

Quality you can
TRUST


THEMIS
M E D I C A R E

Annual Report 2008-09

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



Manufacturing Facilities



Board of Directors

Shri Hoshang Sinor
Chairman (w.e.f. 31st July, 2008)

Shri Shantibhai Patel
Chairman-Emeritus (w.e.f. 31st July, 2008)

Shri Erik Bogsch
Representative of Foreign Collaborator

Dr. Laszlo Kovacs
Representative of Foreign Collaborator

Mr. Lajos Kovacs
Representative of Foreign Collaborator

Shri Mahesh Bhatt
Director (Expired on 20th October, 2009)

Shri Humayun Dhanrajgir
Director

Shri Vijay Agarwal
Director

Shri Rajneesh Anand
Additional Director
(w.e.f. 3rd October, 2008)

Mrs. Jayshree Patel
Whole Time Director

Dr. Sachin Patel
Director - Business Development

Dr. Dinesh Patel
Managing Director & CEO

Executive Management Board

Dr. Dinesh S. Patel
PH.D. CChem., FRSC(Lond.)
Overall Management and
Research & Development

Dr. Shashikant P. Kurani
M.SC., PH.D., LL.M., D.PL.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.
Business Development

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

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

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

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

Plants

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

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

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

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

Branch Auditors
Ramanatham & Rao
(Chartered Accountants)

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

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

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Message from The Managing Director & CEO

Dear Fellow Shareholders,

Themis Medicare had delivered a good financial performance in the year ending March 2008! While we positioned the Company for sustained growth, unfortunately the worldwide economic turmoil during the year gave cause for concern.

- Our premium anti-malarial brands were hit because of poor stock-lifting by Government agencies and institutions, in view of paucity of funds. There was also poor material off-take!
- The production of one of our major API in the Anti-TB segment was affected by the increase in the price of intermediates. The focal cause being substantial increase in oil prices. This resulted in heavy cash losses.
- Aggressive competition from the Chinese caused us to reduce the prices of our 'Statins'. There was also a disruption in pick-up schedules by international buyers.
- Energy cost increased substantially creating an abnormal high in manufacturing costs.
- Financial costs increased because of various irregularities in receipt of payments from international buyers.
- Our business in Africa totally collapsed due to poor funding. Exports to this continent too had to be stopped because of huge over-dues.
- Operating costs spiraled quite high!

Notwithstanding these problems, we decided to augment our activities during the period by increasing our investment in research and development especially new formulations and new technologies, various cost-cutting programmes related to production as well as in the re-organization of our production activity. Our intention - sustain growth!

Various innovative formulations were launched in the first quarter of 2009-10. Many have been out-licensed to companies in India including a couple of multinationals.

Our investment in new technologies has spun-off a successful bio-conversion route for the production of a vital Statin. This is a global FIRST - which will add value in terms of global recognition vis-à-vis cost-effectiveness.

Re-organization of our production activity with a view to effectively put cost-cutting programmes in place caused us to establish an alliance with Gujarat Themis Biosyn Limited (GTBL) to produce 'Statins' and thereby de-centralized this activity. This strategy is expected to yield good results on a long term basis.

Domestic 'Formulation' business, though having been severely affected by the economic slump during the latter half of the year 2008-09, has come back on the recovery mode in the first 6 months of the current financial year viz., 2009-10 !

Our Formulation Plant in Uttaranchal underwent a series of Plant audits by various multinationals, large Indian companies and international agencies. Our 'Haemostatic-Anti-bacterial' range is enjoying a good international market presence especially in some countries of Europe, the Middle-East and the Far East. Our Company is taking all steps to enlarge the territory.

Richter Themis Medicare (I) Pvt. Ltd. (RTML) our second Joint Venture in India is cruising along well! RTML, having been set-up as an 'export-oriented unit', produces a number of the major intermediates for its parent company Gedeon Richter Ltd.

Without a doubt all our investments are paying off! I am also sure that the dedication and drive of all in our Company will make it possible for us to carry on un-daunted in the face of any challenge that lies ahead.

I highly appreciate and thank you for your continued support!

Sincerely,



Dr. Dinesh S. Patel
Managing Director & CEO

Notice to Members

NOTICE is hereby given that the 39th 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 Wednesday, 9th December, 2009 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 2009 and the Profit & Loss Account for the year ended 31st March 2009 and the Auditors' Report and Directors' Report thereon.
2. To appoint a Director in place of Shri Erik Bogsch who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Hoshang N. Sinor who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Lajos Kovacs who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.
6. To appoint Branch Auditors in respect of Hyderabad Division operations of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT Mr. Rajneesh Anand, who was appointed by the Board as an Additional director w.e.f 03.10.08 and who holds office upto the date of this Annual General Meeting of the Company in terms of section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under section 257 of the Act together with a deposit of Rs. 500/- in cash proposing his candidature for the office of the director of the Company, be and is hereby appointed as a regular director of the Company liable to retire by rotation.”

8. Appointment under Section 314 of the Companies Act, 1956:
To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modifications or re-enactment thereof, consent and approval of the Company be and is hereby accorded to Mrs. Reena S. Patel a relative of Shri Shantibhai D. Patel - Chairman (Emeritus) Dr. Sachin D. Patel - Director - Business Development, Mrs. Jayashree Patel - Whole-time Director and Dr. Dinesh S. Patel - Managing Director & CEO of the Company, to hold and continue to hold an office or place of profit as Vice President - Systems & Administration, of Themis Medicare Limited on a salary in the range of Rs.1 lac to 2 lacs per month plus allowances, benefits and perquisites as listed in the Agreement, the Company has entered into with her during the period 01/09/2009 to 31/08/2014.”

By order of the Board of Directors

MUMBAI : 30th October, 2009
Regd. Office : Plot no. 69-A, GIDC Industrial Estate,
Vapi-396 195, Dist. Valsad, (Gujarat)

Prakash D. Naringrekar
CFO & Company Secretary

Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxy to be effective must be deposited at the Registered Office of the Company not later than forty eight hours before the time appointed for holding of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 3-12-2009 to Wednesday, 9-12-2009 (both days inclusive).
4. Members are requested to notify immediately any change 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 2009-10 to the above Stock Exchanges.
7. The eligible members of the Company (except members whose shares are forfeited) are hereby informed that unclaimed interim dividend for the Company's accounting year 2001-2002 will be credited to the Central Government's Investors' Education and Protection Fund during the calendar year 2009. Hence, no claim, if any, will be entertained for unclaimed dividend thereafter.

By order of the Board of Directors

MUMBAI : 30th October, 2009
Regd. Office : Plot no. 69-A, GIDC Industrial Estate,
Vapi-396 195, Dist. Valsad, (Gujarat)

Prakash D. Naringrekar
CFO & Company Secretary

Explanatory Statement As Required Under Section 173(2) Of The Companies Act, 1956

Pursuant to the section 173(2) of the Companies Act, 1956, the following explanatory statement sets out the material facts relating to business mentioned in the accompanying Notice dated 30th October, 2009

Item No. 7:

The Board of Directors of the Company at their meeting held on 3rd October, 2008 appointed Mr Rajneesh Anand as Additional Director of the Company. As per the provisions of section 260 of the Companies Act, 1956 he holds office up to the date of this Annual General Meeting of the Company and is eligible for appointment as a Director of the Company.

Prior to his appointment as an Additional director he was an Alternate director to Mr. Erik Bogsch w.e.f. 27th April, 2007.

The Company has received notice under section 257 of the Act alongwith the requisite deposit, from a member proposing candidature of Mr. Anand for the appointment as a Director of the Company.

Mr. Anand is B.E (Mech), MIE, DMS and is associated with our group for last more than two decades. He has expertise in the area of Production, Planning, Project implementation, Engineering, Finance, Administration etc. He is at present Managing Director of Gujarat Themis Biosyn Ltd and Alternate Director on the Board of Richter Themis Medicare (India) Pvt Ltd.

Details regarding Mr. Anand and his brief resume are given below:

Name of the Director	: Mr. Rajneesh Anand
Date of Birth	: 05.03.1954
Date of appointment	: 03.10.2008
Expertise in specific functional areas:	Over 33years of industrial experience in the area of Production, Planning, Project implementation, Engineering, Finance, Administration etc
Qualifications	: B.E (Mech) MIE, DMS
List of Companies (Excluding foreign & private Ltd. Companies) in which outside Directorship held as on 31 st March 2009.	Themis Medicare Ltd Gujarat Themis Biosyn Ltd- Managing Director Richter Themis Medicare (India) Pvt Ltd.- Alternate Director
Chairman / Member of the Committees of the Board of the Companies on which he is a director as on 31 st March 2009	: None

Except for Mr. Anand no any other director is concerned or interested in this resolution.

Item No. 8:

Mrs. Reena S. Patel is associated with the Company for almost 8 years and she is actively taking part in the development of Information Technology related aspects as well as Human Resources and administrative matters of the Company. With her active involvement, the Company has successfully completed implementation of ERP system in various factories and head office. She is also instrumental in initiating the process of setting up of the systems in the areas of Human Resource Management and administration activities of the Company. Mrs. Reena Patel is technically qualified in her field.

The appointment of and remuneration payable to Mrs. Reena S. Patel was earlier approved by Ministry of Company Affairs, Government of India u/s 314(1)(b) of Companies Act, 1956 for a period of 5 years ie. upto 31/08/2009.

Since Mrs. Reena Patel is a relative of Shri Shantibhai D. Patel, Dr. Dinesh S. Patel, Mrs. Jayshree D. Patel and Dr. Sachin D. Patel, directors of the Company, her appointment and remuneration payable will require prior approval of members and Central Government.

The Company will be applying for renewal of appointment and remuneration payable to her to the Central Government u/s 314(1) (b) of the Companies Act, 1956 upon passing of the resolution by the members of the Company.

Following is the extract of the terms of contract and remuneration payable to Mrs. Reena S. Patel:

1. She will be entitled to a salary in the range of Rs. 1 lac - 2 lacs per month.
2. She will be entitled to House Rent Allowance calculated @ 60% of her salary or if unfurnished accommodation is provided the same will be subject to the ceiling of 60% of salary over and above 10% payable by her. In case the accommodation is owned by the Company 10% of her salary shall be deducted.
3. She will be entitled to reimbursement of Gas, Electricity, Water and Furnishings as evaluated as per the Income Tax Act and shall be subject to a ceiling of 10% of her salary.
4. Medical Reimbursement for Mrs. Reena S. Patel and her family subject to the maximum of one month salary in a year or three months salary over a period of 3 years.
5. Leave Travel Concession for self and her family as per the rules of the Company.
6. Reimbursement of Club Fees : (Subject to a maximum of two clubs)
7. Personal Accident Insurance Premium (Not exceeding Rs. 4,000/- p.a.)
"Family means her spouse, dependant children and dependant parents"

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

1. Contribution to Provident Fund, Superannuation Fund or Annuity Fund, if any, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
2. Contribution to Gratuity Trust not exceeding half months salary for each completed year of service.
3. Provision of Car for use on Company's business.
4. Reimbursement of Telephone expenses.

Shri Shantibhai D. Patel, Dr. Dinesh S. Patel, Mrs. Jayshree D. Patel and Dr. Sachin D. Patel, being Directors of the Company as well as relatives of Mrs. Reena S. Patel be treated as concerned or interested in the aforesaid matter.

This may also be treated as disclosure of Director's interest as required to be made u/s 302 of the Companies Act, 1956.

The members are recommended to pass the above resolutions.

By order of the Board of Directors

MUMBAI : 30th October, 2009
Regd. Office : Plot no. 69-A, GIDC Industrial Estate,
Vapi-396 195, Dist. Valsad, (Gujarat)

Prakash D. Naringrekar
CFO & Company Secretary

Directors' Report

Your Directors have pleasure in presenting the Thirty Ninth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2009.

Financial Results

The results for the year ended 31st March, 2009 are summarized below:

	2008-09	2007-08
Profit / (Loss) before Depreciation and tax	(427.33)	1578.05
Less: Depreciation	509.98	407.74
Profit / (Loss) before Tax	(937.31)	1170.31
Less: Provision for Taxation		
Current Tax (MAT)	-	132.00
Fringe Benefit Tax	32.17	48.25
Deferred Tax	49.98	9.75
MAT Credit Entitlement	-	(132.00)
Profit / (Loss) after Tax	(1019.46)	1112.30
Add/ (Less): Net Adjustments in respect of earlier years.	(18.91)	(29.64)
Balance brought forward from previous year	209.52	62.32
Amount available for appropriation	(828.85)	1144.98
Less: Final Dividend	-	201.26
Less: Dividend Tax	-	34.20
Less: Transfer to General Reserve	-	700.00
Balance carried forward	(828.85)	209.52

Operations:

Sales / Income from operations at Rs. 20,603.65 Lakhs, decreased by 9.7% as compared to the previous year's sale of Rs. 22,817.98 Lakhs.

Your Company has recorded loss of Rs 1038.37 lakhs during the year after accounting for tax expenses and adjustment in respect of earlier years.

Year 2008-09 was witnessed by the world as a year of great recession. Our country and your Company was no exception to that.

To analyze the negative results for the year 2008-09, it can be concluded that the loss

was mainly attributable to lower turnover, increased input cost of materials, interest and depreciation. The loss was further compounded by INR becoming substantially weak against US \$ and Euro during most part of the year.

Your Directors are committed to take utmost care, so that, the trend is reversed for years to come, barring unforeseen circumstances.

Business Achievements / Developments

- The year 2008-09 was of consolidation of business and activities for your Company.
- Formulation trade and export businesses have been revamped during the year with efforts to control inventory, debtors and credit terms to the market. Your directors are confident to achieve substantial benefits out of these efforts in future.
- Co-marketing activity is gaining strong foot-hold and will be a substantial contributor to the turnover in near future.
- Efforts are being made as a on-going process to improve technologies so that costs are kept in control and your Company is trying to do this.

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 31.03.2009 :-

- The applicable accounting standards have been followed by the Company.
- The accounting policies adopted and applied consistently, in the opinion of the Directors are reasonable and prudent and gives true and fair view of the state of affairs of the Company at the end

- of the financial year and of the profit of the Company for the year under review.
- 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.

Details of Directors seeking re-appointment at the 39th Annual General Meeting pursuant to Clause 49 of the Listing Agreement.

Name of the Director	Shri Erik Bogisch	Mr. Lajos Kovacs	Shri Hoshang. N. Sinor
Date of Birth	31.10.1947	30.08.1960	05.12.1944
Date of appointment	15.09.2001	27.08.2004	28.07.2003
Expertise in specific functional areas	R & D Management & Manufacturing	R & D Management, Technical Operations & Manufacturing	Banking & Finance at Senior Management Level
Qualifications	Chemical Engineer	M.Sc in Chemical Engineering	B.Com, LLB
List of Companies (Excluding foreign and private Ltd. Companies) in which outside Directorship held as on 31st March 2009	-	Richter Themis Medicare (India) Pvt. Ltd.	3i Infotech Limited, 3i Infotech Holdings Pvt Ltd, ICICI Lombard General Insurance Co Ltd, ICICI Prudential Asset Management Co Ltd, ICICI Venture Funds Management Co Ltd, Tata Capital Ltd, Tata Motors Finance Ltd, Tata Investment Corporation, CRISIL Ltd, Themis Medicare Ltd JM Financial Asset Reconstruction Pvt Ltd, Zorastrian Co-operative Bank Ltd, Sahara India Financial Corporation Ltd, India Strategic Assets Funds Ltd, Guernsey, Cosmos Films Ltd.
Chairman / Member of the Committees of the Board of the Companies on which he is a director as on 31st March 2009	-	Member, Audit Committee of Richter Themis Medicare (India) Pvt Ltd.	Chairman-6 Member-7

Dividend:

In view of losses incurred during the year, your directors do not recommend dividend for the year under review.

Scheme Of Arrangement:

Your Company has proposed a Scheme of Arrangement with members under section 78, section 100 and section 391 of the Companies Act, 1956 for undertaking financial restructuring exercise.

The financial restructuring aims at adjusting certain specified assets of the Company such as writing off of Goodwill and Technologies from the books of accounts in view of Accounting Standards, inventory (impairment in the value), debts (considered doubtful of recovery), loans and advances (doubtful of recovery) and other fixed assets.

Your Company has a solid Reserves base as at the beginning of the year as well as the Board has revalued factory land of the Company situated at Vapi, Hyderabad and Haridwar which together is more than 89 Crores. A sum of Rs 26.11 Crores will be written off against above Reserves.

Your Company being listed on the Stock Exchanges has obtained No-objection Certificates as per Listing Agreement requirements for filing petition with the Hon'ble Gujarat High Court. The Hon'ble Gujarat High court has directed court convened meeting of the shareholders of the Company pursuant to the petition made for the Scheme.

Your Company has substantial Reserves position and the net worth of your Company will not materially affect after implementation of the aforesaid Scheme.

Amendment to Articles of Association of the Company:

Your Company proposes to amend Article 11 of the Articles of Association of the Company to change the word "SECURITIES" in place of the

word "SHARE" wherever the same appear in the Articles of Association to be in line with the wordings in the Companies Act, 1956. Further insertion of Article 11(2) is proposed to enable the Company to utilize Share (Securities) premium account in a manner other than specified in section 78 of Companies Act, 1956 and Article 11(1) of the Articles of Association.

The approval to the aforesaid amendment will be obtained at Extra-ordinary General Meeting of the shareholders of the Company being convened separately.

Subsidiary:

The disclosure on Themis Medicare Singapore Pte Ltd., a wholly owned subsidiary of the Company, as required u/s 212 of the Companies Act, 1956, is attached to this report.

Consolidated Accounts :

As per the requirements of Accounting Standard (AS21 & AS 27) consolidated accounts are prepared and submitted to you consisting of Overseas Subsidiary operations and 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, Shri Erik Bogisch, Shri Hoshang. N. Sinor and Mr Lajos Kovacs who retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Members are requested to appoint directors retiring by rotation.

Mr K. T. Lakdawala, Vice- Chairman resigned from the Board with effect from 4th October, 2008 due old age. Mr Lakdawala as a co-

founder of the Company served the Company for about five decades. The Board places on record its sincere appreciation for the yeomen services rendered by Mr Lakdawala during his association with the Company.

With effect from 03/10/2008, Shri Rajneesh Anand is appointed as an Additional Director to the Company. Mr Anand is associated with our group for last more than two decades. He has expertise in the area of Production, Planning, Project implementation, Engineering, Finance, Administration etc. He is at present Managing Director of Gujarat Themis Biosyn Ltd and Alternate Director on the Board of Richter Themis Medicare (India) Pvt Ltd.

Your Company has received notice under section 257(1) of the Companies Act, 1956 from a Member indicating his intention to propose Mr Anand as a regular director of the Company together with necessary deposit.

A brief resume of Mr Anand is given below:

Name of the Director:	Mr. Rajneesh Anand
Date of Birth:	05.03.1954
Date of appointment	03.10.2008
Expertise in specific functional areas:	Over 33years of industrial experience in the area of Production, Planning, Project implementation, Engineering, Finance, Administration etc
Qualifications:	B.E. (Mech), MIE, DMS
List of Companies (Excluding foreign and private Ltd. Companies) in which outside Directorship held as on 31 st March 2009:	Themis Medicare Ltd Gujarat Themis Biosyn Ltd- Managing Director Richter Themis Medicare (India) Pvt Ltd.- Alternate Director
Chairman / Member of the - Committees of the Board of the Companies on which he is a director as on 31 st March 2009:	—

Members are requested to appoint Mr Anand as regular director of the Company, liable to retire 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:

The Company has accepted Fixed Deposits during the year from shareholders. The Company does not have any unpaid deposits as at 31st March, 2009.

During the year your Company started accepting Public Deposits in terms of section 58A and Acceptance of Deposit Rules, 1975. The Company does not have any unpaid deposits as at 31st March, 2009.

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. Further, M/s. Ramanatham & Rao, Chartered Accountants, Branch Auditors for Artemis Biotech, a Division of the Company at Hyderabad retire 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/Branch Auditors.

LABOUR:

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

GENERAL:

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

PARTICULARS OF EMPLOYEES:

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

AUDITORS REMARKS:

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

ACKNOWLEDGMENTS:

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

For and on behalf of the Board of Directors

Place: Mumbai.

Dated: 31st July, 2009

H. N. Sinor
Chairman

Annexure I to Director's Report

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

Employed through out the year under review and were in receipt of remuneration in aggregate of not less than Rs.24,00,000/- per annum.

Sr. No.	Name of employee	Age (years)	Designation & Nature of duties	Remuneration Rs.	Qualification & Experience	Date of Commencement of employment
1	Dr. Dinesh S. Patel	60	Managing Director & CEO	65,52,000	Ph.D.CChem. FRSC (Lond) 33 years	01/10/1988
2	Dr. Sachin D. Patel	34	Director - Business Development	32,76,000	Ph.D.CChem. University of Cambridge(UK)	01/02/2001

Notes :

1. Remuneration received includes House Rent Allowance, reimbursement of Gas, Electricity, water and Furnishing, Medical reimbursement, Leave Travel concession, Club Fees, Personal Accident Insurance premium, perquisites and company's contribution to Provident Fund, but does not include Provision for Gratuity.
2. Nature of employment is contractual.
3. The above Directors are related to each other as well as to Chairman-Emeritus of the Company.

Annexure II to Director's Report

Conservation of Energy

FORM - A
(See Rule 2)

	Current Year 2008-09	Previous year 2007-08
A. Power and Fuel consumption		
1 Electricity		
a) Purchased Unit (KWH)	13617909	13119585
Total amount (Rs. Lakhs)	525.54	469.70
Rate/Unit (Rs.)	3.86	3.58
b) Own generation		
i) through diesel generator Unit (KWH)	638417	308060
Unit per litre of diesel	2.84	2.85
Cost / Unit (Rs.)	13.68	12.53
2 Coal		
Qty (Tons)	3204	3820
Total Cost (Lakhs)	110.04	92.22
Average rate	3435.05	2414.14
3 Furnace oil		
Quantity (K. Ltrs)	363.68	959.54
Total amount (Rs. Lakhs)	89.77	199.85
Average rate (Rs)	24683.63	20827.69
4 Other Internal Generation		
Steam Purchase (M.T.)	8950	-
Total Cost (lakhs)	149.59	-
Average Rate (Rs / M.T.)	1671.40	-

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, air-conditioning refrigeration, etc. which are common to all products. The Company is therefore not in a position to give the product wise information.

FORM - B

(DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION)

Research & Development (R&D)

1. Specific areas in which R & D carried out by the Company:
 - a) Development of new pharmaceutical formulations.
 - b) Development, evaluation and standardisation 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 Dexta Medica Ltd., Indonesia.
 - h) Registration of various new formulations and API in USA / Europe
3. Future plan of Action :

The existing activity levels to continue with emphasis on :

 - a) Development of new pharmaceutical formulations.
 - b) Clinical trials of new drugs
 - c) Production of bulk drugs right from basic stages.
 - d) Design and Development of novel delivery systems for imported drugs.
 - e) Study the bio-availability and effect of various bio-pharmaceuticals parameters on availability of drugs.
 - F) Early entry in USA market.
4. Expenditure on R & D :

a) Capital	Rs. 22.81 lacs
b) Recurring	Rs. 193.04 lacs
c) Total	Rs. 215.85 lacs

TECHNOLOGY, ABSORPTION, ADAPTION AND INNOVATION :

R & D in Themis Medicare Ltd. is a committed endeavour 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 recognised by the Department of Science and Technology, Government of India.

These centres are:

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

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, Regional Research Laboratories, Jammu, Institute of Microbial Technology, Chandigarh, Council of Scientific & Industrial Research Labs, S.P.C. Biokinetic Centre, Chottubhai Patel Research Institute, Mumbai, Indian Institute of Veterinary College, Bhabha Atomic Research Centre, Bombay College of Pharmacy, National Chemical Laboratories, Pune for development / upgrading process for basic drugs / drug intermediates, University Institute of Chemical Technology (UICET), Advance Centre for Treatment, Research & Education in Cancer, Mumbai (ACTREC), C. U. Shah College of Pharmacy, Santacruz, Indian Institute of Technology, Mumbai (IIT), KEM Hospital, Mumbai, Nayar Hospital- Mumbai, Sion Hospital- Mumbai, Pharmaceutical Education Research & Development Centre

Ahmedabad, (PERD), Post Graduate Institute for Medical Sciences- Chandigarh, Indian Institute of Science- Bangalore, Nirma University, Punjab University and Reliance Life Sciences. The Company has also collaborated with an Overseas University for technology transfer.

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

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

FOREIGN EXCHANGE EARNINGS / OUTGO

Our Foreign Exchange earnings through exports were to the tune of Rs. 7373.99 lacs. The Company's outgo of foreign exchange activities amounted to Rs. 5780.77 lacs. Particulars of Foreign Exchange earnings and the utilization during the year appears in Schedule XVII to the accounts.

Report on Corporate Governance

1. Company's philosophy on Code Of Governance

The Company has maintained high level of commitment towards effective Corporate Governance. The Company has over the years, apart from following the statutory requirements on Corporate Governance has initiated systems on transparency, disclosure, control, accountability, establishing trust with investors, employees, suppliers, customers and the medical profession at large. The Company is regularly guided by the professionals on the Board as well as the representatives of the foreign collaborators in evolving the culture to comply with the Code of Governance.

2. Board of Directors

- The Board of the Company has an optimum combination of Executive and Non-Executive Directors to maintain the independence of the Board. The Chairman of the Board is Non- Executive Promoter Director.
- The present strength of the Board is 12 Directors comprising of 4 Indian Promoter Directors of which 1 is Managing Director & 2 are Whole Time Directors. 3 Directors represent Foreign Collaborators, 1 director associated with our group for almost last 3 decades and 4 Indian Independent Professional Directors.
- Attendance of each Director at the Board of Directors' Meetings and at the last AGM, is as follows :

Name of the Director	Designation	Category	No. Of Board Meetings attended	Last AGM Attended	Number of Directorship in other Companies	Number of Committee positions held in other Companies	
						Chairman	Member
Shri Shantibhai D. Patel (w.e.f. 31st July 2008)	Chairman-Emeritus	Promoter/Non-Executive	3	No	NIL	NIL	NIL
Shri Hoshang N. Sinor (w.e.f. 31st July 2008)	Chairman	Independent/Non-Executive	7	Yes	11	4	9
Shri K. T. Lakdawala Resigned (w.e.f. 03.10.2008)	Director	Promoter/Non-Executive	1	No	NIL	NIL	NIL
Mr. Erik Bogsch	Director	Representing Promoter/Non-Executive	NIL	No	3	NIL	NIL
Dr. Laszlo Kovacs	Director	Representing Promoter/Non-Executive	NIL	No	3	NIL	NIL
Mr. Lajos Kovacs	Director	Representing Promoter/Non-Executive	NIL	No	1	NIL	1
Shri Mahesh Bhatt	Director	Independent/Non-Executive	6	Yes	NIL	NIL	NIL
Shri Humayun Dhanrajgir	Director	Independent/Non-Executive	6	No	7	2	4
Shri Vijay Agarwal	Director	Independent/Non-Executive	5	No	5	2	4
Shri Rajneesh Anand (w.e.f. 3rd October 2008)	Additional Director	Non-Executive	4	Yes	2	NIL	NIL
Mrs. Jayshree D. Patel	Whole Time Director	Promoter/Executive	4	Yes	5	NIL	NIL
Dr. Sachin D. Patel	Director Business Development	Promoter/Executive	4	Yes	3	NIL	1
Dr. Dinesh S. Patel	Managing Director & CEO	Promoter/Executive	6	Yes	5	1	NIL

- Dates of Board Meetings held during the F.Y. 2008-09

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

- 2nd May, 2008
- 18th June, 2008
- 31st July, 2008
- 3rd October, 2008
- 25th October, 2008
- 30th January, 2009
- 20th March, 2009

- Code of Conduct

The Board at it's meeting held on 20th March, 2009 has approved and adopted the Code of Conduct and compliance of the same has been affirmed by all the members of the Board and Senior Management Personnel, for the year under review. The code particularly is laid down for maintaining the standards of business conduct, ethics and protection of investors interest..

A copy of the code is available on the Company's website
www.themismedicare.com.

Dr. Dinesh S. Patel
Managing Director & CEO

- Risk Management
Risk Management is a practice with processes, methods and tools for managing risks. During the last year 2008-09, 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 Hoshang. N. Sinor	Chairman	4
Shri Humayun Dhanrajgir	Member	4
Shri Vijay Agarwal	Member	3
Dr. Dinesh S. Patel	Member	3

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 2008-09, 4 Meetings of the Audit Committee of the Company were held as follows :
- 18th June, 2008
- 31st July, 2008
- 25th October, 2008
- 30th January, 2009

4. REMUNERATION COMMITTEE

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

Name	Status
Shri Mahesh Bhatt	Chairman
Shri K. T. Lakdawala	Member
Shri H. N. Sinor	Member
Shri Prakash Naringrekar (Compliance Officer)	Secretary

During the financial year 2008-09, 1 Meeting of the Remuneration Committee of the Company was held.

- Remuneration to Non-Executive Directors
- The Non-Executives 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 2008-09 is as follows:

(Rs.)

Name of Director	Salary	Perquisites	Sitting Fees	Total
Shri Shantibhai D. Patel	NIL	NIL	NIL	NIL
Shri Hoshang N. Sinor	NIL	NIL	2,20,000/-	2,20,000/-
Shri K. T. Lakdawala	NIL	NIL	20,000/-	20,000/-
Mr Erik Bogisch	NIL	NIL	NIL	NIL
Dr. Laszlo Kovacs	NIL	NIL	NIL	NIL
Mr Lajos Kovacs	NIL	NIL	NIL	NIL
Shri Mahesh Bhatt	NIL	NIL	1,20,000/-	1,20,000/-
Shri Humayun Dhanrajgir	NIL	NIL	2,00,000/-	2,00,000/-
Mr. Rajneesh Anand	NIL	NIL	20,000/-	20,000/-
Shri Vijay Agarwal	NIL	NIL	1,80,000/-	1,80,000/-
Dr. Sachin D. Patel	28,80,000/-	3,96,000/-	NIL	32,76,000/-
Mrs. Jayshree D. Patel	19,20,000/-	2,64,000/-	NIL	21,84,000/-
Dr. Dinesh S. Patel	57,60,000/-	7,92,000/-	NIL	65,52,000/-

Note : Shri Vijay Agarwal is paid Rs. 1,50,000/- towards fees for rendering professional services during the year 2008-09.

- Shareholdings of Directors in the Company as on 31st March, 2009.

Name of Director	No. of Equity shares of Rs.10/- each held	% holding
Shri Shantibhai D. Patel	144200	1.79
Shri K. T. Lakdawala	331688	4.12
Mr. Erik Bogisch	NIL	NIL
Dr. Laszlo Kovacs	NIL	NIL
Mr. Lajos Kovacs	NIL	NIL
Shri Mahesh Bhatt	52	0.001
Shri Humayun Dhanrajgir	NIL	NIL
Shri Hoshang N. Sinor	2100	0.02
Shri Vijay Agarwal	NIL	NIL
Shri Rajneesh Anand	600	0.007
Dr. Sachin D. Patel	414488	5.15
Mrs. Jayshree D. Patel	494047	6.14
Dr. Dinesh S. Patel	505360	6.28
TOTAL	1890435	23.49

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. Shantibhai D. Patel	Chairman	3
Mr. Rajneesh Anand	Member	3
Mrs. Jayshree D. Patel	Member	3

The Committee has met three times during the financial year ended 31st March, 2009 i.e. on the 25th October, 2008, 30th January, 2008 and on 20th March, 2009.

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
31.03.2006	36th AGM	09.09.2006	11.00 a.m.	Plot No.69/A, GIDC Ind Estate, Vapi, Dist - Valsad, Gujarat - 396195
31.03.2007	37th AGM	22.09.2007	11.00 a.m.	- do -
31.03.2008	38th AGM	09.08.2008	10.00 a.m.	- do -

One Special Resolution u/s 81 (1A) of the Companies Act, 1956 was passed through Postal Ballot at the General Meeting held on 09.09.2006. Mr. Rajneesh Anand had conducted the Postal Ballot.

7. DISCLOSURE ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

Transactions with the related parties are disclosed in Note 14 of Schedule XVII 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.

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, The Economic Times (Mumbai-Gujarati & English), The Economic Times Gujarati (Ahmedabad), The Times of India (Surat), Free Press Journal, Mumbai, Navshakti, Mumbai, Gujarat Mitra, Surat. The above results are also regularly forwarded to the Bombay Stock Exchange, Mumbai and National Stock Exchange, Mumbai as per the Listing Agreement requirements with the above Stock Exchanges.

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

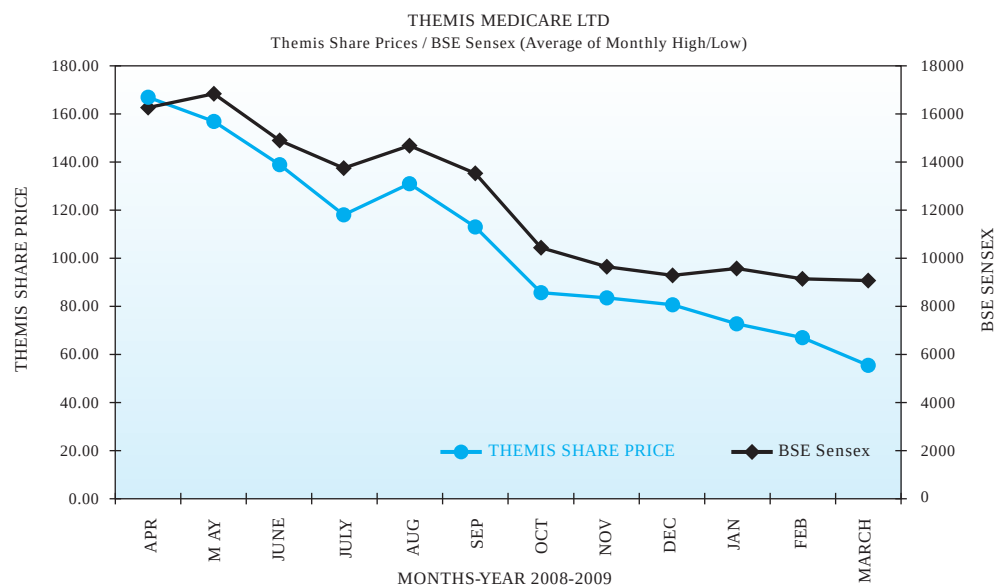
As per the requirements of Clause 51 of the listing agreement, all the data related to quarterly, half yearly and Annual Financial Results, Shareholding Pattern etc. is provided to the special website www.sebiedifar.com within the timeframe prescribed since the same is made applicable to the Company.

10. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting Date, Time & Venue	:	09th December, 2009 Plot no. 69A, G.I.D.C. Vapi-396 195, Dist. Valsad, Gujarat.
Financial Calendar (Tentative) Results for the Quarter ending (With Limited Review by the Statutory Auditors)	:	April to March
First Quarter Results	:	By end of July
Half yearly Results	:	By end of October
Third Quarter Results	:	By end of January
Audited Results for the year	:	By end of June
Dates of Book Closure / Record Date	:	3-12-2009 to 9-12-2009 (Both days inclusive)
Dividend Payment Date	:	Not Applicable
Dividend on Equity Shares	:	Nil
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 2009-10	:	The Company has paid listing fees to above Stock Exchanges.
Stock Code	:	530199
Bombay Stock Exchange, Mumbai	:	THEMISMED
National Stock Exchange, Mumbai	:	INE083B01016
DEMAT ISIN Number for NSDL & CDSL	:	
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 2008-09 is furnished below :

Stock price and BSE Sensex data								
Month	BSE Sensex	The Stock Exchange, Mumbai			National Stock Exchange of India Limited			
		High	Low	Monthly Volume		High	Low	Monthly Volume
		(In Nos.)				(In Nos.)		
April,08	16389.35	186.45	150.00	33033		214.90	146.25	26389
May,08	16965.86	172.50	144.10	24278		170.00	131.00	6004
June,08	15019.13	164.80	114.00	24493		160.00	121.15	6247
July,08	13822.06	130.00	106.40	29783		134.00	105.00	7045
August,08	14791.11	144.75	119.15	30371		151.20	115.10	15431
September,08	13630.28	133.90	93.25	60392		134.80	88.25	36127
October,08	10450.63	109.00	61.80	21861		107.90	62.50	6791
November,08	9630.90	97.35	70.00	196994		104.20	65.20	36561
December,08	9327.99	91.70	69.90	78114		93.25	70.00	33132
January,09	9550.66	81.45	63.90	34072		83.25	60.20	4889
February,09	9172.05	73.75	59.25	35950		71.50	55.25	8024
March,09	9087.13	61.00	49.00	74363		59.95	50.00	5803



Registrar & Share Transfer Agent :

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

- Share Transfer System

All the transfer 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, 2009			
	No. of Shareholders	% of Shareholders	Shares Held	% of Shareholders
Upto - 500	3911	89.38	484059	6.01
501 - 1000	201	4.59	163846	2.04
1001 - 2000	92	2.10	141904	1.76
2001 - 3000	32	0.73	82060	1.01
3001 - 4000	29	0.66	107500	1.34
4001 - 5000	21	0.48	95405	1.19
5001 - 10000	39	0.89	265728	3.30
10001 & Above	51	1.17	6709998	83.35
TOTAL	4376	100.00	8050500	100.00

- Shareholding Pattern as on 31st March, 2009

S.No	Category	No. of Shares	% of total no. of shares
1	Promoters Holding		
	- Indian Promoters (including relatives)	4501060	55.91
	- Foreign Promoters	1066000	13.24
2	Mutual Funds	639009	7.94
3	Banks, Financial Institutions, Insurance Companies (Central /State Govt. Institutions / Non-Government Institutions)	1000	0.01
4	FII's (Foreign Mutual Funds)	Nil	Nil
5	Bodies Corporate	213602	2.65
6	Indian Public		
	Individual shareholders holding nominal share capital upto Rs. 1 Lakh.	1134624	14.09
	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh.	400047	4.98
7	NRIs / OCBs	85703	1.06
8	Any other		
	Independent Directors & Relatives	5632	0.07
	Clearing Member	3823	0.05
	TOTAL	8050500	100.00

- Dematerialisation of Shares:
2752929 shares i.e. 34.20% of the paid-up capital has been dematerialized as on 31.03.2009.

Outstanding GDRs / ADRs /

Warrants or any convertible instruments conversion date and likely impact of equity : Not Applicable

Plant Locations	: Vapi Plant Plot no. 69A, G.I.D.C. Vapi - 396 195 Dist. Valsad, Gujarat. Hyderabad Plant Plot no. 1 & 5, Industrial Development Area, Jeedimetla, Hyderabad - 500 855. Haridwar Plant Sector 6-A, Plot no.16,17& 18, IIE, BHEL, Haridwar - 249 403
Address for Correspondence	: Secretarial Department, Themis Medicare Ltd. 11/12 Udyog Nagar, S. V. Road, Goregaon (West), Mumbai - 400 104. Tel No : 91-22-67607080 Fax No. 91-22-67607019
Contact person for Investors Complaints	: Mr. Prakash D. Naringrekar Company Secretary E-mail : prakash@themismedicare.com
Registrar & Share Transfer Agent	: Link Intime India Pvt Ltd. C-13,Pannalal Silk Mill Compound, L.B.S.Marg, Bhandup (West), Mumbai - 400 078. Tel : 91-22-2596 3838 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
31st July, 2009

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, 2009 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, 2009 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 and on behalf of
M. T. Ankleshwaria & Co.
Chartered Accountants

Madhu T. Ankleshwaria
Proprietor
Membership No :- 30128

Place: Mumbai
Date : 31/07/2009

Report of the Auditors to the Members

We have audited the attached Balance Sheet of THEMIS MEDICARE LIMITED as at 31st March, 2009, and the annexed Profit & Loss Account and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government in terms of Section-227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments referred to in paragraphs 1 and 2 above, we report that :-

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 ;

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 ;

The reports on the accounts of Hyderabad Unit audited by Branch Auditors, have been forwarded to us and have been appropriately dealt by us in preparing our audit report.

The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.

On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors as on 31st March, 2009 is disqualified from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Without qualifying our report we draw reference to:

(i) Note no. 22 in Schedule XVI of the financial statements relating to exercise of option by the Company to recognize gains and losses arising on fluctuation of foreign exchange rates on long term monetary items, to assets or to a reserve as detailed in the note, consequent to the amendment to Accounting Standard (AS 11) "The effects of changes in Foreign Exchange Rates", resulting in the losses for the year being lower by Rs. 345.16 Lacks and its consequential impact on the Reserves and Surplus and carrying cost of assets as detailed therein.

(ii) Note No. 27 in Schedule XVI of the Financial Statements relating to write offs of Debtors, Inventories, Loans and Advances and Intangible Assets aggregating to Rs. 2,610.73 lacs against Reconstruction Reserve Account as per the Scheme of Arrangement with the Shareholders which is subject to the approval of Honorable Gujarat High Court and Central Government.

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

In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements read together with notes there on:-

Note 19 Relating to Write Off of goodwill of Hyderabad Unit

Note 20 Relating to Depreciation of Technologies of Hyderabad Unit

and read together with the other notes thereon, give the information required by the Companies Act, 1956 in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
- (b) in the case of the Profit & Loss Account, of the Loss for the year ended on that date and
- (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place: Mumbai
Date : 31/07/2009

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

Madhu T. Ankleshwaria
Proprietor
Membership No :- 30128

Annexure to Auditors' Report

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF THEMIS MEDICARE LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009.

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

- i. a) The Company has generally maintained proper records showing particulars including quantitative details and situation of its fixed assets, however these records are to be updated;
- b) As explained to us, fixed assets according to the practice of the Company are physically verified by the management except Office Equipments and Furniture & Fixtures at reasonable intervals as per the phased verification programme, which in our opinion, is reasonable, looking to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification as compared to available records;
- c) The Company has not disposed off a substantial part of its fixed assets so as to affect its going concern;
- ii a) As explained to us, inventories have been physically verified during the year by the management, the stocks of finished goods (including goods traded in), stores, spare parts, packing materials and raw materials have been physically verified at reasonable intervals by the management, except in cases of stocks in transit and stocks lying with some outside parties, which have, however, been confirmed by them;
- b) The procedure explained to us , which are followed by the management for physical verification of inventories, are in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business;
- c) On the basis of our examination of the inventory records of the Company, we are of the opinion that, the Company is maintaining proper records of its inventory. Discrepancies which were noticed on physical verification of inventory as compared to book records, have been properly dealt with in the books of account;
- iii a) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to Companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 except for interest free advance granted to wholly owned overseas subsidiary amounting to Rs. 5.41 Lacs, (Maximum amount Rs. 5.41 Lacs) without any stipulation for repayment;
- b) In our opinion, the terms and conditions of such advance given by the company are prima facie not prejudicial to the interest of the Company;
- c) The company has taken from 17 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 559.80 lacs and Rs. 559.80 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 2028.80 lacs and Rs.2028.80 lacs respectively;
- d) In our opinion, the rate of interest where applicable and other terms and conditions of such loans are prima facie not prejudicial to the interest of the Company;
- e) In respect of the aforesaid loans, the Company is regular in repaying the principal amount as stipulated and also regular in payment of interest where applicable;

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

The particulars of dues of Sales Tax and Income Tax as at 31st March, 2009 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	19.31	Various Demands for 1984-85 to 1994-95	Various Appellate Stages in Sales Tax Dept.
Income Tax Act, 1961	Assessment Dues (Hyderabad)	27.98	A. Y. 2002-03	CIT Appeals
Income Tax Act, 1961	Assessment Dues (Vapi)	7.84	A. Y. 2001-02	High Court of Gujarat-Ahmedabad
Income Tax Act, 1961	Assessment Dues (Vapi)	141.29	A. Y. 2004-05 TO 2009-10	CIT Appeals

- x. The Company has accumulated losses, as at the end of the year, which are not more than 50% of its net worth as on 31.03.2009. The Company has incurred cash losses in the current year. No cash losses were incurred in the immediately preceding financial year.
- xi. On the basis of the records examined by us and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks as at the balance sheet date;
- xii. As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities;
- xiii. As informed to us the provision of any special statute applicable to chitfund/ niddhi/mutual benefit fund/societies are not applicable to the Company;
- xiv. In our opinion the Company is not dealing or trading in shares, securities, debentures and other investments;
- xv. According to the information and explanations given to us and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution;
- xvi. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained;
- xvii. According to the information and explanations given to us and on an overall examination of financial statements of the Company and after placing reliance on the reasonable assumption made by the Company for classification of long term and short term usage of funds, we are of the opinion that, the funds raised on short term basis have not been used for long term investment;
- xviii. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956;
- xix. The Company has not issued any debentures during the year;
- xx. The Company has not raised any money by public issue, during the year;
- xxi. During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

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

Madhu T. Ankleshwaria
Proprietor
Membership No :- 30128

Place: Mumbai
Date : 31/07/2009

Balance Sheet As at March 31st, 2009

Rupees in Lacs

	Schedule		March 31, 2009	March 31, 2008
SOURCES OF FUNDS				
Shareholders' Funds				
a) Share Capital	I	805.05		805.05
b) Reserves and Surplus	II	<u>8,099.54</u>	8,904.59	<u>6,744.30</u>
				7,549.35
Loan Funds				
a) Secured Loans	III	6,034.02		6,032.15
b) Unsecured Loans	IV	<u>2,892.16</u>	8,926.18	<u>1,998.80</u>
				8,030.95
Deferred Tax Liability		366.81		327.92
Deferred Tax Asset		<u>24.54</u>		<u>19.72</u>
Deferred Tax Liability (Net)	V		342.27	308.20
TOTAL			18,173.04	15,888.50
APPLICATION OF FUNDS				
Fixed Assets	VI			
a) Gross block		13,047.13		9,396.88
b) Less : Depreciation		<u>2,917.21</u>		<u>2,415.98</u>
c) Net block		10,129.92		6,980.90
d) Capital work in progress		<u>199.23</u>	10,329.15	<u>534.31</u>
			769.35	7,515.21
Investments	VII			831.46
Current Assets Loans and Advances	VIII			
a) Interest Accrued on Investments		0.82		6.66
b) Inventories		4,676.68		3,869.91
c) Sundry Debtors		5,906.04		6,823.57
d) Cash and Bank balances		1,227.72		1,569.51
e) Loans and Advances		<u>1,944.47</u>		<u>2,044.86</u>
		<u>13,755.73</u>		<u>14,314.51</u>
Less: Current Liabilities and Provisions	IX			
a) Current Liabilities		6,546.42		6,351.48
b) Provisions		<u>134.77</u>		<u>421.20</u>
		<u>6,681.19</u>		<u>6,772.68</u>
NET CURRENT ASSETS			7,074.54	7,541.83
TOTAL			18,173.04	15,888.50
Notes forming part of the Accounts	XVI			

As per our report of even date

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

Madhu T. Ankleshwaria
Proprietor
Membership No :- 30128

Place: Mumbai
Date : 31/07/2009

Prakash D. Naringrekar
CFO & Company Secretary

For and on behalf of the Board

H. N. Sinor
Chairman

Dr. Dinesh S. Patel
Managing Director & CEO

Profit and Loss Account for the year ended 31st March 2009

Rupees in Lacs

	Schedule		2008-09	2007-08
INCOME				
Sales/ Processing charges	X	20,603.65		22,817.98
Less : Excise duty		<u>613.90</u>		<u>922.09</u>
Net Sales			19,989.75	21,895.89
Other Income	XI		604.71	320.67
Increase\ (Decrease) in stocks	XII		1,428.29	231.62
TOTAL			22,022.75	22,448.18
EXPENDITURE				
Raw Materials consumed	XIII		12,117.13	11,835.89
Purchase of goods for resale			1,461.91	1,421.27
Manufacturing and other expenses	XIV		7,727.34	6,771.12
Interest and finance charges	XV		1,130.87	829.03
Depreciation		509.98		408.88
Less : Withdrawn from Revaluation Reserve		<u>-</u>		<u>1.14</u>
			509.98	407.74
Goodwill Written off			12.83	12.83
TOTAL			22,960.06	21,277.88
Profit before tax			(937.31)	1,170.30
Less : Provision for Taxation				
Current Tax			-	132.00
Fringe Benefit Tax			32.17	48.25
Deferred Tax			49.98	9.75
MAT Credit Entitlement			-	(132.00)
Profit after tax			(1,019.46)	1,112.30
Add/ (Less) :- Prior year adjustment (net)			18.91	(16.40)
Excess/ (Short) Provision for Tax in respect of earlier years			-	(13.24)
Balance brought forward from previous year			209.52	62.32
Balance available for appropriation			(828.85)	1,144.98
Proposed Dividend			-	201.26
Tax on dividend			-	34.20
Transfer to General Reserve			-	700.00
Balance carried to Balance Sheet			(828.85)	209.52
Notes forming part of the Accounts	XVI			

As per our report of even date

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

Madhu T. Ankleshwaria
Proprietor
Membership No :- 30128

Place: Mumbai
Date : 31/07/2009

Prakash D. Naringrekar
CFO & Company Secretary

For and on behalf of the Board

H. N. Sinor
Chairman

Dr. Dinesh S. Patel
Managing Director & CEO

Cash Flow Statement for the Year Ended 31st March 2009

Rupees in Lacs

	Year Ended 31/03/2009	Year Ended 31/03/2008
A. Cash Flow from Operating Activities :		
Net Profit Before Tax & Interest & Extraordinary Items	(82.94)	1989.70
Adjustments for :		
Depreciation	509.98	408.88
Foreign Exchange (net)	240.89	(128.33)
Amount Amortised On Account Of Lease	1.04	1.24
Interest / Dividend	(200.46)	(73.10)
Surplus On Sale Of Land/assets	0.00	(0.32)
Operating Profit Before Working Capital Changes	468.51	2198.07
Adjustments For :		
Trade And Other Receivables	1023.76	(1878.89)
Inventories	(806.77)	(537.13)
Trade Payables	220.04	(239.93)
	437.03	(2655.95)
Cash Generated From Operations	905.54	(457.88)
Interest & Finance Charges	(1130.87)	(829.03)
Direct Taxes Paid	(110.34)	(188.11)
	(1241.21)	(1017.11)
Net Cash Flow From Operating Activities	(335.67)	(1475.02)
B. Cash Flow From Investing Activities :		
Purchase Of Fixed Assets	(928.47)	(1006.71)
Purchase Of Investments	(44.09)	-
Sale Of Investments	106.20	30.24
Interest Received	49.23	73.04
Dividend Received	151.23	0.06
Net Cash Used In Investing Activities	(665.90)	(903.37)
C. Cash Flow From Financing Activities :		
Proceeds From Long Term Borrowings(net)	(542.84)	(182.05)
Increase/(Decrease) In Finance Lease Liabilities	8.09	(2.33)
Dividend Paid	(201.26)	(161.01)
Tax On Dividend	(34.20)	(27.36)
Fixed Deposits	464.56	0.00
Ecb Loan	428.80	1165.20
Net Cash Used In Financing Activities	123.15	792.45
Net Increase(decrease) In Cash And Cash Equivalents	(878.42)	(1585.94)
Cash And Cash Equivalents As At The Beginning Of The Period	(2876.57)	(1290.63)
Cash And Cash Equivalents As At The Close Of The Period	(3754.99)	(2876.57)

1 Figures in brackets denote Cash Outflow.

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

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

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

Madhu T. Ankleshwaria
Proprietor
Membership No :- 30128

Place: Mumbai
Date : 31/07/2009

Prakash D. Naringrekar
CFO & Company Secretary

H. N. Sinor
Chairman

Dr. Dinesh S. Patel
Managing Director & CEO

Schedules I to XVI Annexed

to and forming part Of the Balance Sheet as at and
Profit and Loss Account for the Year Ended 31st March 2009

Rupees in Lacs

	March 31, 2009	March 31, 2008
SCHEDULE - I : SHARE CAPITAL		
Authorised :		
10000000 Equity Shares of Rs.10 each	1,000.00	1,000.00
Issued and Subscribed *:		
8050500 Equity Shares of Rs 10 each fully paid up (Previous year 8050500 shares)	805.05	805.05
TOTAL	805.05	805.05
* Includes :		
(i) 20000 Equity Shares of Rs.10 each allotted as fully paid up pursuant to a contract without payment being received in cash.		
(ii) 2686000 Equity Shares of Rs.10 each issued as fully paid up Bonus shares by way of capitalisation of Share Premium Account & General Reserve.		
(iii) Issue of 1282500 Equity Shares of Rs.10 each allotted pursuant to prospectus dated 3rd.Feb.1995.		
(iv) 3752000 Equity shares of Rs 10/- each fully paid up allotted to the existing members of amalgamated company by the Board of Directors at its meeting held on 4th August 2004 in view of the scheme of amalgamation of Artemis Biotech Ltd with the Company.		
SCHEDULE - II : RESERVES AND SURPLUS		
Capital Reserve		
As per last account	184.33	184.33
Revaluation Reserve		
As per last account	46.78	48.15
Added on revaluation during the year	<u>2447.70</u>	-
	2494.48	
Less : Transferred to Profit and Loss Account		
i) On account of Depreciation	-	1.14
ii) On account of write off of leasehold land	<u>-</u>	<u>0.23</u>
	2494.48	46.78
Share Premium Account		
As per last account	1,440.75	1,440.75
General Reserve		
As per last account	4,862.92	4,180.53
Add : For Deferred Tax Liability	-	15.91
Add : Transferred from Profit & Loss Account	-	700.00
Less : Adjustment on account of transitional provisions of Accounting Standard - 15 on Employee benefits(Refer Note -21)	-	(33.52)
Less : Adjustment on account of exercise of option on Amendment to Account Standard (AS-11)-" The effects of changes in foreign exchange rates"-See Note No.22	(61.00)	-
Add : Tax effect adjustment	<u>6.91</u>	-
	4,808.83	4,862.92
Surplus as per annexed Profit and Loss Account	<u>(828.85)</u>	<u>209.52</u>
Total	8,099.54	6,744.30

Rupees in Lacs

	March 31, 2009	March 31, 2008
SCHEDULE - III : SECURED LOANS		
A) From Banks		
i) Cash credits against hypothecation of raw materials stock in process finished goods packing materials book debts and Fixed Deposits	2,806.59	2,562.66
ii) Bills discounted against export bills	1,309.56	1,337.00
iii) Advance as Packing Credit for Export	135.34	163.24
iv) Secured Loan against F.D.R	68.72	239.61
v) Buyers Credit	<u>662.50</u>	<u>143.58</u>
	4,982.71	4,446.09
B) Term Loan from		
i) Bank of Baroda	192.40	273.14
ii) Industrial Development Bank of India	449.43	813.09
iii) Union Bank of India	<u>393.75</u>	<u>492.19</u>
Notes	1,035.58	1,578.42
a) The term loans are secured by an equitable mortgage created by deposit of title deeds of the Company's factory land and buildings situated at Vapi, Hyderabad, Haridwar and Baroda and hypothecation of Plant & Machinery both present and future.		
b) Long term loan due within one year Rs 587.94 lacs (Previous year Rs 557.50 lacs)		
C) From suppliers of vehicles secured against hypothecation of the vehicles acquired under hire purchase arrangement.	15.73	7.64
TOTAL	6,034.02	6,032.15
SCHEDULE - IV : UNSECURED LOANS		
A) Fixed Deposits :		
from Directors/Share Holders	559.80	398.80
from Public	303.56	-
B) Foreign Currency Loan :		
from a foreign Promoter	2,028.80	1,600.00
	2,892.16	1,998.80
SCHEDULE - V		
(A) Deferred Tax Assets		
Provision for unencashed Leave	20.44	14.59
Bonus	2.88	2.04
Provision for Gratuity	<u>1.22</u>	<u>3.09</u>
TOTAL	24.54	19.72
(B) Deferred Tax Liability		
For Depreciation	366.81	327.92
NET	342.27	308.20

SCHEDULE - VI : FIXED ASSETS

Rupees in Lacs

	Gross Block				Depreciation				Net Block		
	As at 01/04/08	Additions	Added on Revaluation	Deductions/ Amortisation	As at 31/03/09	As on 01/04/08	For the Year	Deduction/ adjustment	Upto 31/03/09	As at 31/03/09	As at 31/03/08
Goodwill	90.43			*12.83	77.61					77.61	90.43
Trade Marks	15.94				15.94					15.94	15.94
Freehold Land	89.58		1432.69		1522.27					1522.27	89.58
Leasehold Land	14.46		409.20		423.66					423.66	14.46
Leasehold Land HWD	91.05		605.81		696.86					696.86	91.05
Buildings	2236.77	27.14			2263.91	310.70	59.62		370.32	1893.59	1926.07
Plant & Machinery	5186.79	1107.63			6294.42	1309.56	336.90		1646.46	4647.96	3877.23
Furniture, fixtures &											
Office Equipments	629.41	53.81		0.82	682.40	268.57	54.85	0.13	323.29	359.11	360.84
Electrical Installation	340.64	12.26			352.90	73.43	16.38		89.81	263.10	267.21
Vehicles	179.79	31.49		16.14	195.14	87.33	17.44	8.63	96.14	98.99	92.46
Technologies	522.02				522.02	366.39	24.80		391.19	130.83	155.63
Total	9396.88	1232.34	2447.70	29.79	13047.13	2415.98	509.98	8.76	2917.21	10129.92	6980.90
Previous Year Total :	7952.46	1491.34	0.00	46.92	9396.88	2031.36	408.88	24.26	2415.98	6980.90	

* Represents amount written off against Goodwill

NOTES :

- 1) Land situated at Vapi, Haridwar and Hyderabad unit have been revalued during the year, after considering amortisation upto that date as per external valuer's Report on the governing principles of the current cost. This Valuation supersedes the previous valuation done.
- 2) Buildings and Leasehold Land which were revalued are shown at " Book Value ". Other Fixed Assets appear at " COST "
- 3) 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
- 4) 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
- 5) Documents for Registration of Trade Marks of the value of Rs.51000 acquired in an earlier year have been submitted to concerned authorities for registering in Company's name
- 6) Execution of conveyance and other documents in respect of Training Centre premises at Goregaon purchased for Rs.10635000 in earlier year are yet pending. The relevant expenses pertaining to the same will be accounted in the year of execution.Amount not ascertainable

Rupees in Lacs

	March 31, 2009	March 31, 2008
SCHEDULE - VII : INVESTMENTS (AT COST)		
LONG TERM INVESTMENTS-UNQUOTED		
A) Trade : In Shares of Companies		
i) 15000 (Previous Year 15000) Equity Shares of The Kapol Co.op.Bank Ltd. of Rs.10 each fully paid up	1.50	1.50
ii) 10000 (Previous Year 10000) Ordinary shares of Singapore Doller 1 each fully paid (In wholly Owned Overseas Company"Themis Medicare Singapore Pte. Ltd.")	2.77	2.77
iii) 600 (Previous Year 600) Equity Shares of Jeedimetia Effluent Treatment Ltd of Rs 100/- each fully paid up	0.60	0.60
iv) 6860000 (Previous Year 6860000) Equity shares of Richter Themis Medicare (India) Pvt. Ltd of Rs 10 each fully paid up.	<u>686.00</u>	<u>686.00</u>
	690.87	690.87
B) Other than Trade :		
i) In Govt. Securities		
a) National Savings Certificates [including Rs 0.84 lacs (Previous year Rs.0.84 lacs) deposited as security with various Government and Semi-Government departments.] (NSC worth Rs. 0.10 lacs is held in the name of a Director of the Company)	1.43	1.43
b) 5 1/2yrs Kisan Vikas Patra (including Rs 0.10 lacs deposited as security with Sales tax Authorities at Daman.)	0.15	0.15
ii) In Bonds		
a) 20(Previous year 20) 20 yrs Deep Discount Bonds of Sardar Sarovar Narmada Nigam Limited of Rs.3600 eachfully paid up	0.72	0.72
b) 300 (Previous year - 300) bonds of National Bank of Agriculture & Rural Development of Rs 10000/- each fully paid up	30.00	30.00
c) NIL (Previous year 350) 5.5% bonds of National Housing Bank of Rs 10000/- each fully paid up	-	35.00
d) NIL (Previous year 412) 5.5% bonds of Small Inustrial Development Bank of India of Rs 10000/- each fully paid up.	-	41.20
e) NIL (Previous year - 300) 5.5% bonds of National Highway Authority of India of Rs 10000/- each fully paid up.	<u>-</u>	<u>30.00</u>
	32.30	138.50
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 0.82 lacs, previous year Rs 0.71 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 5.05 lacs, previous year Rs 5.11 lacs)	1.53	1.53
iii) 440903 (Previous Year "NIL") shares of Rs.10 each of Gujarat Themis Biosyn Ltd. fully paid up (Market Value Rs.24.87 lacs)	44.09	-
TOTAL	769.35	831.46
Note : Aggregate Value Of Quoted Investments	46.18	2.09
Aggregate Value Of Unquoted Investments	723.17	829.37

Rupees in Lacs

		March 31, 2009	March 31, 2008
SCHEDULE - VIII : CURRENT ASSETS LOANS AND ADVANCES			
(A) Interest Accrued on Investments		0.82	6.66
(B) Inventories: (As takenvalued and certified by the Management) Stores Spares Fuel Packing materials etc. at cost.	357.22		291.16
Stock In Trade :			
Raw materials at cost	943.90		1,424.76
Stocks-in-process at cost	2,645.54		1,414.02
Finished goods at lower of cost or market value	573.39		376.62
'Materials-in-transit at cost	156.63		363.35
TOTAL		4,676.68	3,869.91
(C) Sundry Debtors (unsecured): Considered Good Debts outstanding for a period exceeding 6 months	1,571.70		927.54
Other debts	4,334.34		5,896.03
TOTAL		5,906.04	6,823.57
(D) Cash and Bank Balances			
Cash on hand	12.31		9.84
Balances with Scheduled Banks :			
In Current Accounts	569.13		360.95
In Margin Money Accounts	184.81		96.48
In Fixed Deposit Account	381.04		1,038.52
In Deposit Account towards Share Application Money	0.33		0.33
Funds in Transit	80.10		63.39
TOTAL		1,227.72	1,569.51
(E) Loans and Advances (Unsecured Good Unless Otherwise Specified) :			
Advance to wholly owned overseas subsidiary	5.41		2.95
Advances Recoverable in cash or in kind or for value to be received	538.14		568.46
Deposits	255.88		231.10
Balances with Central Excise Authorities	863.97		912.83
Insurance Claim Recievable	3.94		68.68
Advance taxes and tax deducted at source	145.13		128.84
MAT Credit Entitlement	132.00		132.00
		1,944.47	2,044.86
TOTAL		13,755.73	14,314.51

Rupees in Lacs

		March 31, 2009	March 31, 2008
SCHEDULE - IX : CURRENT LIABILITIES AND PROVISIONS			
(A) Current Liabilities			
Acceptances	660.45		1,232.66
Sundry Creditors			
- Dues to Micro and Small Scale Enterprises	-		-
- Dues to Other than Micro and Small Scale Enterprises	5,539.91		4,652.24
Interest accrued but not due on loans	2.38		63.64
Advances from customers	68.58		151.24
Deposits from dealers and suppliers	119.00		104.42
Unclaimed Dividend	9.26		7.43
Overdrawn bank balances as per books of account	<u>146.84</u>		<u>139.85</u>
TOTAL		6,546.42	6,351.48
(B) Provisions			
For Taxation	-		85.07
Proposed Dividend	-		201.26
Tax on Dividend	-		34.20
Provision for Leave encashment & Gratuity	<u>134.77</u>		<u>100.67</u>
		134.77	421.20
TOTAL		6,681.19	6,772.68

Rupees in Lacs

	2008-09	2007-08
SCHEDULE - X : SALES (NET OF RETURNS & CLAIMS)		
i) Formulations	4,608.46	6,442.74
ii) API's and Others	<u>15,995.19</u>	<u>16,375.24</u>
	20,603.65	22,817.98
TOTAL	20,603.65	22,817.98
SCHEDULE - XI : OTHER INCOME		
Interest (Gross Tax deducted at source Rs. 6.20 lacs, previous year Rs 13.05 lacs)	49.23	73.04
Exchange Difference	-	128.33
Rent	0.30	0.60
Duty Drawback	84.99	-
Miscellaneous receipts	15.34	36.17
Dividend received on investments	151.23	0.06
Credit balances appropriated	0.39	26.28
Excess provision written back(Net)	298.31	22.46
Insurance claim received	4.91	33.41
Surplus on sale of Assets(Net)	-	0.32
TOTAL	604.71	320.67
SCHEDULE - XII : INCREASE \ (DECREASE) IN STOCKS		
Opening stock :		
Stocks-in-process	1,414.02	602.34
Finished goods	<u>376.62</u>	<u>956.68</u>
	1,790.64	1,559.02
Less : Closing stock :		
Stocks-in-process	2,645.54	1,414.02
Finished goods	<u>573.39</u>	<u>376.62</u>
	3,218.93	1,790.64
TOTAL	1,428.29	231.62
SCHEDULE - XIII : RAW MATERIALS CONSUMED		
Opening Stock	1,424.76	1,204.87
Add : Purchases	<u>11,636.27</u>	<u>12,055.78</u>
	13,061.03	13,260.65
Less :- Closing stock	943.90	1,424.76
TOTAL	12,117.13	11,835.89

Rupees in Lacs

	2008-09	2007-08
SCHEDULE - XIV : MANUFACTURING AND OTHER EXPENSES		
Stores and spares consumed	183.99	157.24
Packing materials consumed	468.52	586.88
Processing charges	1,647.21	1,457.90
Power Fuel	991.45	841.11
Water Charges	39.86	29.68
Effluent Treatment Charges	66.75	91.24
Payments to and provision for employees :		
Salaries wages bonus etc.	1,456.78	1,233.26
Contribution to Provident and other funds.	92.07	84.87
Employees' welfare expenses	23.86	28.02
	1,572.71	1,346.15
Repairs and maintenance :		
Buildings	46.43	78.58
Plant and machinery	56.90	66.30
Others	35.22	24.40
	138.55	169.28
Printing and Stationery	42.82	44.47
Rent	32.01	21.07
Postage Telegram Telephone and Telex charges	108.80	88.04
Rates and Taxes	27.45	19.08
Insurance charges	96.86	94.67
Commission	200.97	162.12
Travelling and Conveyance	656.52	580.75
Technical Literature	8.75	3.16
Advertisement and Sales promotion expenses	186.43	203.84
Freight and Forwarding charges	338.52	331.69
Legal and Professional charges	125.97	109.78
Auditors' remuneration :		
Audit fees	4.70	4.35
Certification work	1.68	1.12
Other services	0.19	0.27
Out of pocket expenses	0.68	1.27
(Includes remuneration to Branch auditors Rs 1.20 lacs, previous year Rs 1.20 lacs)	7.25	7.01
Cost Auditors' remuneration	1.00	1.00
Motor car expenses	41.34	31.05
Directors' fees	7.60	7.20
Exchange Difference	301.64	-
Debit balances Receivables and Advances written-off	1.23	3.35
Bad Debts Written off	-	50.00
Miscellaneous expenses.	427.80	330.79
Loss on sale of Vehicles/Fixed Assets	3.81	-
Loss on sale of Investments	-	0.74
Donations	0.48	0.59
Amount amortised against leasehold land	1.04	1.47
Less : Withdrawn from Revaluation Reserve	-	0.23
	1.04	1.24
TOTAL	7,727.34	6,771.12

	Rupees in Lacs	
	2008-09	2007-08
SCHEDULE - XV : INTEREST AND FINANCE CHARGES		
On Fixed deposits	53.27	43.93
Others	1,077.60	785.10
TOTAL	1,130.87	829.03

Schedule - XVI

Notes Forming Part of the Accounts

	Rupees in Lacs	
	March 31, 2009	March 31, 2008
1 Contingent Liabilities not provided for:		
a) In respect of Letter of Credit.	2318.10	1368.85
b) Disputed Income Tax, Sales Tax, as matters are in appeal.	196.42	202.94
c) Bank Guarantee	263.88	160.34
d) Custom duty payable on raw materials imported under duty exemption scheme in case of non-fulfillment of export obligation.	299.01	245.06
e) Claims against the Company not acknowledged as debts.		
i) The Ministry of Chemicals & Fertilizers ,Government of India has raised demand under Drug Price Control Order,1979 for difference in actual price and price of respective bulk drug allowed while fixing the prices of certain life saving Formulations which are disputed by the Company. The Company has preferred Appeals before Hon'ble High Courts of Gujarat and Bombay in respect of Bulk Drug Rifampicin and Ethambutol respectively, for grant of ad interim stay. While allowing the stay, The Hon'ble High Court Gujarat directed the Company to deposit Principal Liability of Rs. 34.80 Lacs out of the total liability of Rs.126.08 Lacs as worked out by the Department of Chemicals & Fertilizers, Govt. of India .The Company has already complied with the directions of the 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
2 Liability on account of Custom duty on goods in bonded warehouse or in transit is,as per the Company's practice is charged to Profit & Loss Account only in the year in which the goods are cleared from the Custom. Such liability as at 31st March,2009 is estimated at Rs.21.40 Lacs (previous year Rs.32.44 Lacs) This accounting policy has no effect on the Profit for the year.	-	-
3 Liability on account of Excise duty in respect of goods manufactured and liable to payment of Excise duty when cleared from the factory premises,is accounted at the time of removal of the goods from the place of manufacture for sale or for captive use.Such Excise duty liability on stocks as at 31st March,2009 is estimated at Rs.2.25 Lacs (previous year Rs.3.23 Lacs) This accounting policy has no effect on the Profit for the year.	-	-

Rupees in Lacs

	March 31, 2009	March 31, 2008
4 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	1.92	26.76
5 A) Closing Stock of Raw Material include :		
i) Goods lying with third parties	308.08	331.85
ii) Goods lying in Custom bonded warehouse (under high seas purchase)	-	-
B) Closing stock of packing material include :		
i) Goods lying with third parties	143.00	143.73
C) Closing stock of stocks-in-process include :		
i) Goods lying with third parties	66.07	186.22
D) Closing stock of finished goods include :		
i) Goods lying with third parties	230.35	33.76
ii) Goods in Transit	77.78	-
6 Managing Directors/Wholtime Directors remuneration included in Profit & Loss Account:		
A) 1. Salaries	105.60	94.33
2. Contribution to Provident Fund	7.92	7.08
3. Other Perquisites	6.60	5.90
B) Number of Directors	3	3
7 Sundry Creditors includes due to : Directors/Wholtime Directors on account of remuneration	17.15	7.14
8 A) CIF value of imports :		
i) Raw materials (other than in transit)	5443.20	4496.12
ii) For Machinery/Equipment	20.96	5.24
B) Expenditure in Foreign currency in respect of :		
i) Travelling expenses	101.13	62.79
ii) Interest & Bank charges	134.60	3.31
iii) Commission	42.91	82.37
iv) Sales Promotion Expenses, product Registration & Subscription	16.16	6.30
v) Consultancy Charges	2.52	9.52
vi) Conference Expenses	-	-
vii) Salary	13.20	0.66
viii) Others	6.09	7.88
C) Dividend To Non- Resident Shareholders	27.24	23.70
Equity: No. of Share Holders 20		
Shares held 2008-09: 10,89,600		
Shares held 2007-08: 1,184,850		
D) Earnings in Foreign Currency:		
Export of goods calculated on FOB basis	7373.99	8817.13

- 9 Additional information pursuant to the provision of paragraph 3,4 and 4Dof Part II of Schedule VI to the Companies Act ,1956:
- A) Details of information regarding goods manufactured, purchased ,turnover, opening stock and closing stock as per Annexure ' I attached.

Rupees in Lacs

Particulars	2008-09		2007-08	
	Qty.(M.T.)	Rs.	Qty.(M.T.)	Rs.
B) Raw material consumed:				
1 Drug intermediates	994.89	8618.44	1046.71	9165.58
2 Bulk drug	68.60	587.88	50.29	447.36
3 Solvents	955.14	1937.13	978.21	1540.92
4 Others		973.69		682.03
TOTAL		12117.13		11835.89
Value of imported and indigenous raw materials consumed	%		%	
Imported	42	5070.97	37	4411.40
Indigenous	58	7046.16	63	7424.49
TOTAL	100	12117.13	100	11835.89
C) Value of imported and indigenous Stores and spares consumed and percentage thereof to total value of consumption.	%		%	
Imported	NIL	NIL	NIL	NIL
Indigenous	100	183.99	100	157.24
TOTAL	100	183.99	100	157.24

- 10 Revenue expenditure on Research & Development incurred & Charged out during the year through the natural heads of expenses amount to Rs. 215.85 Lacs (Previous year Rs.170.35 Lacs) Capital expenditure incurred during the year thereof amounts to Rs.22.81 Lacs has been included in Fixed Assets. (Previous year Rs. 13.06 Lacs).
- 11 The Company has only one segment namely pharmaceuticals, hence no separate disclosure of segment wise information has been made, as required by Accounting Standard 17 on "Segment Reporting"
- 12 Sundry Debtors includes Rs.1280.47 Lacs (previous year Rs.1552.04 Lacs) due from private companies in which directors are interested as directors/members.
- 13 Interest on borrowings attributed to new projects is Capitalised and included in the cost of Fixed Assets/Capital Work in Progress, as appropriate. Current year Rs.2.90 lacs (Previous year Rs.50.37 Lacs).

14 Related Party Disclosures

A. Name of the related parties and nature of relationship

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

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

Rupees in Lacs

Nature of Transaction	Associate Companies		Key Management Personnel		Directors/Relatives of Key Management Personnel		Balance Outstanding	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sales:								
Sale of Finished goods	1255.18	2111.88	-	-	-	-	1280.47	1552.04
Income:								
Rent for premises	0.30	0.60	-	-	-	-	-	-
Electricity	0.03	0.06	-	-	-	-	-	-
Expenses:								
Electricity	1.46	0.88	-	-	-	-	-	-
Telephone	0.09	0.09	-	-	-	-	-	-
Freight/Others	8.13	11.75	-	-	-	-	-	-
Remuneration	-	-	120.12	107.31	11.55	11.55	-	-
Fixed deposit interest	-	-	38.32	39.93	11.88	15.57	-	-
Others:								
Dividend paid	47.80	38.24	32.77	28.20	31.86	23.50	-	-
Counter guarantee to Bank	450.00	450.00	-	-	-	-	-	-
Investment in shares of subsidiary companies	-	-	-	-	-	-	2.77	2.77
Investment in Joint Venture Co.	-	-	-	-	-	-	686.00	686.00
Fixed deposit	-	-	130.00	NIL	31.00	NIL	559.80	398.80

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

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

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

The Deferred Tax liability of Rs. 49.98 Lacs is recognised in Profit & Loss Account. During the current year comprising Rs 6.15 Lacs (credit) towards Current Years leave encashment (Previous Year assets Rs. 4.27 Lacs) and Rs. 5.80 Lacs (credit) towards Bonus (Previous Year assets Rs.2.90 Lacs),Rs. 3.55 Lacs towards provision of Gratuity (Previous Year assets Rs.1.94 Lacs) and Rs 58.38 Lacs towards depreciation (Previous Year Rs. 18.86 Lacs).

In view of the clarification on method of deferred tax liability/assets calculation, provision thereof made for earlier accounting year is written back/off in the Books of Account during the current year. Due to change in working of Deferred Tax, General Reserve has been increased by Rs.15.91 lacs towards adjustments in respect of earlier years.

16 Dues to Micro and Small Enterprises under The Micro, Small and Medium Enterprises Development Act,2006 (MSMED Act) as at March 31,2009.

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small & Medium enterprises. The Company has not received information from any suppliers on their registration under the said Act. However , the company has sent letters to suppliers to enquire about their registration under the said Act.

17 Earnings Per Share (EPS)

	2008-09	2007-08
a) Weighted average Number of Equity Shares outstanding during the period	8050500	8050500
b) Net Profit after tax available for EquityShareholder - Rs in lacs	(1029.39)	1082.65
c) Basic and Diluted Earnings Per Share (Rs.)	(12.79)	13.45
d) Nominal Value Per Share (Rs)	10	10