.27
2	**Current assets**			
	(a) Inventories	2.13	4,754.57	3,861.25
	(b) Trade receivables	2.14	2,637.55	4,311.55
	(c) Cash and Bank balances	2.15	570.29	536.65
	(d) Short-term loans and advances	2.16	2,304.04	2,611.69
	TOTAL		**22,524.66**	**23,826.17**

Significant Accounting Policies	1
Notes to financial statement	2-3
Other Notes	4

the notes referred to above form an integral part of the financial statments

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 : 15 / 05 /2013

(Dr. DINESH PATEL)
MANAGING DIRECTOR & CEO

Statement of Profit and loss for the year ended 31st March, 2013

(Rs. in Lacs)

	Particulars	Note No.	Year ended 31st March, 2013	Year ended 31st March, 2012
I.	Revenue From Operations	3.1		
	a) Sale of products		14,544.99	13,774.67
	b) Other operating revenues		432.36	316.12
	Less:			
	Excise duty		(151.69)	(288.99)
II.	Other income	3.2	323.90	217.82
III.	**Total Revenue (I + II)**		**15,149.56**	**14,019.62**
IV.	Expenses:			
	Cost of materials consumed	3.3	7,812.36	8,306.20
	Purchases of Stock-in-Trade		447.08	592.86
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	3.4	(947.61)	512.92
	Employee benefits expense	3.5	2,398.05	2,097.60
	Finance costs	3.6	1,520.75	1,348.08
	Depreciation and amortization expense		574.61	508.02
	Other expenses	3.7	4,196.00	4,137.91
	Total expenses		**16,001.24**	**17,503.59**
V.	**Profit (Loss) before tax (III - IV)**		(851.68)	(3,483.97)
VI.	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		(39.06)	(16.57)
VII.	**Profit (Loss) for the year**		**(812.62)**	**(3,467.40)**
VIII.	Earnings per equity share: (Face Value of Rs. 10/- each)			
	(1) Basic		(10.09)	(43.07)
	(2) Diluted		(9.18)	(43.07)

Significant Accounting Policies	1
Notes to financial statement	2-3
Other Notes	4

The notes referred to above form an integral part of the financial statements.

As per our attached report of even date

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

MADHU T. ANKLESHWARIA
PROPRIETOR
MEMBERSHIP NO : 30128
PLACE : MUMBAI
DATE : 15 / 05 /2013

PRAKASH D. NARINGREKAR
COMPANY SECRETARY & CFO

For and on behalf of the Board

(Mr. H. N. SINOR)
CHAIRMAN

(Dr. DINESH PATEL)
MANAGING DIRECTOR & CEO

Cash Flow Statement for the year ended 31st March, 2013

(Rs. in Lacs)

	Year ended 31st March, 2013	Year ended 31st March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX & INTEREST & EXTRAORDINERY ITEMS	669.02	(2135.89)
ADJUSTMENTS FOR :		
DEPRECIATION	574.61	508.02
FOREIGN EXCHANGE (NET)	0.00	0.00
AMOUNT AMORTISED ON ACCOUNT OF LEASE	0.00	
INTEREST / DIVIDEND	(118.93)	(86.86)
TECHNICAL LITERAUTE EXPENSES ETC. W/OFF	0.00	0.00
DUTY DRAWBACK		
SURPLUS ON SALE OF LAND/ASSETS	0.00	0.00
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**1124.70**	**(1714.72)**
ADJUSTMENTS FOR :		
TRADE AND OTHER RECEIVABLES	1931.44	1955.44
INVENTORIES	(893.33)	(2.13)
TRADE PAYABLES	(960.58)	(274.37)
	77.53	**1678.94**
CASH GENERATED FROM OPERATIONS	**1202.23**	**(35.78)**
INTEREST & FINANCE CHARGES	(1520.75)	(1348.08)
DIRECT TAXES PAID	39.06	(20.00)
	(1481.69)	**(1368.08)**
NET CASH FLOW FROM OPERATING ACTIVITIES	**(279.46)**	**(1403.86)**
B. CASH FLOW FROM INVESTING ACTIVITIES :		
PURCHASE OF FIXED ASSETS	64.02	(782.66)
PURCHASE OF INVESTMENTS	(308.46)	0.00
CAPITAL SUBSIDY	0.00	30.00
INTEREST RECEIVED	43.13	10.91
DIVIDEND RECEIVED	75.81	75.95
NET CASH USED IN INVESTING ACTIVITIES	**(125.50)**	**(665.80)**
C. CASH FLOW FROM FINANCING ACTIVITIES :		
REPAYMENTS / PROCEEDS - LONG TERM BORROWINGS(NET)	3554.51	75.17
INCREASE/DECREASE) IN FINANCE LEASE LIABILITIES	(13.10)	2.91
DIVIDEND PAID	0.00	(241.52)
TAX ON DIVIDEND	0.00	(39.69)
FIXED DEPOSITS	(824.21)	86.54
MONEY RECD AGNST SHARE WARRANTS	85.00	0.00
TERM LOAN	(12.37)	(56.86)
ECB LOAN	45.45	98.96
NET CASH USED IN FINANCING ACTIVITIES	**2835.28**	**(74.50)**
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	**2430.32**	**(2144.17)**
CASH AND CASH EQUIVALENTS		
AS AT THE BEGINNING OF THE PERIOD	(6886.56)	(4742.39)
CASH AND CASH EQUIVALENTS		
AS AT THE CLOSE OF THE PERIOD	(4456.24)	(6886.56)

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 REARRENGED & REGROUPED WHEREVER NECESSARY.

As per our attached report of even date

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

MADHU T. ANKLESHWARIA
PROPRIETOR
MEMBERSHIP NO : 30128
PLACE : MUMBAI
DATE : 15 / 05 /2013

PRAKASH D. NARINGREKAR
COMPANY SECRETARY & CFO

For and on behalf of the Board

(Mr. H. N. SINOR)
CHAIRMAN

(Dr. DINESH PATEL)
MANAGING DIRECTOR & CEO

NOTE NO. 1

Significant Accounting Policies

(a) Basis of preparation of financial statements:

These financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, the relevant provisions of the Companies Act, 1956 and other accounting principles generally accepted in India, to the extent applicable.

(b) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

(c) Current-non-current classification:

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is expected to be realized within 12 months after the reporting date; or

(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(a) it is expected to be settled in the company's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is due to be settled within 12 months after the reporting date; or

(d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

(d) Tangible fixed assets and depreciation:

Tangible fixed assets:

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they

increase the future benefits from the existing asset beyond its previously assessed standard of performance. Tangible asset is derecognized on disposal or when no future economic benefits are expected from its use of disposal.

Tangible fixed assets under construction are disclosed as capital work in progress.

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

Intangible fixed assets:

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

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

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

Depreciation/amortisation:

Depreciation is provided on straight line method over the estimated useful life of each asset as determined by the management. The rates of depreciation prescribed in Schedule XIV of the Companies Act, 1956 are considered at the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than the envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life.

Depreciation is provided on a pro-rata basis i.e. from the date on which asset is ready for use.

Depreciation on assets other than Trademarks is provided at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation/amortization for the year is recognized in the statement of profit and loss.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the statement of profit and loss.

(e) 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.

(f) Impairment of assets:

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. The recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is done at each balance sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exists or may have decreased.

(g) Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

Long-term investments are carried at cost. Provision for diminution is made to recognize a decline, other than temporary in value of long-term investments and is determined separately for each individual investment. Current investments are carried at lower of cost and fair value, computed separately in respect of each category of investment.

(h) Inventories:

Inventories which comprise raw materials, packing materials, work-in-progress, finished goods, stock-in-trade, stores and spares, and loose tools are carried at the lower of cost and net realizable value.

Cost of inventories comprises all costs of purchase, costs of conversion and other cost incurred in bringing the inventories to their present location and condition.

In determining the cost, weighted average cost method is used. In the case of manufactured inventories and work-in-progress, fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

The comparison of cost and net realizable value is made on an item-by-item basis.

(i) Foreign currency transactions:

i. The Company is exposed to currency fluctuations on foreign currency transactions. Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions.

Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss of the year.

Translation

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the statement of profit and loss. Non monetary items are stated in the balance sheet using the exchange rate at the date of the transaction.

ii. Foreign currency exposure in respect of Long Term Foreign currency Monetary items, for financing fixed assets, outstanding at the close of the financial year are revalorized at the contracted and /or appropriate exchange rates at the close of the year. The gain or loss due to decrease / increase in Rupee liability due to fluctuation in rate of exchange is recognized in the Profit and Loss Account.

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 point no. 14 in Note No. 4 “Other notes forming part of the Accounts.

(j) Revenue recognition:

i. Revenue from sale of goods in the course of ordinary activities is recognized when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods and regarding its collection. The amount recognized as revenue is exclusive of sales tax, value added taxes (VAT) and service tax, and is net of returns, trade discounts and quantity discounts.

ii. Interest income is recognized on time proportion basis after taking into account the amount outstanding and the interest rate applicable.

iii. Dividend income is recognized when the right to receive payment is established.

(k) Research and Developemnt:

Revenue expenditure on research and development is recognized as expense in the year in which it is incurred and the expenditure on capital assets is depreciated over the useful lives of the assets.

(l) Proposed Dividend:

Dividend proposed by the Board of Directors is provided in the books of account pending approval at the Annual General Meeting.

(m) Employee benefits:

In case of Defined Contribution plans the Company's contributions to these plans are charged to the statement of Profit and Loss as incurred.

The Company's provident fund, gratuity and leave wages are defined benefit plans.

The Company maintains gratuity fund with a separate trust formed by the Company, to which contributions are made on an annual basis. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation at the balance sheet date using the Projected Unit Credit Method by an independent actuary, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the financial obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans are based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the statement of profit and loss.

Employee Stock Options are evaluated and accounted on intrinsic value method as per the accounting treatment prescribed by Guidance Note on 'Accounting for Employee Share-based payments' issued by ICAI read with SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines 1999 issued by SEBI. The excess of market value, if any, of the stock options as on the date of grant over the exercise price of the options is recognized as deferred employee compensation and is charged to the statement of profit and loss on vesting basis over the vesting period of the options. The un-amortised portion of the deferred employee compensation is reduced from Employee Stock Option Outstanding, which is shown under Reserves and Surplus.

(n) Earning per share:

Basic earnings per share is calculated by dividing the Net Profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(o) Income taxes:

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, 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. Deferred tax assets and deferred tax liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

(p) Provision and contingent liabilities:

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.

(q) Cash and cash equivalents:

Cash and cash equivalents include cash in hand and demand deposits with banks with original maturities of three months or less.

NOTE NO. 2.1

Share Capital	As At 31st March 2013		As At 31st March 2012	
	Number	Rs. in lacs	Number	Rs. in lacs
Authorised				
Equity Shares of Rs. 10/- each	1,00,00,000	1,000.00	1,00,00,000	1,000.00
Issued, Subscribed & fully Paid up				
Equity Shares of Rs. 10/- each fully paid	80,50,500	805.05	80,50,500	805.05
Total	80,50,500	805.05	80,50,500	805.05

Particulars	As At 31st March 2013		As At 31st March 2012	
	Number	Rs. in lacs	Number	Rs. in lacs
Shares outstanding at the beginning of the year	80,50,500	805.05	80,50,500	805.05
Movement during the year	-	-	-	-
Shares outstanding at the end of the year	80,50,500	805.05	80,50,500	805.05

Shareholders holding Information - Equity Shares

Name of Shareholder	Equity Shares			
	As At 31st March 2013		As At 31st March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shri Dinesh S. Patel	565,707	7.03	565,707	7.03
Mrs. Jayashree D. Patel	511,134	6.35	511,134	6.35
Dr. Sachin D. Patel	415,405	5.16	415,405	5.16
Vividh Margi Investment Pvt Ltd	1,252,842	15.56	1,252,842	15.56
Vividh Distributors Pvt Ltd	616,100	7.65	616,100	7.65
Gedeon Richter Investment Management Ltd	884,308	10.98	884,308	10.98
Szepilona International Limited	416,000	5.17	416,000	5.17
Reliance Capital Trustee Company Limited	-	-	405,909	5.04

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, 2013	As At 31st March, 2012
a. Capital Reserves		
Opening Balance	30.00	-
(+) Capital Subsidy received during the year	-	30.00
Closing Balance	30.00	30.00
b. General Reserve -		
Opening Balance	6,920.46	6,920.46
(+) Current Year Transfer	-	-
Closing Balance	6,920.46	6,920.46
c. Surplus		
Opening balance	(2,579.80)	887.60
(+) Net Profit/(Net Loss) For the current year	(812.62)	(3,467.40)
(-) Proposed Dividends	-	-
(-) Dividend Tax thereon	-	-
(-) Transfer to Reserves	-	-
Closing Balance	(3,392.42)	(2,579.80)
Total	**3,558.04**	**4,370.66**

NOTE NO. 2.3

(Rs. in Lacs)

Long Term Borrowings	As At 31st March, 2013	As At 31st March, 2012
Secured		
(a) Term loans		
from Banks	3,200.71	264.10
(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)		
Terms of Repayment :		
(i) Term Loan from Bank of Baroda Rs. 414.74 lacs. Repayble in 16 quarterly installments after a holiday period of one year from first disbursement.		
(ii) Term Loan from Kapol Co-op. Bank Ltd. Rs. 71.91 lacs Repayble in 60 monthly installments.		
(iii) Term Loan from Union Bank of India Rs. 2795 lacs and from Bank of Baroda Rs. 500 lacs. Repayble in 20 quarterly installments commencing from June 2013.		
(b) Long term maturities of finance lease obligations	6.92	14.04
(Secured By hypothecation of vehicles acquired under hire purchase arrangement)		
Repayable in 36 equated Monthly Installments as per various arrangements.		
Total Secured Long Term borrowings	3,207.63	278.14
Unsecured		
(a) Term Loans		
Foreign Currency Loan		
Repayble in 17 quarterly Installments commencing from 1st April 2014.	1,819.39	1,475.52
(b) Deposits		
Fixed Deposits	1,018.14	1,789.58
Repayable in 1, 2, and 3 years, based on the deposit period.		
Total Unsecured Long Term Borrowings	2,837.53	3,265.10
Total	**6,045.16**	**3,543.24**

NOTE NO. 2.4

(Rs. in Lacs)

Deferred Tax Liability (Net)	As At 31st March, 2013	As At 31st March 2012
(A) Deferred Tax Assets		
Provision for unencashed Leave	98.92	92.62
Bonus	28.40	8.24
Provision for Gratuity	7.30	(5.30)
Total	134.62	95.56
(B) Deferred Tax Liability		
For Depreciation	404.55	404.55
NET	**269.93**	**308.99**

NOTE NO. 2.5

Other Long Term Liabilities	As At 31st March, 2013	As At 31st March, 2012
Deposit from Dealers and Suppliers	150.50	125.35
Total	**150.50**	**125.35**

NOTE NO. 2.6

Short Term Borrowings	As At 31st March, 2013	As At 31st March, 2012
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 guaranted by the Directors of the Company	1,727.45	3,170.10
ii) Bills Discounted	1,485.05	2,038.15
iii) Advance as Packing Credit for Export	866.95	477.75
iv) Buyers Credit	974.41	807.48
v) Overdue Devolved Letter of Credit	-	949.00
	5,053.86	7,442.48
Unsecured		
Other loans and advances :		
Advances from Customers	1.09	92.52
Total	**5,054.95**	**7,535.00**

NOTE NO. 2.7

(Rs. in Lacs)

Other Current Liabilities	As At 31st March, 2013	As At 31st March, 2012
(a) Current maturities of long-term debt	1,278.70	1,024.38
(b) Current maturities of finance lease obligations	6.67	12.64
(c) Interest accrued but not due on borrowings	63.37	115.57
(d) Unclaimed dividends	5.31	6.81
(e) Duties and Taxes (incl. Excise duty, service tax, TDS)	21.43	24.84
(f) Over drawn Bank Balances as per Books of account only.	27.83	54.22
Total	**1,403.31**	**1,238.46**

NOTE NO. 2.8

Short Term Provisions	As At 31st March, 2013	As At 31st March, 2012
(a) Provision for Employee Benefits		
Gratuity	147.78	111.78
Leave Encashment	53.64	47.58
(b) Others		
Proposed Dividend	-	-
Tax on Dividend	-	-
Total	**201.42**	**159.36**

NOTE NO. 2.9

(Rs. in Lacs)

	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
		Balance as at 1 April 2012	Additions	Deduction	Balance as at 31 March 2013	Balance as at 1 April 2012	Depreciation charge for the Period	On disposals	Balance as at 31 March 2013	Balance as at 31 March 2013	Balance as at 31 March 2012
a	**Tangible Assets (Not Under Lease)**										
	Land	1,522.28	-	499.88	1,022.40	-	-	-	-	1,022.40	1,522.28
	Buildings	2,299.33	-	-	2,299.33	541.39	59.14	-	600.53	1,698.80	1,757.94
	Plant and Equipment	8,188.80	159.89	248.19	8,100.50	2,649.41	437.87	151.08	2,936.20	5,164.30	5,539.39
	Furniture and Fixtures	647.07	11.08	-	658.15	548.39	41.84	-	590.23	67.92	98.68
	Vehicles	141.08	67.11	15.40	192.79	89.91	13.40	7.12	96.19	96.60	51.16
	Office equipment	47.75	0.95	-	48.70	21.66	2.05	-	23.71	24.99	26.09
	Electrical Installation	356.14	0.30	-	356.44	153.07	16.83	-	169.90	186.54	203.07
	Total (i)	13,202.45	239.33	763.47	12,678.31	4,003.83	571.13	158.20	4,416.76	8,261.55	9,198.62
	Tangible Assets (Under Lease)										
	Land.	1,085.60	-	7.88	1,077.72	-	-	-	-	1,077.72	1,085.60
	Vehicles.	100.49	5.61	67.11	38.99	17.04	3.48	-	20.52	18.47	83.45
	Total (ii)	1,186.09	5.61	74.99	1,116.71	17.04	3.48	-	20.52	1,096.19	1,169.05
	Total (i+ii)	14,388.54	244.94	838.46	13,795.02	4,020.87	574.61	158.20	4,437.28	9,357.74	10,367.67
b	**Intangible Assets**										
	Trademarks	15.95	-	-	15.95	-	-	-	-	15.95	15.95
	Total	15.95	-	-	15.95	-	-	-	-	15.95	15.95
	Total	**14,404.49**	**244.94**	**838.46**	**13,810.97**	**4,020.87**	**574.61**	**158.20**	**4,437.28**	**9,373.69**	**10,383.62**
	Previous Year	12,695.01	1,753.21	(43.73)	14,404.49	3,534.68	508.02	(21.83)	4,020.87	10,383.62	

Notes :-

1) Buildings and Leasehold Land which were revalued are shown at " Book Value ".Other Fixed Assets appear at " COST "

2) Buildings include :
   a) Staff quarters of the value of Rs.259200 purchased by the Company from Gujarat Industrial Development Corporation under hire - purchase scheme for which title documents in favour of the Company are yet to be executed.
   b) Documents for godown premises purchased during the earlier year for a value of Rs. 6800758 have been lodged for registration with concerned authorities - since received

3) Execution of conveyance and other documents in respect of Office Premises purchased for Rs.9100000 in an earlier year are yet pending.
   The relevant expenses pertaining to the same will be accounted in the year of execution.Amount not ascertainable

4) Documents for Registration of Trade Marks of the value of Rs.27200 acquired in an earlier year have been submitted to concerned authorities for registering in Company's name

5) Execution of conveyance and other documents in respect of Training Centre premises at Goregaon purchased for Rs.10635000 in earlier year are yet pending. The relevant expenses pertaining to the same will be accounted in the year of execution.Amount not ascertainable

NOTE NO. 2.10

(Rs. in Lacs)

Non Current Investments	As At 31st March, 2013	As At 31st March, 2012
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 500000) held as quota capital in "HID-PUL KFT", Hungary a wholly owned Overseas limited liability Company .	1.13	1.13
v) 3744 (Previous year Nil), Equity Shares of Rs. 100 each fully paid up of Long Island Nutritionals Pvt. Ltd.	15.60	-
Total	704.93	689.33
B) OTHER THAN TRADE :		
a) IN GOVT.SECURITIES		
(i) 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
(ii) 5 1/2 yrs Kisan Vikas Patra (including Rs 0.10 lacs deposited as security with Sales tax Authorities at Daman.)	0.15	0.15
b) 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 1.10 lacs, previous year Rs 1.19 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 12.20 lacs, previous year Rs 14.29 lacs)	1.53	1.53
(iii) 3369605 (P.Y. 440903) shares of Rs 5/- each of Gujarat Themis Biosyn Ltd. fully paid up (Market Value Rs 269.23 lacs, previous year Rs 28.48 lacs)	336.96	44.09
Total	339.05	46.18
Total	**1,046.28**	**737.81**
NOTE : AGGREGATE VALUE OF QUOTED INVESTMENTS	339.05	46.18
AGGREGATE VALUE OF UNQUOTED INVESTMENTS	707.23	691.63

NOTE NO. 2.11

(Rs. in Lacs)

Long Term Loans and Advances unsecured, considered good.	As At 31st March, 2013		As At 31st March, 2012	
a. Capital Advances		-		36.96
b. Security Deposits		238.15		238.90
c. Other loans and advances				
Advance Tax and Tax deducted at source	231.29		127.09	
Mat Credit Entitlement	303.08		303.08	
		534.37		430.17
Total		**772.52**		**706.03**

NOTE NO. 2.12

Other Non Current Assets	As At 31st March, 2013	As At 31st March, 2012
Other Bank Balances :		
a. Deposit for more than 12 months Maturity	27.00	18.94
b. In Deposit accounts towards Share application money	0.33	0.33
Total	**27.33**	**19.27**

NOTE NO. 2.13

Inventories	As At 31st March, 2013		As At 31st March, 2012	
(at cost or net realisable value, whichever is lower)				
a) Raw Materials and components	1,440.82		1,464.26	
Goods-in transit	-	1,440.82	126.43	1,590.69
b) Work-in-progress		1,314.30		1,124.76
c) Finished goods		1,362.13		604.05
d) Stores and spares		31.85		24.36
e) Packing Material and Power and Fuel		605.47		517.39
Total		**4,754.57**		**3,861.25**

NOTE NO. 2.14

(Rs. in Lacs)

Trade Receivables	As At 31st March, 2013	As At 31st March, 2012
Trade receivables outstanding for a period less than six months from the date they are due for payment unsecured, considered good	2,154.09	3,576.82
Trade receivables outstanding for a period exceeding six months from the date they are due for payment unsecured, considered good	483.46	734.73
Total	**2,637.55**	**4,311.55**

Trade Receivable stated above include debts due by:

Particulars	As At 31st March, 2013	As At 31st March, 2012
Private Companies in which directors are member	729.62	1,269.83
Total	**729.62**	**1,269.83**

NOTE NO. 2.15

Cash and Bank balances	As At 31st March, 2013		As At 31st March, 2012	
a) Cash and Cash Equivalents				
(i) Cash on Hand	5.40		8.31	
(ii) Balances with banks in current accounts	402.59		317.63	
		407.99		325.94
b) Other Bank Balances				
(i) Margin Money	134.02		186.97	
(ii) Guarantees	28.28		23.74	
		162.30		210.71
Total		**570.29**		**536.65**

NOTE NO. 2.16

(Rs. in Lacs)

Short-term loans and advances, unsecured, considered good	As At 31st March, 2013	As At 31st March, 2012
a) Advance to Suppliers	1,234.20	1,223.11
b) Staff Advance and Imprest Cash	33.47	28.24
c) Interest Receivable	12.36	12.36
d) Prepaid Expenses	68.66	28.18
e) Dues from Government Authorities	180.54	155.43
f) Balance with Central Excise	693.09	1,091.71
g) Insurance claim	60.10	60.10
h) Advance to wholly owned Subsidiary Co.	6.36	6.45
i) Others	15.26	6.11
Total	**2,304.04**	**2,611.69**

NOTE NO. 3.1

(Rs. in Lacs)

Revenue From Operations	Year ended 31st March, 2013	Year ended 31st March, 2012
(a) sale of products;	14,544.99	13,774.67
(b) other operating revenues;	432.36	316.12
	14,977.35	14,090.79
Less:		
(c) Excise duty.	151.69	288.99
Total	**14,825.66**	**13,801.80**

NOTE NO. 3.2

Other Income	Year ended 31st March, 2013	Year ended 31st March, 2012
(a) Interest Income	43.13	10.91
(b) Dividend Income	75.81	75.95
(c) Other non-operating income	204.96	130.96
Total	**323.90**	**217.82**

NOTE NO. 3.3

(Rs. in Lacs)

Cost of Material Consumed	Year ended 31st March, 2013	Year ended 31st March, 2012
a) Raw Materials		
Inventory at the beginning of the year	1,464.26	1,099.04
Add: Purchases	7,164.86	8,163.25
	8,629.12	9,262.29
Less: Inventory at the end of the year	1,440.82	1,464.26
Cost of raw material consumed	7,188.30	7,798.02
b) Packing Material	624.06	508.17
Total	**7,812.36**	**8,306.20**

NOTE NO. 3.4

Details of changes in Inventory	Year ended 31st March, 2013	Year ended 31st March, 2012	Increase/ (Decrease)
Inventory at the end of the year :			
Work in Progress	1,314.30	1,124.76	189.53
Finished Goods	1,362.13	604.05	758.07
Total	2,676.43	1,728.82	947.61
Inventory at the beginning 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)**

NOTE NO. 3.5

(Rs. in Lacs)

Employee Benefits Expenses	Year ended 31st March, 2013	Year ended 31st March, 2012
(a) Salaries and incentives	2,179.29	1,893.44
(b) Contributions to Provident and other fund	144.22	132.96
(c) Gratuity fund contributions	42.00	42.00
(d) Staff welfare expenses	32.54	29.20
Total	**2,398.05**	**2,097.60**

Payments to the auditors	Year ended 31st March, 2013	Year ended 31st March, 2012
(a) As auditors - statutory audit	5.94	5.45
(b) For other services	2.12	1.29
(c) For reimbursement of expenses	0.88	0.33
Total	**8.94**	**7.07**

NOTE NO. 3.6

Finance Cost	Year ended 31st March, 2013	Year ended 31st March, 2012
(a) Interest expense	1,277.79	1,148.30
(b) Bank Charges	242.96	199.78
Total	**1,520.75**	**1,348.08**

NOTE NO. 3.7

(Rs. in Lacs)

Others Expenses	Year ended 31st March, 2013	Year ended 31st March, 2012
a) Consumption of Stores and Spares	93.30	91.79
b) Power and Fuel	1,003.19	1,027.47
c) Processing charges	373.28	529.93
d) Rent	26.78	26.80
e) Repairs to Buildings	11.28	6.88
f) Repairs to Machinery	30.96	34.48
g) Repairs to Others	46.89	64.77
h) Insurance	94.51	118.51
i) Rates and Taxes, excluding taxes on income	65.28	23.10
j) Travelling and conveyance	658.32	584.36
k) Freight and Forwardings charges	337.06	305.05
l) Legal and Professional Charges	279.09	215.04
m) Exchange Difference	109.16	188.81
n) Commission	204.82	162.26
o) Advertisement and Sale Prom	222.75	121.60
p) Miscellaneous Expenses	639.33	637.06
Total	**4,196.00**	**4,137.91**

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, 2013	As At 31st March, 2012
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 & Fertlizers,Govt. of India .The Company has already complied with the directions of the H'norable Court. In respect of Liability for Bulk Drug Ethambutol, the H'norable 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	180.76	205.64
	(c) Other money for which the company is contingently liable		
	(i) In respect of Letter of Credit	206.74	26.38
	(ii) Disputed Income Tax and Sales Tax as matters are in appeal	24.29	61.58
	(iii) Customs duty payable on raw materials imported under duty exemption scheme in case o f non-fulfillment of export obligation.	166.56	231.81
	Total (I)	**912.56**	**859.61**
2	**Commitments**		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
	(b) Uncalled liability on shares and other investments partly paid	-	-
	(c) Other commitments (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.	44.37	22.25
	(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.	1.71	2.98
	Total (II)	**46.08**	**25.23**
	Total (I + II)	**958.63**	**884.84**

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

3 The Company has given a Corporate Guarantee for Rs. 250 lacs on behalf of Long Island Nutritionals Pvt. Ltd. - an associate company to Bank of Maharashtra to secure various loan granted to the said company.

(Rs. in Lacs)

		31/03/2013	31/03/2012
4	A) CIF value of imports :		
	i) Raw materials (other than in transit)	2,572.60	3,547.43
	ii) For Machinery/Equipment	-	-
	B) Expenditure in Foreign currency in respect of :		
	i) Travelling expenses	64.85	62.01
	ii) Interest & Bank charges	21.72	6.82
	iii) Commission	22.78	52.96
	iv) Sales Promotion Expenses, product Registration & Subscription	8.25	29.76
	v) Others	11.00	10.17
	C) Dividend to Non Resident share holders		
	No. of Share Holders	NIL	28
	No. of Shares	NIL	1081000
	Gross Amount of Dividend (Rs. In Lacs)	NIL	32.43
	D) Earnings in Foreign Currency :		
	Export of Goods calculated on FOB Basis (Rs. In Lacs)	5,840.63	6,641.30

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

E) Raw material consumed :

PARTICULARS	2012-13 (Rs. in lacs)	2011-12 (Rs. in lacs)
1. Drug intermediates	5,140.89	6035.03
2. Bulk drug	1,424.61	811.53
3. Solvents	537.01	859.75
4. Others	85.79	91.72
TOTAL	7,188.30	7798.03

F) Value of imported and indigenous raw materials consumed

	2012-13		2011-12	
	%	(Rs. in lacs)	%	(Rs. in lacs)
Imported	36	2,572.60	40	3,146.56
Indigenous	64	4,615.70	60	4,651.46
TOTAL	100.00	7,188.30	100.00	7,798.02

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

	2012-13		2011-12	
	%	(Rs. in lacs)	%	(Rs. in lacs)
Imported	NIL	-	NIL	NIL
Indigenous	100	93.30	100	91.79
TOTAL	100	93.30	100	91.79

5 Revenue expenditure on Research & Development incurred & Charged out during the year through the natural heads of expenses amount to Rs.202.04 Lacs (Previous year Rs.201.64 Lacs) Capital expenditure incurred during the year thereof amounts to nil, has been included in Fixed Assets. (Previous year Rs. 1.99 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. 178.15 lacs (Previous year Rs.153.23 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. Long Island Nutritionals 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. Jayashree D. Patel Mrs. Meena A. Patel Mrs Hemlata B.Patel Mrs Margi R Choksy Mrs. Reena S. 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 Oustanding	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sales:								
Sale of Finished goods	1,935.73	765.71					729.62	1,269.83
Income:								
Dividend	75.46	75.46						
Purchase :								
Purchase of Goods	410.65	415.60						
Expenses:								
Electricity	3.02	1.76						
Telephone	0.12	0.07						
Freight/Others	5.73	9.02						
Remuneration			93.36	118.58	17.14	17.14		
Fixed deposit interest			41.68	31.16	47.18	34.70		
Consultancy Fees			-	-	29.40	26.71		
Others:								
Dividend paid			-	-	-	-		
Investment in shares of Associate Company	15.60	-	-	-	-	-	15.60	-
subsidiary companies							1.13	1.13
Investment in Joint Venture Co.							686.00	686.00
Fixed deposit			(67.25)	140.00	(52.00)	142.00	729.35	848.60

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.39.06 lacs (Cr) is recognized in Profit & Loss Account during the current year (Previous year Rs.16.57 lacs Cr.); comprising Rs 6.30 lacs (Cr) towards Current Years leave encashment (Previous Year Asset Rs.1.53 lacs (Cr)), Rs.20.16 lacs (Cr.) towards Bonus (Previous Year Rs 4.08 lacs (Cr) and Rs 12.60 lacs (Cr.) towards provision of Gratuity (Previous Year assets Rs. 7.38 lacs (Cr).

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	2012-2013	2011-2012
The principal amount remaining unpaid as at the end of the year	50.01	121.51
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)

		2012-2013	2011-2012
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	(812.62)	(3,467.40)
c)	Basic and Diluted Earnings Per Share (Rs.)	(10.09)	(43.07)
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)

	2012-13	2011-12
A Assets		
1 Non Current Assets		
a) Fixed assets		
i) Tangible Assets	3,026.82	2,989.37
ii) Intangible Assets	1.61	2.43
iii) Capital Work - in Progress	50.36	18.78
b) Non-current Investments	0.03	0.03
c) Long-term loans and advances	295.96	247.51
d) Other non current assets	27.62	25.27
2 Current Assets		
a) Inventories	716.06	861.77
b) Trade Receivables	603.79	501.12
c) Cash and Bank Balances	623.60	125.63
d) Short Term Loans and advances	155.60	128.97
B Liabilities		
1 Non-current liabilities		
a) Long-term borrowings	3,156.63	2,948.02
b) Deferred tax liabilities (Net)	246.12	202.73
c) Long Term Provisions	30.99	29.73
2 Current Liabilities		
a) Trade Payables	196.03	163.24
b) Other current liabilities	71.60	54.42
c) Short-term provisions	190.49	140.82
C Income :		
a) Revenue from operations	2,523.97	1,969.80
b) Other Income	13.06	76.33
D Expenditure		
a) Cost of materials consumed	669.37	611.93
b) Changes in inventories of finished goods and work in progress	184.45	(96.63)
c) Employee benefit expenses	329.30	272.03
d) Finance cost	7.00	6.68
e) Depreciation	287.07	258.92
f) Other expenses	614.34	621.17
g) Provision for taxation	110.12	151.71

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

13 Employees Benefit:

A) 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 2012-13	Gratuity 2011-12
I Change in Benefit Obligation		
Liability at the beginning of the year	204.58	217.67
Interest Cost	15.65	16.59
Current Service Cost	17.61	17.58
Benefit Paid	(17.82)	(20.74)
Acturial (gain)/Loss on obligations	(76.14)	(26.52)
Liability at the end of the year	143.89	204.58
II Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	164.24	178.72
Adjustments	50.63	-
Expected Return on Plan Assets	18.16	13.47
Contributions / Transfers	42.00	-
Benefit Paid	(17.82)	(20.74)
Acturial Gain/(Loss) on Plan Assets	(10.06)	(7.21)
Fair Value of Plan Assets at the end of the year	247.15	164.24
III Amount Recognised in the Balance Sheet		
Liability at the end of the year	143.89	204.58
Fair Value of Plan Assets at the end of the year	247.15	164.24
Difference	(103.26)	40.34
Amount Recognised in the Balance Sheet	(103.26)	40.34
IV Expenses Recognised in the Income Statement		
Current Service Cost	17.61	17.58
Interest Cost	15.65	16.59
Expected Return on Plan Assets	(18.16)	(13.47)
Net Acturial (gain)/loss to be recognised	(66.08)	(19.31)
Expense Recognised in Profit & Loss Account	(50.97)	1.39
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	8.13%	7.85%
Corporate Bonds	53.63%	75.82%
Special Deposit Schemes	25.17%	14.42%
Others- Banks	13.06%	1.91%

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

VII Five year information :

Amount for the current and previous four periods as per AS 15 para 120(n) are as follows :

Gratuity :	2013	2012	2011	2010	2009
Present Value of Defined Benefit obligation	143.89	204.58	217.67	237.67	179.11
Fair Value of Plan Assets	247.15	164.24	152.97	170.29	149.99
(Surplus) / Defecit in Plan	(103.26)	40.34	64.70	67.38	29.12
Experience adjustments on :					
Plan liabilities (Gain) / Loss	(76.14)	(26.52)	(16.72)	40.65	(6.27)
Plan assets Gain /(Loss)	(10.06)	7.21	6.35	8.88	4.76

B) Remuneration and Compensation Committee granted 1,33,000 Options to 34 employees and 4 Directors on 31st July 2012 at Rs. 77.85 per option/share at the prevailing market price at the time of grant. As the grant of Options was done at market rate, the intrinsic value of this grant is NIL and therefore, there is no charge of Employee Compensation cost.

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 Loses 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 inrespect 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 rent paid by the Company are debited to the statement of Profit and Loss account under "Rent" in Note No. 3.7 of "Other Expenses".

iii) The future minimum lease payments under non-cancellable operating Lease NIL

16 Previous year's firgures have been regrouped / rearranged wherever necessary to conform to current year's presentation.

As per our attached report of even date

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

MADHU T. ANKLESHWARIA
PROPRIETOR
MEMBERSHIP NO : 30128
PLACE : MUMBAI
DATE : 15 / 05 /2013

PRAKASH D. NARINGREKAR
COMPANY SECRETARY & CFO

For and on behalf of the Board

(Mr. H. N. SINOR)
CHAIRMAN

(Dr. DINESH PATEL)
MANAGING DIRECTOR & CEO

NOTES

NOTES

THEMIS MEDICARE LIMITED

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

FOURTY THIRD ANNUAL GENERAL MEETING FRIDAY, 30th AUGUST, 2013, 10.30. a.m.	PLEASE HAND OVER THIS ADMISSION SLIP AT THE ENTRANCE OF THE MEETING HALL	
	FOLIO NO.	HOLDING
	MEMBER	PROXY
VENUE : **THEMIS MEDICARE LIMITED** PLOT NO. 69-A, GIDC INDL.ESTATE, VAPI- 396 195. DISTRICT – VALSAD GUJARAT, INDIA.	NAME OF THE PROXY (IN CAPITAL LETTERS)	

NOTES :

1. The meeting is for member of the Company only. Members are requested not to bring non members or children.
2. Copies of the Annual Report will not be distributed at the meeting. Members are requested to bring their own copies.

I hereby register my presence at the meeting.

Signature of the Member/ Proxy

THEMIS MEDICARE LIMITED

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

I/ WE _____ of

_____

In the district of _____ being a member/members of **THEMIS MEDICARE LIMITED** hereby appoint _____ of _____
or failing him _____of _____
as my / our proxy to vote for me/us and on my/our behalf at the FOURTY THIRD ANNUAL GENERAL MEETING of the Company to be held on FRIDAY, 30th AUGUST, 2013, 10.30. a.m and at any adjournment(s) thereof.
Signed this _____ day of _____ 2013.

PROXY FORM	
FOLIO NO.	HOLDING

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

Book - Post

QUALITY YOU CAN TRUST

If undelivered please return to

THEMIS
MEDICARE

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