

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

	Rupees in Lacs	
	2008-09	2007-08
A) Assets		
a) Fixed Assets (Net Block) :	3444.77	3123.51
Capital Work - in Progress	4.67	28.21
b) Investments	98.03	599.63
c) Current Assets, Loans and Advances :		
Inventories	783.56	540.95
Sundry Debtors	395.09	186.94
Cash & Bank Balances	146.17	582.51
Loans & Advances	373.24	224.15
Other Current Assets	19.80	6.27
B Liabilities		
1) Loan Funds		
Secured Loans	-	-
Unsecured Loans	3593.60	3257.74
2) Current Liabilities and Provisions :		
Liabilities	315.03	249.92
Provisions	113.28	62.71
3) Deferred Tax Liability (net)	279.80	112.87
C Income :		
a) Sales	1463.66	1965.15
b) Other Income	107.20	114.70
D Expenditure		
a) Material Cost	232.20	443.05
b) Manufacturing Expense	483.92	332.94
c) Employment Cost	194.20	154.74
d) Finance cost	396.11	117.68
e) Depreciation	263.61	217.48
f) Provision for taxation	93.29	93.02

19 Goodwill acquired upon amalgamation of Artemis Biotech Ltd. with the Company is written off at the rate of 4.75%.

20 Technologies acquired upon amalgamation of Artemis Biotech Ltd. with the Company is depreciated on straight line method at the rate of 4.75%.

21 Employees Benefit:

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

Funded Scheme

	Rupees in Lacs	
	Gratuity 2008-09	Gratuity 2007-08
I Change in Benefit Obligation		
Liability at the beginning of the year	172.00	148.67
Interest Cost	13.19	11.31
Current Service Cost	14.38	13.19
Benefit Paid	-14.19	-14.49
Acturial (gain)/Loss on obligations	-6.27	13.32
Liability at the end of the year	179.11	172.00
II Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	87.23	97.90
Expected Return on Plan Assets	11.99	7.25
Benefit Paid	-14.19	-14.49
Acturial (gain)/Loss on Plan Assets	-4.76	-3.43
Fair Value of Plan Assets at the end of the year	80.27	87.23
III Amount Recognised in the Balance Sheet		
Liability at the end of the year	179.11	172.00
Fair Value of Plan Assets at the end of the year	149.99	87.23
Difference	29.12	84.77
Amount Recognised in the Balance Sheet	29.12	84.77
IV Expenses Recognised in the Income Statement		
Current Service Cost	14.38	13.19
Interest Cost	13.19	11.31
Expected Return on Plan Assets	-11.99	7.25
Net Acturial (gain)/loss to be recognised	-1.51	16.75
Expense Recognised in Profit & Loss Account	14.07	34.00
V Acturial Assumptions		
Discount Rate Current	8%	8%
Rate of Return on Plan Assets Current	8%	8%
Salary Escalation Current	4%	4%
VI Asset Information		
Government of India Securities	3.82%	4.63%
Corporate Bonds	63.30%	46.30%
Special Deposit Schemes	18.58%	17.20%
Others- Banks	14.30%	31.87%

22 The Accounting Standard (AS-11) "The effects of changes in Foreign Exchange Rates" prescribed by Companies (Accounting Standards) Rules, 2006 was amended on 31st March, 2009, vide a notification dated 31st March 2009, by the Ministry of Corporate Affairs. The said amendment offered an option to Companies to recognise Foreign Exchange Gains and Losses arising on translation of all long term monetary assets and liabilities acquired upto 31st March 2009, retrospectively from accounting periods commencing after 7th December, 2006 (i.e. from 1st April, 2007 for the Company) upto 31st March, 2011 as capital cost of acquisition of assets where they relate to acquisition of assets or to a Translation Reserve viz. "Foreign Currency Monetary Item Translation Difference Account" (FCMITDA) in other cases. The amount so recognised as capital cost of acquisition of assets is to be depreciated over the balance life of the relevant assets and in case of the amount recognised in the FCMITDA is to be amortised over the balance term of the monetary assets or liability but not beyond 31st March, 2011.

The Company has chosen to exercise this option in preparation of its financial statements for the year ended 31st March, 2009. Accordingly, Foreign Exchange differences adjusted against the cost of assets/ CWIP are as under.

Impact of Adjustments made ;

		Rs. In Lakhs
Exchange (Gain) / Losses		Adjustment against Assets / CWIP
General Reserve :		
For the year ended 31.03.2008 adjusted to General Reserve	(A)	(61.00)
Profit and Loss Account :		
For the year ended 31.03.2009		368.00
Less : Depreciation / Amortisation on the above for the year		22.84
Impact on Profit and Loss Account	(B)	345.16
	(A) - (B)	284.16

The Transitional adjustment, in respect of retrospective implementation aggregating Rs. 61 Lakhs (Net of tax Rs. 6.91 Lakhs) has been, as required, debited to General Reserve being a gain. Had this change not been effected, the loss for the year would have been higher by Rs. 345.16 Lakhs . Fixed Assets lower by Rs. 284.16 Lakhs and consequently the Reserves and Surplus lower by 284.16 Lakhs.

- 23 Disclosures as required by Accounting Standard 19, "Leases " are given below:
- i) The Company has taken various residential , office and godown premises under operating lease or leave and licence agreements. These are generally not non-cancellable and ranging between 11 months and 3 years period under leave and licence, or for longer period in respect of other leases and are renewable by mutual consent on agreeable terms. Also the Company has given refundable interest free security Deposits under certain agreements.
 - ii) Lease payments are recognised in the profit and Loss Account under "Rent" in Schedule.
 - iii) The future minimum lease payments under non-cancellable operating Lease NIL
- 24 Provision for income tax has been made at current tax rates based on assessable income or on the basis of Section 115JB of Income Tax Act, 1961 (Minimum Alternate Tax) whichever is higher.
- 25 Significant accounting policies adopted by the Company are disclosed in the statement annexed to these Accounts as 'Annexure - II'.
- 26 The accounts of Overseas Subsidiary Company "Themis Medicare Singapore Pte. Ltd, Singapore" and statement pursuant to Section 212 of the Companies Act, 1956 are disclosed elsewhere in this report.
- 27 The Company has worked out a Scheme of Arrangement with its Shareholders under section 78, section 100 & section 391 of the Companies Act, 1956 to write off Debtors, Inventories, Loans and Advances and Intangible Assets of the Company aggregating Rs. 2610.73 lacs against Reconstruction Reserve Account of the Company. Under the Scheme, all the reserves as on 31.03.2009 & Revaluation Reserve created during the year, aggregating Rs. 8928.42 lacs will be transferred to Reconstruction Reserve Account. The Balance in the Reconstruction Reserve Account will be transferred to General Reserve Account.

The Scheme will be subject to obtaining approval of and modification to the extent required by the Members, Hon'ble high Court of Gujarat & Central Government.

Place: Mumbai
Date : 31/07/2009

Prakash D. Naringrekar
CFO & Company Secretary

H. N. Sinor
Chairman

Dr. Dinesh S. Patel
Managing Director & CEO

Annexure - I

DETAILS OF INFORMATION REGARDING LICENSED AND INSTALLED CAPACITY, OPENING STOCKS, GOODS MANUFACTURED, PURCHASED, TURNOVER AND CLOSING STOCKS FOR THE YEAR ENDED 31ST MARCH, 2009

Rupees in Lacs

Particulars	Drug Inter-mediate In M/T	Bulk Drugs In M/T	Tablets In Lacs	Injections		Syrups In Liters	Others (B)	Total Rs.
				In Liters	In Kgs			
A) Licensed Capacity (a)	407 (407)	363 (363)	8267 (8267)	- (-)	- (-)	- (-)	- (-)	
B) Installed Capacity	408 (408)	529 (529)	4800 (4800)	120000 (120000)	250000 (250000)	- (-)	187500 (187500)	
C) Actual Production Qty.		734.63 (743.33)	1424.67 (1164.82)	47104.71 (29739.58)	74,956.48 (17428.83)	112628.91 (31394.48)	1272178 (235171.08)	
D) Purchases for Resale Qty.	- (-)	6.96 (5.17)	90.06 (370.75)	1366.54 (34641.99)	13203.16 (8509.04)	102507.01 (177130.07)	0.00 (182107.30)	
Purchases for Resale Value	- 0.00	906.98 (656.05)	176.41 (219.48)	73.22 (68.06)	202.44 (237.95)	102.87 (176.41)	0.00 (44.43)	1,461.92 (1,402.38)
E) Opening stock								
i) Own manufactured Qty.		0.68 (32.39)	181.23 (201.95)	954.02 (4356.50)	1358.01 -	1530.02 (3707.64)	29379.63 (38,325.81)	
ii) Purchased Qty.	(-)	(-)	79.50 (352.39)	30.02 (629.38)	74.05 (266.62)	21414.73 (117127.56)	704.69 (5745.78)	
i) Own manufactured Value	-	60.35 (243.70)	128.08 (178.78)	30.48 (32.46)	22.64 (-)	2.63 (4.37)	36.79 (47.66)	280.97 (506.97)
ii) Purchased Value	(-)	(-)	28.30 (272.16)	17.80 (9.69)	23.35 (81.07)	21.07 (95.77)	3.45 (10.78)	93.97 (469.47)
F) Closing stock								
i) Own manufactured Qty.		1.87 (0.68)	267.07 (181.23)	19697.81 (954.02)	3124.44 (1358.01)	84017.63 (1530.02)	1033916 (29379.63)	
ii) Purchased Qty.	(-)	(-)	111.46 (79.50)	868.05 (30.02)	99.05 (74.05)	30711.82 (21414.73)	2836 (704.69)	
i) Own manufactured Value	-	121.59 (60.35)	172.43 (128.08)	72.49 (30.48)	71.18 (22.64)	11.15 (2.63)	23.09 (36.79)	471.93 (280.97)
ii) Purchased Value	-	-	72.69 (28.30)	0.06 (17.80)	16.76 (23.35)	11.81 (21.07)	0.13 (3.45)	101.45 (93.97)
G) Turnover (Includes Goods purchased for resale) Qty.		550.79 (590.38)	1396.93 (1829.18)	28889.89 (68383.41)	86368.21 (24772.42)	123351.22 (306415.00)	265509.90 (431265.65)	
Turnover Value	-	15,995.20 (16,374.98)	2,545.40 (2,290.35)	1,169.61 (3,078.22)	748.18 (515.54)	120.00 (335.69)	25.26 (223.20)	20,603.65 (22,817.98)
H) Captive consumption Qty.	-	189.68 (192.67)	- (-)	- (-)	- (-)	- (-)	- (-)	

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

NOTES:

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

Annexure - II

Significant Accounting Policies Adopted by the Company.

(Annexed to and forming part of the Accounts for the year ended 31st March, 2009)

(A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

(B) USE OF ESTIMATES

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

II. FIXED ASSETS

(A) GROSS BLOCK

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

(B) DEPRECIATION / AMORTISATION :

- i. Depreciation on all the fixed assets (except assets revalued) acquired prior to 1st July, 1977 is provided on the 'Written Down Value Method' in terms of Section 205 (2) (a) of the Companies Act, 1956 at the rates specified from time to time in Schedule XIV to the said Act.
- ii. Depreciation on all the fixed assets (except assets revalued) acquired between the period from 1st July, 1977 to 30th June, 1987 is provided on the "Straight Line Method" in terms of Section 205 (2) (b) of the Companies Act, 1956 pursuant to Circular No 1.1/1986-CL V NO.- 14 (50) 84 CL VI dated 21st May, 1986 issued by the Department of Company Affairs, at the rates of depreciation prevalent at the time of acquisition of the assets.
- iii. Depreciation on all fixed assets acquired after 30th June, 1987 is provided on the 'Straight Line Method' in terms of Section 205 (2) (b) of the Companies Act, 1956 at the rates specified from time to time in Schedule XIV to the said Act.
- iv. Depreciation on additions to assets or on sale/ discardment of assets is calculated pro-rata from the date of such addition or up to the date of such sale/ discardment, as the case may be.
- v. Cost of leasehold land is amortised over the period of lease.
- vi. Depreciation on assets revalued, except leasehold land, is calculated on their respective book values, on the "Straight Line Method", at the rates determined as per the life considered by the valuers. The revalued leasehold land is amortised over the balance period of lease. The additional charge of depreciation and amount amortised on leasehold land on account of revaluation is withdrawn from the Revaluation Reserve and credited to the Profit and Loss Account. The charge of depreciation / amortisation on the original cost of assets is provided as detailed in B (I) to B (V) above.

vii. Goodwill acquired upon amalgamation of Artemis Biotech Ltd. with the Company is written off at the rate of 4.75%.

viii. Technologies acquired upon amalgamation of Artemis Biotech Ltd. with the Company is depreciated on straight line method at the rate of 4.75%.

(C) BORROWING COSTS

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

(D) IMPAIRMENT OF FIXED ASSETS

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

III. INVESTMENTS

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

IV. INVENTORIES

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

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

V. FOREIGN CURRENCY CONVERSION:

- I. Foreign currency exposure in respect of Long Term Foreign currency Monetary items, for financing fixed assets, outstanding at the close of the financial year are revalored at the contracted and / or appropriate exchange rates at the close of the year. The gain or loss due to decrease / increase in Rupee liability due to fluctuation in rate of exchange is recognized in the Profit and Loss Account.
- II. Current Assets and other Liabilities in foreign currency outstanding at the close of the financial year are valued at the contracts and/or appropriate exchange rates at the close of the year. The loss or gain due to fluctuation of exchange rates is charged to Profit and Loss Account.
- III. Though the accounting policy detailed in (I) and (ii) above have been consistently followed in terms with the Accounting Standard 11, the policy followed in current year retrospectively w.e.f. 1st April, 2007, has been overridden by an amendment to the aforementioned accounting standard for limited period of time as stated in Note 22 in Schedule "XVII" to the Financial Statements.

VI. RECOGNITION OF INCOME AND EXPENDITURE:

- i. Revenues/ Incomes and Costs/ Expenditure are generally accounted on accrual basis as they are earned or incurred.

- ii. Domestic sales are recognised on despatch of goods to the customers. Sales includes Excise duty but excludes Sales tax and are net of returns and claims.
- iii. Claims for return of breakages, date expiry and damaged goods have been adjusted to sales by the Company as and when the same are settled.
- iv. Export sales are accounted on the basis of dates of Bills of Lading or Mate's Receipt, whichever is later.
- v. In respect of receipt of materials/stores, the Company follows the following practice :
 - (i) Raw Materials in Transit (imported) shown in Balance Sheet as asset and liability.
 - (ii) Others on receipt basis.
 However, this practice has no effect on the profitability of the Company.
- vi. Liability on account of Custom duty on imported materials in transit or in bonded warehouse is charged to the Profit and Loss Account only in the year in which the goods are cleared from Customs. Liability on account of Excise duty in respect of goods manufactured and liable to payment of Excise duty when cleared from the factory premises is accounted at the time of removal of goods from the place of manufacture, for sale or captive use.
- vii. Expenditure incurred on technical literature of new products are written off over a period of 5 years from the year the products are launched.

VII. RESEARCH AND DEVELOPMENT EXPENDITURE :

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

VIII. RETIREMENT BENEFITS :

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

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

In case of funded defined benefit plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis. Other Long Term Employee Benefits are recognized in the same manner as Defined Benefit Plans.

Termination benefits are recognized as and when incurred.

IX. EARNING PER SHARE (EPS) :

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

X. TAXATION :

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

XI. PROVISIONS AND CONTINGENCIES

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

Balance Sheet Abstract and Company's General Business Profile

I. REGISTRATION DETAILS

REGISTRATION NO.: 1590
STATE CODE: 04
BALANCE SHEET DATE: 31ST MARCH 2009

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

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

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

TOTAL LIABILITIES : 18,173.04 TOTAL ASSETS : 18,173.04

SOURCES OF FUNDS

PAID UP CAPITAL : 805.05 RESERVES & SURPLUS : 8,099.54
SECURED LOANS : 6,034.02 UNSECURED LOANS : 2,892.16
DEFERRED TAX LIABILITY : 342.27

APPLICATION OF FUNDS

NET FIXED ASSETS : 10,329.15 INVESTMENTS : 769.35
NET CURRENT ASSETS : 7,074.54 ACCUMULATED LOSSES : NIL
MISC. EXPENDITURE : NIL

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

TURNOVER : 20,594.46 TOTAL EXPENDITURE : 21,531.77
+ PROFIT/LOSS BEFORE TAX -937.31 + PROFIT/LOSS AFTER TAX -1,038.37
(Please tick Appropriate box (+) for profit (-) for loss)
EARNING PER SHARE Rs. -12.79 DIVIDEND NIL

V. GENERAL NAMES OF THREE PRINCIPAL PRODUCTS OF COMPANY

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

Statement pursuant to
Sec 212 of the Companies Act 1956,
relating to Subsidiary Company

- | | |
|--|--|
| 1. Name of the Subsidiary Company | Themis Medicare Singapore Pte. Ltd.
Singapore |
| 2. Financial year ending of the subsidiary | 31st March 2009 |
| 3. Number of equity shares held with its face value | 10000 ordinary shares of S\$ 1 each. |
| 4. Extent of holding | 100% |
| 5. For the financial year of the subsidiary Profit (losses) so far as it concerns the members of the holding Company and not dealt with in the holding Company's accounts | Loss S\$ 7479 |
| 6. For the financial year of the subsidiary Profit (losses) so far as it concerns the members of the holding Company and dealt with in the holding Company's accounts | NIL |
| 7. For the previous financial years since it became a subsidiary Profit (losses) so far as it concerns the members of the holding Company and not dealt with in the holding Company's accounts | Profit S\$ 24614 |
| 8. For the previous financial years since it became a subsidiary Profit (losses) so far as it concerns the members of the holding Company and dealt with in the holding Company's accounts | N.A. |

Themis Medicare Singapore Pte. Ltd.
(Incorporated in the Republic of Singapore)
Company Registration No:200204410C

Report of the Directors

The directors submit their report together with the audited financial statements of the company for the year ended 31st March 2009.

1. DIRECTORS OF THE COMPANY

The directors in office at the date of this report are:

Dinesh Shantibhai Patel
Laszlo Kovacs
Jayshree Patel
Sachin Dinesh Patel
Chockalingam Umayal

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the company a party to any arrangement whose object is to enable the directors of the company to acquire benefits through the acquisition of shares or debentures of the company or any other body corporate.

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

There is no director having direct and deemed interest in the shares of the company at the beginning and end of the financial year as recorded in the Register of Directors' Shareholdings kept by the company under section 164 of the companies Act, chapter 50.

4. DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, since the date of incorporation, no director of the company has received or become entitled to receive a benefit by reason of contract made by the company or a related corporation with the director, or with a firm of which the director is member, or with a company in which the director has a substantial financial interest.

5. AUDITORS

Messrs. Chan – Ma, Soma & Co Certified Public Accountants have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors

Dinesh Shantibhai Patel
Director

Sachin Dinesh Patel
Director

Dated: 31/07/2009

Themis Medicare Singapore Pte. Ltd.
(Incorporated in the Republic of Singapore)
Company Registration No:200204410C

Statement by the Directors

We Dinesh Shantibhai Patel and Sachin Dinesh Patel being two of the directors of THEMIS MEDICARE SINGAPORE PTE LTD do hereby state that in our opinion:

- (a) the accompanying balance sheet and profit and loss account, statement of changes in equity and cash flow statement together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the company as at 31st March 2009 and of its results, changes in equity and cash flow of the company for the financial period ended on that date; and
- (b) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

Dinesh Shantibhai Patel
Director

Sachin Dinesh Patel
Director

Dated: 31/07/2009

Report of the Auditor to the Members of

Themis Medicare Singapore Pte. Ltd.
(Incorporated in the Republic of Singapore)
Company Registration No:200204410C

We have audited the financial statements of THEMIS MEDICARE SINGAPORE PTE LTD which comprise the balance sheet as at 31st March 2009 and the profit and loss account ,the statement of changes in equity and cash flow statement of the company for the year then ended ,and a summary of significant accounting policies and other explanatory notes.

Company Directors' responsibility for the financial statements

The company directors are responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances ,but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

In our opinion,

- (a) the financial statement are properly darwn up in accordance with the provisions of the Singapore Companies Act, Cap.50 (the "Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31st March 2009 and the results, changes in equity and cash flows of the company for the year ended on that date: and
- (b) the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

Chan-Ma , Soma & Co
Certified Public Accountants
Singapore

Dated: 31/07/2009

Themis Medicare Singapore Pte. Ltd.
(Incorporated in the Republic of Singapore)
Company Registration No:200204410C

Balance Sheet As at March 31st, 2009

	Notes	2009	2008
CURRENT ASSETS			
Trade Debtors		-	-
Cash and Cash Equivalent	6	45,315	45,315
		45,315	45,315
LESS CURRENT LIABILITIES			
Account Payable		8,000	8,000
Amount due to Holding Company	8	10,180	10,180
		18,180	18,180
Net Current Assets		27,135	27,135
Net Assets		27,135	27,135
REPRESENTED BY			
Issued & paid up ordinary share of \$1 each	7	10,000	10,000
Accumulated Profit		17,135	17,135
		27,135	27,135

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

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

	Notes	2009	2008
Revenue	3	-	-
Other Operating Expenses	4	(7,479)	(7,479)
(Loss) before Taxation		(7,479)	(7,479)
Less: Taxation	5		
Net (Loss) for the year after Tax		(7,479)	(7,479)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Themis Medicare Singapore Pte. Ltd.
(Incorporated in the Republic of Singapore)
Company Registration No:200204410C

Statement of Changes in Shareholders' Equity

for the year ended 31st March 2009

	Share Capital S\$	Accumulated Profit S\$	Total S\$
Current Year			
As at 1st April 2008	10,000	24,614	34,614
Loss for the year	-	(7,479)	(7,479)
Balance at 31st March 2009	10,000	17,135	27,135
Previous Year			
As at 1st April 2007	10,000	24,614	34,614
Loss for the year	-	(7,479)	(7,479)
Balance at 31st March 2008	10,000	17,135	27,135

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Cash Flow Statement for the year ended 31st March 2009

	2009 S\$	2008 S\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (Loss) before Tax	(7,479)	(7,479)
Operating Profit before working capital changes	(7,479)	(7,479)
(Increase)/Decrease in trade and other receivables	-	-
Increase in amount due to holding company	-	-
Increase/(Decrease) in other Payables	8,000	8,000
Net cash (Short fall) from operations	521	521
Income Tax Paid		
Net cash flow from (used in) operating activities	521	521
Net Increase/(Decrease) in Cash and Cash Equivalents	521	521
Cash and Cash Equivalents at beginning year	44,794	44,794
Cash and Cash Equivalent at end of year	45,315	45,315

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Themis Medicare Singapore Pte. Ltd.
(Incorporated in the Republic of Singapore)
Company Registration No:200204410C

Notes to the Financial Statements

31st March 2009

1. CORPORATE INFORMATION

The financial statements of Themis Medicare Singapore Pte Ltd for the year ended 31st March 2009 were authorised for issue in accordance with a resolution of the directors on

The registered office and principle place of business of Themis Medicare Singapore Pte Ltd is located at Golden Wall Centre #04-18, 89 Short Street, Singapore 188216

The principal activities of the company are to carry on the business of whole retail, importers, marketing and exporters of pharmaceutical drugs, cosmetics and toiletries.

The number of staff employed as of 31 March 2009: Nil (2008:Nil)

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared in accordance with Singapore Financial Reporting Standard ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2006

On 1 January 2007, the company adopted the new or revised FRS and interpretations to FRS (INT FRS) that are mandatory for application from that date. Changes to the Company accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

The following are the FRS and INT FRS that are relevant to the company:

FRS 19 (Amendment) Employee Benefits

FRS 21 (Amendment) The Effects of Changes in Foreign Exchange Rates

FRS 32 (Amendment) Financial Instruments: Disclosure and Presentation

The adoption of the above FRS or INT FRS did not result in any substantial changes to the Company's accounting policies.

b) Financial Instrument

Financial assets

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instruments.

Interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instruments.

Cash and Bank Balances

Cash and bank balances comprise cash in hand and at bank, bank overdraft and fixed deposits that are subject to an insignificant risk of changes in value.

Trade and Other Receivables

Trade and other receivables are measured at amortised cost using the effective interest rate method less impairment, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited to the profit and loss statement. Changes in the carrying amount of the allowance account are recognised in the profit and loss statement.

Financial liabilities and equity

Classification as debt or equity

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instruments.

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost, using the effective interest rate method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Impairment of assets

As each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value of money and the risks specific to the asset.

If the recoverable amount of an asset/cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset/cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the assets/cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairments loss been recognised for the asset/cash-generating unit in prior years. A reversal of an impairment loss is recognised as income immediately.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, and it is probable that the company will be required to settle that obligation. Provisions are measured at the director's best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Borrowing Cost

Borrowing costs directly attributable to the acquisition and construction of properties, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowings costs are recognised in the profit and loss statement in the period in which they are incurred.

Revenue and revenue recognition

The company has no trading activities during the year and hence no revenue. The company has no trading activities during the year. Revenue is measured at the fair value of the consideration received or receivables.

Revenue from the sale of goods are recognised upon passage of title to the customer which generally coincides with their delivery and acceptance.

Revenue from the rendering of services that are short-term duration is recognised when the services completed.

Deferred Tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it related to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Foreign Currency Transactions and Translation

The financial statements of the company are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the company are presented in Singapore dollars, which is the functional currency of the company.

In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss of the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the company's accounting policies, which are described in Note 2 to the financial statements and key assumptions concerning the future, management is not aware of any judgements that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as discussed below.

Income Taxes

Significant judgements is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

4. OPERATING EXPENSES

Operating expenses is arrived at after providing

	2009	2008
	S\$	S\$
Auditors remuneration	1,000	1,000

5. TAXATION

No provision for taxation is required as the company has incurred an operating loss for the year under review.

The company has tax loss carried forward(subject to finalisation by Inland Revenue) available for offsetting against future taxable income as follows:

	2009	2008
	S\$	S\$
(Loss) Before tax	(7,479)	(7,479)
Tax calculated at a tax of 10% (20%)	(1,346)	(1,346)
Tax effect on unabsorbed losses carried forward	(1,346)	(1,346)
Current Tax expenses	-	-

At the balance sheet date, the company had the following unutilised tax losses and unabsorbed capital allowance which can, subject to the provisions of the Singapore Income Tax Act, be carried forward to offset against future profits:

	2009	2008
	S\$	S\$
Tax losses	<u>28,290</u>	<u>28,290</u>

6. CASH AND CASH EQUIVALENTS

	2009	2008
	S\$	S\$
Cash at Bank	<u>45,315</u>	<u>45,315</u>

7. SHARE CAPITAL

	2009	2008
	S\$	S\$
Issued and fully paid		
10,000 ordinary shares of S\$1 each	<u>10,000</u>	<u>10,000</u>

The holders of ordinary shares are entitled to receive dividends as an when declared by the company. All ordinary shares carry one vote per share without restriction.

The companies (Amendment) Act 2005 is in force on 30 January 2006. The amendments remove the concept of authorised share capital and par value of share capital. The company no longer has any authorised share capital and the paid up share capital has no par value and is denominated only in terms of the number of shares issued. The carrying amount of the share capital will remain unchanged at S\$10,000.

8. AMOUNT DUE TO HOLDING COMPANY

Amount due to holding Company is non-trade in nature, interests free, unsecured and repayable on demand.

9. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk, foreign currency risk, and credit risk. The board reviews and agrees policies from managing each of these risks and they are summarised below:

Interest rate risk

The company has no borrowing facilities directly from banks. The Company depends on its Inter companies in UK & USA to fund its operations.

Liquidity risk

In the management of liquidity risk, the Company monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

Foreign currency risk

The Company's foreign currency risk results mainly from cash flow from transactions denominated in foreign currencies. It is the Company's policy not to enter into derivative forward foreign exchange contracts for hedging and speculative purposes.

Credit risk

The carrying amount of trade and other receivables and cash represents the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

Fair value of financial assets and financial liabilities

The carrying amount of financial assets and financial liabilities recorded in the financial statement represents their respective net fair values.

Detailed Profit and Loss Account

for the year ended 31st March 2009

	Notes	2009 S\$	2008 S\$
Revenues	-	-	-
Other Operating Expenses		1,500	1,500
Secretarial Fees		670	670
Bank Charges		500	500
Tax Fees		-	-
Penalties and Fines		(1,191)	(1,191)
Exchange Difference		1,000	1,000
Audit Fees		5,000	5,000
Consultancy / Admin Support Fee		(7,479)	(7,479)
Net (Loss) for the year		(7,479)	(7,479)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Auditors' Report to the Board of Directors of Themis Medicare Limited on the Consolidated Financial Statements of Themis Medicare Limited.

1. We have examined the attached Consolidated Balance Sheet of Themis Medicare Limited, its subsidiary and its joint venture as at 31st March, 2009, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended.
2. These consolidated financial statements are the responsibility of the management of Themis Medicare Limited. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting frame work and are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of Themis Medicare Singapore Pte Ltd., Foreign Subsidiary. The financial statements are audited by other auditors, whose report have been furnished to us, and in our opinion, is so far as it relates to the amounts included in respect of this subsidiary is based solely on the reports of the other auditors. The total assets as at 31st March, 2009 are Rs. 7.05 lacs and total revenues for the year then ended are Rs. NIL in respect of the Themis Medicare Singapore Pte. Ltd.
4. We also did not audit the financial statements of Richter Themis Medicare (India) Pvt. Ltd., Joint Venture Company. The financial statements have been audited as at 31st December, 2008 by other auditors, whose reports have been furnished to us. However, the financial statements, which are compiled by the management of the Company, for the financial year 31st March, 2009, were not audited, any adjustments to their balances, could have consequential effect on the attached consolidated financial statements. However, the size of the joint venture company is not significant in relative terms. The total assets as at 31st March, 2009 are Rs.5265.31 lacs and total revenues for the year then ended are Rs. 1463.66 lacs in respect of Joint Venture Company.
5. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standards (AS) 21 "Consolidated Financial Statements", and Accounting Standards (AS) 27 "Financial Reporting of Interests in Joint Ventures", and on the basis of the separate audited / certified financial statements of Themis Medicare Limited, its subsidiary and its joint venture.
6. On the basis of information and explanation given to us, we are of the opinion that, except of the consequential effect, if any, on account of possible adjustments stated in para '4' relating to unaudited financial statements and read together with other notes thereon:
 - a) The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Themis Medicare Limited, its subsidiary and its joint venture as at 31st March, 2009 ;
 - b) The Consolidated Profit and Loss Accounts gives a true and fair view of the consolidated results of operations of Themis Medicare Limited, its subsidiary and its Joint venture for the year then ended, and
 - c) The Consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flows of Themis Medicare Limited, its subsidiary and its joint venture 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

Consolidated Balance Sheet

As at March 31st, 2009

Rupees in Lacs

	Schedule		Total As At 31/03/2009	Total As At 31/03/2008
SOURCES OF FUNDS				
Shareholders' Funds				
a) Share Capital	I	805.05		805.05
b) Reserves and Surplus	II	<u>8,381.43</u>	9,186.48	<u>7,465.72</u>
				8,270.77
Loan Funds				
a) Secured Loans	III	6,034.01		6,032.15
b) Unsecured Loans	IV	<u>6,485.76</u>	12,519.77	<u>5,256.54</u>
				11,288.69
Deferred Tax Liability		646.62		470.57
Deferred Tax Asset		<u>24.54</u>		<u>19.72</u>
Deferred Tax Liability (Net)	XVI(12)		622.08	450.85
TOTAL			22,328.33	20,010.31
APPLICATION OF FUNDS				
Fixed Assets	V			
a) Gross block		17,109.49		12,809.53
b) Less : Depreciation		<u>3,534.81</u>		<u>2,781.60</u>
c) Net block		13,574.68		10,027.93
d) Capital work in progress		<u>203.90</u>	13,778.58	<u>574.19</u>
				10,602.11
Investments	VI		178.61	742.32
Current Assets Loans and Advances	VII			
a) Interest Accrued on Investments		20.62		13.01
b) Inventories		5,460.24		4,313.59
c) Sundry Debtors		6,301.13		7,010.51
d) Cash and Bank balances		1,386.36		2,164.43
e) Loans and Advances		<u>2,312.29</u>		<u>2,286.89</u>
		<u>15,480.64</u>		<u>15,788.43</u>
Less: Current Liabilities and Provisions	VIII			
a) Current Liabilities		6,861.46		6,609.19
b) Provisions		<u>248.04</u>		<u>513.34</u>
		<u>7,109.50</u>		<u>7,122.55</u>
NET CURRENT ASSETS			8,371.14	8,665.89
TOTAL			22,328.33	20,010.31
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

Consolidated Profit and Loss Account

for the year ended 31st March 2009

Rupees in Lacs

	Schedule		2008-09	2007-08
INCOME				
Sales/ Processing charges	IX	22,067.31		24,783.13
Less : Excise duty		<u>613.90</u>		<u>922.09</u>
Net Sales			21,453.41	23,861.04
Other Income	X		711.92	435.00
TOTAL			22,165.33	24,296.04
EXPENDITURE				
Raw Materials consumed	XI		12,851.48	14,207.92
Manufacturing and other expenses	XII		7,939.39	6,702.50
Interest and finance charges	XIII		1,526.97	1,039.41
Depreciation	XIV		773.59	522.64
Goodwill Written off			12.83	12.83
TOTAL			23,104.26	22,485.30
Profit before tax			(938.93)	1,810.74
Less : Provision for Taxation (MAT)	XV		175.43	331.79
MAT Credit Entitlement			<u>0.00</u>	<u>(132.00)</u>
Profit after tax			(1,114.36)	1,610.95
Add/(Less) :- Prior year adjustment (net)			(30.12)	(17.66)
Balance brought forward from previous year			<u>928.86</u>	<u>271.03</u>
Balance available for appropriation			(215.62)	1,864.32
Interim Dividend paid			(301.84)	-
Proposed Dividend			-	201.26
Tax on dividend			(51.30)	34.20
Transfer to General Reserve			(116.57)	700.00
Balance carried to Balance Sheet			(685.33)	928.86
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

Consolidated 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	302.54	2941.92
Adjustments for :		
Depreciation	773.59	626.36
Foreign Exchange (net)	260.36	(128.66)
Amount Amortised On Account Of Lease	1.04	1.47
Interest / Dividend	(307.67)	(73.10)
Surplus On Sale Of Land/assets	0.00	(0.32)
	727.32	425.74
Operating Profit Before Working Capital Changes	1029.86	3367.66
Adjustments For :		
Trade And Other Receivables	683.98	(1942.66)
Inventories	(1146.65)	(745.61)
Trade Payables	222.42	(166.01)
	(240.25)	(2854.28)
Cash Generated From Operations	789.61	513.38
Interest & Finance Charges	(1526.97)	(946.89)
Direct Taxes Paid	(113.93)	(279.94)
	(1640.90)	(1226.84)
Net Cash Flow From Operating Activities	(851.28)	(713.46)
B. Cash Flow From Investing Activities :		
Purchase Of Fixed Assets	(1440.69)	(1483.34)
Purchase Of Investments	(44.09)	(29.95)
Sale of Investments	607.80	-
Interest Received	156.44	73.04
Dividend Received	151.23	0.06
Net Cash Used In Investing Activities	(569.31)	(1440.18)
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	(503.10)	(161.01)
Tax On Dividend	(85.50)	(27.36)
Fixed Deposits	464.56	-
ECB Loan	764.66	1180.53
Net Cash Used In Financing Activities	105.87	807.78
Net Increase(decrease) In Cash And Cash Equivalents	(1314.72)	(1345.86)
Cash and Cash Equivalents as at 01/04/2008	2281.61	935.75
Cash And Cash Equivalents as at 31/03/2009	3596.33	2281.61
	(1314.72)	(1345.86)

1 Figures in brackets denote Cash Outflow.

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

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 Consolidated Financial Statements
for the year ended 31st march 2009

Rupees in Lacs

	Total As At 31/03/2009	Total As At 31/03/2008
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	2,447.70	-
Less : Transferred to Profit and Loss Account		
i) On account of Depreciation	-	1.14
ii) On account of write off of leasehold land	-	0.23
	2,494.48	46.78
Share Premium Account		
As per last account	1,440.75	1,440.75
Currency Fluctuation Reserve - On Consolidation	2.08	2.08
General Reserve		
As per last account	4,862.92	4,180.53
Add/Less : For Deferred Tax Liability	0.00	15.91
Add : Transferred from Profit & Loss Account	116.57	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 Accounting Standard (AS-11)-"The effects of changes in foreign exchange rates" - See Note No.22	(41.28)	-
Add : Tax effect adjustment	6.91	-
	4,945.12	4,862.92
Surplus/(Deficit) as per annexed Profit & Loss Account	(685.33)	928.86
Total	8,381.43	7,465.72

Rupees in Lacs

	Total As At 31/03/2009	Total As At 31/03/2008
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	1,309.55	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>
	4,982.70	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 557.50 lacs (Previous year Rs 366.97 lacs)		
C) From suppliers of vehicles secured against hypothecation of the vehicles acquired under hire purchase arrangement.	15.73	7.64
TOTAL	6,034.01	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	<u>2,028.80</u>	<u>1,600.00</u>
	2,892.16	1,998.80
C) Group's proportionate share in Unsecured Loan of Joint Venture	3,593.60	3,257.74
TOTAL	6,485.76	5,256.54

SCHEDULE - V : 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		1,432.69		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
Group's share in assets of Joint Venture	3413.43	648.93			4062.36	354.00	263.61		617.61	3444.75	3059.43
Grand Total	12810.31	1881.27	2447.70	29.79	17109.49	2769.98	773.59	8.76	3533.81	13574.68	10040.33

Rupees in Lacs

	Total As At 31/03/2009	Total As At 31/03/2008
SCHEDULE - VI : INVESTMENTS (AT COST)		
LONG TERM INVESTMENTS-UNQUOTED		
A) Trade : In Shares of Companies		
i) 15000 Equity Shares of The Kapol Co.op.Bank Ltd. of Rs.10 each fully paid up	1.50	1.50
ii) 600 Equity Shares of Jeedimetia Effluent Treatment Ltd of Rs 100/- each fully paid up	0.60	0.60
	2.10	2.10
B) Other than Trade :		
i) In Govt. Securities		
a) National Savings Certificates [including Rs 0.84 lacs (Previous year Rs.0.84 lacs) deposited as security with various Government and Semi-Government departments.] (NSC worth Rs. 0.10 lacs is held in the name of a Director of the Company)	1.43	1.43
b) 5 1/2yrs Kisan Vikas Patra (including Rs 0.10 lacs deposited as security with Sales tax Authorities at Daman.)	0.15	0.15
ii) In Bonds		
a) 20(Previous year 20) 20 yrs Deep Discount Bonds of Sardar Sarovar Narmada Nigam Limited of Rs.3600 each fully paid up	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 Industrial 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.	-	30.00
	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 shares of Rs.10 each of Gujarat Themis Biosyn Ltd. fully paid (Market Value Rs.24.87 lacs)	44.09	-
	80.58	142.69
Group's proportionate share in investments of Joint Venture	98.03	599.63
TOTAL	178.61	742.32
Note : Aggregate Value Of Quoted Investments	46.18	2.08
Aggregate Value Of Unquoted Investments	132.43	740.23

Rupees in Lacs

	Total As At 31/03/2009	Total As At 31/03/2008
SCHEDULE - VII : CURRENT ASSETS LOANS AND ADVANCES		
(A) Interest Accrued on Investments	0.82	6.66
Group's proportionate share in other current assets of Joint Venture	19.80	6.35
	20.62	13.01
(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
	4,676.68	3,869.91
Group's proportionate share in inventories of Joint Venture	783.56	443.68
TOTAL	5,460.24	4,313.59
(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
	5,906.04	6,823.57
Group's proportionate share in inventories of Joint Venture	395.09	186.94
TOTAL	6,301.13	7,010.51
(D) Cash and Bank Balances		
Cash on hand	12.31	9.84
Balances with Scheduled Banks :		
In Current Accounts	581.60	373.41
In Margin Money Accounts	184.81	96.48
In Fixed Deposit Account (endorsed in favour of Banks Rs 335.83 lacs)	381.04	1,038.52
In Deposit Account towards Share Application Money	0.33	0.33
Funds in Transit	80.10	63.39
	1,240.19	1,581.97
Group's proportionate share in cash and bank balances of Joint Venture	146.17	582.46
TOTAL	1,386.36	2,164.43
(E) Loans and Advances (Unsecured Good Unless Otherwise Specified) :		
Advances Recoverable in cash or in kind or for value to be received	538.13	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 (net of provision)	145.13	128.84
MAT Credit Entitlement	132.00	132.00
	1,939.05	2,041.91
Group's proportionate share in Loans and Advances of Joint Venture	373.24	244.98
	2,312.29	2,286.89
TOTAL	15,480.64	15,788.43

Rupees in Lacs

	Total As At 31/03/2009	Total As At 31/03/2008
SCHEDULE - VIII : CURRENT LIABILITIES AND PROVISIONS		
(A) Current Liabilities		
Acceptances 660.44		1,232.65
Sundry Creditors		
-Other than Small Scale Industrial undertaking 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 146.84		139.87
	6,546.44	6,351.49
Group's proportionate share in current liabilities of Joint Venture	315.03	257.71
	6,861.46	6,609.19
(B) Provisions		
For Taxation -		85.07
Proposed Dividend -		201.26
Tax on Dividend -		34.20
Provision for Leave encashment & Gratuity 134.77		100.67
	134.77	421.20
Group's proportionate share in provisions of Joint Venture	113.28	92.15
	248.04	513.34
TOTAL	7,109.51	7,122.55

Rupees in Lacs

		2008-09	2007-08
SCHEDULE - IX : 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
Group's proportionate share in sales of Joint Venture		1,463.66	1,965.15
TOTAL		22,067.31	24,783.13
SCHEDULE - X : OTHER INCOME			
Interest (Gross Tax deducted at source Rs. 13.05 lacs, previous year Rs 4.98 lacs)	49.24		73.04
Exchange Difference	-		128.66
Rent	0.30		0.60
Duty draw back	84.99		-
Miscellaneous receipts/ Technical Knowhow received	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)	<u>-</u>		<u>0.32</u>
		604.71	321.00
Group's proportionate share in other income of Joint Venture		107.20	114.00
TOTAL		711.92	435.00
SCHEDULE - XI : CONSUMPTION OF MATERIAL AND FINISHED GOODS			
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 :	<u>943.90</u>		<u>1,424.76</u>
		12,117.13	11,835.89
Packing Materials Consumed		468.52	586.88
Purchase of goods for resale		1,461.92	1,421.28
INCREASE/(DECREASE) IN STOCKS			
Opening Stock			
Stock-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:			
Stock-in-process	2,645.54		1,414.02
Finished Goods	<u>573.39</u>		<u>376.62</u>
	3,218.93		1,790.64
Increase(Decrease) in Stock		(1,428.29)	(231.62)
		12,619.28	13,612.43
Group's proportionate share in material cost of the Joint Venture		232.20	595.49
TOTAL		12,851.48	14,207.92

Rupees in Lacs

	2008-09	2007-08
SCHEDULE - XII : MANUFACTURING AND OTHER EXPENSES		
Stores and spares consumed	183.99	157.24
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	46.42	78.58
Plant and machinery	56.90	66.30
Others	35.22	24.40
	138.54	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	128.43	111.71
Auditors' remuneration :		
Audit fees including service tax	4.70	4.63
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	7.29
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	0.00	0.24
	1.04	1.23
	7,261.26	6,186.44
Group's proportionate share in general expenses of the Joint Venture	678.13	516.06
TOTAL	7,939.39	6,702.50

Rupees in Lacs

		2008-09	2007-08
SCHEDULE - XIII : INTEREST AND FINANCE CHARGES			
On Fixed deposits	53.26		43.93
Others	<u>1,077.60</u>		<u>785.28</u>
		1,130.86	829.21
Group's proportionate share in financial charges of the Joint Venture		396.11	210.19
TOTAL		1,526.97	1,039.41
SCHEDULE - XIV : DEPRECIATION AND AMORTISATION			
Depreciation	509.98		408.88
Less : Withdrawn from Revaluation Reserve	<u>0.00</u>		<u>1.14</u>
		509.98	407.74
Group's Proportionate share in depreciation of the Joint Venture		263.61	114.90
TOTAL		773.59	522.64
SCHEDULE - XV : PROVISION FOR TAXATION			
Current Tax (MAT)	-		132.00
Fringe Benefit Tax	32.17		48.25
Deferred Tax	<u>49.98</u>		<u>9.75</u>
		82.15	190.00
Excess/ (Short) Provision for Tax in respect of earlier years		-	13.25
		82.15	203.25
Group's proportionate share in tax provision by Joint Venture		93.29	128.54
TOTAL		175.43	331.79

Schedule - XVI

Notes Forming Part of the Consolidated Financial Statements

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

Name	Country of Incorporation	Proportion of ownership interest
A) Subsidiary Foreign Subsidiary Themis Medicare Singapore Pte Ltd.	Republic of Singapore	100%
B) Joint Venture Richter Themis Medicare (India) Pvt. Ltd.	India	49%

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

	Rupees in Lacs	
	Total as at 31/03/2009	Total as at 31/03/2008
3 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	206.64
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.	333.33	333.33
i) The Ministry of Chemicals & Fertilizers ,Government of India has raised demand under Drug Price Control Order,1979 for difference in actual price and price of respective bulk drug allowed while fixing the prices of certain life saving Formulations which are disputed by the Company. The Company has preferred Appeals before Hon'ble High Courts of Gujarat and Bombay in respect of Bulk Drug Rifampicin and Ethambutol respectively, for grant of ad interim stay. While allowing the stay, The Hon'ble High Court Gujarat directed the Company to deposit Principle Liability of Rs. 34.80 Lacs out of the total liability of Rs.126.08 Lacs as worked out by the Department of Chemicals & Fertilizers,Govt. of India .The Company has already complied with the directions of the 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 and stayed the matter. The Company has complied with the direction of the Honourable High Court.		
ii) Others	0.87	0.87

Rupees in Lacs

	Total As At 31/03/2009	Total As At 31/03/2008
4 Liability on account of Custom duty on goods in bonded warehouse or in transit is, as per the Company's practice charged to Profit & Loss Account only in the year in which the goods are cleared from the Custom. Such liability as at 31st March, 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.	-	-
5 Liability on account of Excise duty in respect of goods manufactured and liable to payment of Excise duty when cleared from the factory premises, is accounted at the time of removal of the goods from the place of manufacture for sale or for captive use. Such Excise duty liability on stocks as at 31st March, 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.	-	-
6 Estimated amount of contracts remaining to be executed	1.92	41.46

- 7 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).
- 8 The Company has only one segment namely pharmaceuticals, hence no separate disclosure of segment wise information has been made, as required by Accounting Standard 17 on "Segment Reporting"
- 9 Sundry Debtors includes Rs.1280.47 Lacs (previous year Rs.1552.04 Lacs) due from private companies in which directors are interested as directors/members.
- 10 Interest on borrowings attributed to new projects is Capitalised and included in the cost of Fixed Assets/ Capital Work in Progress, as appropriate. Current year Rs.2.90 lacs (Previous year Rs.50.37 Lacs).

11 Related Party Disclosures

A. Name of the related parties and nature of relationship

- | | |
|--|--|
| a) Associate companies | Themis Distributors Pvt. Ltd.
Vividh Distributors Pvt. Ltd.
Vividh Margi Investments Pvt. Ltd. |
| b) 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	-	-	-	-	-	-
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.

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

- a) The deferred tax liability of Rs 101.73 lacs (previous year - Rs 9.75 lacs) for the year has been recognised in the Profit and Loss Account.
- b) Break up of Deferred Tax Assets and Liabilities into major componenets of the respective balances are as under

	2008-09	2007-08
	Rs in Lacs	Rs in Lacs
Deferred Tax Liabilities :		
Depreciation	646.62	440.79
Deferred Tax Assets		
Retirement benefits	21.66	17.68
Bonus	2.88	2.04
	<u>24.54</u>	<u>19.72</u>
	<u>622.08</u>	<u>421.07</u>

13 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	(1135.51)	1801.52
c) Basic and Diluted Earnings Per Share (Rs.)	(14.10)	22.38
d) Nominal Value Per Share (Rs)	10	10

14 Goodwill acquired upon amalgamation of Artemis Biotech Ltd. with the Company is written off at the rate of 4.75%.

15 Technologies acquired upon amalgamation of Artemis Biotech Ltd. with the Company is depreciated on straight line method at the rate of 4.75%.

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

H. N. Sinor
Chairman

Place: Mumbai
Date : 31/07/2009

Prakash D. Naringrekar
CFO & Company Secretary

Dr. Dinesh S. Patel
Managing Director & CEO

Annexure - II

Significant Accounting Policies Adopted by the Company.

(Annexed to and forming part of the Accounts for the year ended 31st March, 2009)

1) BASIS OF ACCOUNTING

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

2) BASIS OF CONSOLIDATION

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

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

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

3) INVESTMENTS

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

4) FIXED ASSETS

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

5) DEPRECIATION / AMORTISATION :

- i. Depreciation on all the fixed assets (except assets revalued) acquired prior to 1st July, 1977 is provided on the “Written Down Value Method” in terms of Section 205 (2) (a) of the Companies Act, 1956 at the rates specified from time to time in Schedule XIV to the said Act.
- ii. Depreciation on all the fixed assets (except assets revalued) acquired between the period from 1st July, 1977 to 30th June, 1987 is provided on the “Straight Line Method” in terms of Section 205 (2) (b) of the Companies Act, 1956 pursuant to Circular No 1.1/1986-CL V NO.- 14 (50) 84 CL VI dated 21st May, 1986 issued by the Department of Company Affairs, at the rates of depreciation prevalent at the time of acquisition of the assets.
- iii. Depreciation on all fixed assets acquired after 30th June, 1987 is provided on the “Straight Line Method” in terms of Section 205 (2) (b) of the Companies Act, 1956 at the rates specified from time to time in Schedule XIV to the said Act.
- iv. Depreciation on additions to assets or on sale/ discardment of assets is calculated pro-rata from the date of such addition or up to the date of such sale/ discardment , as the case may be .
- v. Cost of leasehold land is amortised over the period of lease.
- vi. Depreciation on assets revalued, except leasehold land, is calculated on their respective book values, on the “Straight Line Method”, at the rates determined as per the life considered by the valuers. The revalued leasehold land is amortised over the balance period of lease. The additional charge of depreciation and amount amortised on leasehold land on account of revaluation is withdrawn from the Revaluation Reserve and credited to the Profit and Loss Account. The charge of depreciation / amortisation on the original cost of assets is provided as detailed in 5(i) to 5(v) above.
- vii. Goodwill acquired upon amalgamation of Artemis Biotech Ltd. with the Company is written off at the rate of 4.75%.
- viii. Technologies acquired upon amalgamation of Artemis Biotech Ltd. with the Company is depreciated on straight line method at the rate of 4.75%.

6) BORROWING COSTS

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

7) IMPAIRMENT OF FIXED ASSETS

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

8) INVENTORIES

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

9) FOREIGN CURRENCY TRANSACTIONS

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

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

10) FOREIGN CURRENCY CONVERSION

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

11) EMPLOYEE BENEFITS:

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

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

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

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

Termination benefits are recognized as and when incurred.

12) TAXATION:

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

THEMIS MEDICARE LIMITED

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

THIRTY NINTH ANNUAL GENERAL MEETING WEDNESDAY 09TH DECEMBER, 2009 AT 10.30 A.M.	PLEASE HAND OVER THIS ADMISSION SLIP AT THE ENTRANCE OF THE MEETING HALL	
	FOLIO NO.	HOLDING
	MEMBER	PROXY
	NAME OF THE PROXY (IN CAPITAL LETTERS)	
VENUE : THEMIS MEDICARE LIMITED PLOT NO. 69-A, GIDC INDL. ESTATE, VAPI- 396 195. DISTRICT VALSAD GUJARAT, INDIA.		

NOTES :

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

I hereby register my presence
at the meeting.

Signature of the Member/ Proxy

THEMIS MEDICARE LIMITED

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

I/We _____ of _____

In the district of _____ being a member/members of THEMIS MEDICARE LIMITED hereby appoint _____ of _____ or failing him _____ of _____ as my / our proxy to vote for me/us and on my/our behalf at the THIRTY NINTH ANNUAL GENERAL MEETING of the Company to be held on WEDNESDAY, 09TH DECEMBER, 2009 at 10.30 A.M. and at any adjournment(s) thereof. Signed this _____ day of _____ 2009.

PROXY FORM	
FOLIO NO.	HOLDING

PROXY FORM MUST REACH COMPANY'S
REGD.OFFICE NOT LATER THAN
48 HOURS BEFORE THE
COMMENCEMENT OF THE MEETING

For office use only

DATE OF RECEIPT

AFFIX
30 Paise
Revenue
Stamp
Signature(s)

Book - Post

If undelivered please return to



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