

30th
Annual Report
2010 - 2011



GUJARAT THEMIS BIOSYN LIMITED

BOARD OF DIRECTORS

DR. DINESH S. PATEL

CHAIRMAN

MR. RAJNEESH ANAND

MANAGING DIRECTOR

MR. A. B SHAH
(Nominee of GIIC)

DR. SACHIN D. PATEL

MR. VIJAY AGARWAL

MR. HINESH DOSHI

MR. S.C KIM

MR. J.K CHA

MR. S. S. LEE

MR. J.H CHOI

MS. DHARMISHTA N RAVAL

MR. SUBHASH C. KAUSHIK

AUDITORS

MESSRS. KHANDELWAL JAIN & CO.,
CHARTERED ACCOUNTANTS, MUMBAI

COST AUDITORS

MESSRS. B.J.D. NANABHOY & CO.,
COST ACCOUNTANTS, MUMBAI

BANKERS

UNION BANK OF INDIA

REGISTERED OFFICE AND WORKS

69/C, GIDC INDUSTRIAL ESTATE
VAPI – 396 195, DIT. VALSAD
GUJARAT, INDIA

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 30th Annual General Meeting of Gujarat Themis Biosyn Limited will be held on Saturday, 24th September, 2011, at 11 a.m., at 69/C, GIDC Industrial Estate, Vapi-396 195, Dist. Valsad, Gujarat, to transact the following business :-

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended on that date together with reports of the Auditors' and Directors thereon.
2. To appoint a Director in place of Dr. Sachin D. Patel, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. J. K Cha, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Vijay Agarwal, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

Special Business

6. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**
"RESOLVED that pursuant to Articles of Association of the Company and Section 198, 269, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, Mr. Rajneesh Anand be and is hereby Re-appointed as Managing Director of the Company for a further period of 3 (Three) years with effect from 1st February, 2011 on the terms and conditions as set out in the draft agreement submitted to this meeting and for identification initialed by Dr. Dinesh Patel (the director authorised by the Board for purpose) which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or Agreement in such manner as may be agreed between the Board of Directors and Mr. Rajneesh Anand;
RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, the Company do pay to Mr. Rajneesh Anand up to such amount as remuneration as permissible under Section II of Part II to Schedule XIII to the Companies Act, 1956 as minimum Remuneration.
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matter and things as may be considered necessary or desirable to give effect to this resolution."

Registered Office

69/C, GIDC Industrial Estate,
Vapi- 396 195
Dist. Valsad, Gujarat
Place : Mumbai
Date : 26th August, 2011

By order of the Board

RAJNEESH ANAND
Managing Director

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ONLY ON POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. AN INSTRUMENT APPOINTING A PROXY OR ANY OTHER DOCUMENT NECESSARY TO SHOW THE VALIDITY OR OTHERWISE RELATING TO THE APPOINTMENT OF A PROXY IN ORDER THAT THE APPOINTMENT MAY BE EFFECTIVE AT THE MEETING MUST BE FILED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN FORTY EIGHT HOURS BEFORE THE MEETING.**
Members / Proxies should bring the enclosed attendance slip duly filled in, for attending the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 20th September, 2011 to Saturday, 24th September, 2011 (both days inclusive).
3. Members are requested to bring their copies of the Annual Report to the meeting since it will not be possible for the Company to distribute additional copies of the Annual Report at the Annual General Meeting.
4. Members are requested to –
 - a) intimate to the Company's Registrar and share transfer agent, changes, if any, in their respective address along with Pin Code Number at an early date;
 - b) quote folio number in all their correspondence;
 - c) consolidate holdings into one folio in case of multiplicity of folios with names in identical order;
 - d) intimate their queries / requirements for clarifications on the annual report so as to reach the Company on or before 20th September, 2011 which will enable the Company to furnish the replies at the Annual General Meeting.

5. Details of Directors seeking appointment/re-appointment in the 30th Annual General Meeting, in pursuance of clause 49 of the Listing Agreements.

Name of Director	Dr. Sachin D. Patel	Mr. J. K Cha	Mr. Vijay Agarwal	Mr. Rajneesh Anand
Date of Birth	18-01-1975	20-08-1946	29-06-1957	05-03-1954
Date of appointment	25-10-2008	18-11-1997	31-03-2006	01-02-2011 Reappointed as Managing Director of the Company
Expertise in specific functional areas	Business Development	General Admin in plant. Planning & Coordination General Admin. & Planning	Taxation & Corporate Advisory	Over 36 years of industrial experience in the area of Production, Planning, Project implementation, Engineering, Finance, Administration etc.
Qualifications	Ph.D.Chem.University of Cambridge (UK)	Bachelors Degree in Commercial Science. Masters Degree in Business and Admin. At Barrington University in U.S	B. Com, FCA	B.E (Mech.), MIE, DMS
List of companies (excluding foreign and private Ltd. companies in which outside Directorships held as on 31 st March, 2011)	Themis Medicare Ltd.	None	- Themis Medicare Ltd. - Nucsoft Ltd. - Birla Machining & Toolings Ltd. - Compuage Infocom Ltd. - Birla Shloka Edutech Ltd. - Birla Pacific Medspa Ltd. - Madhura Garments International Brands Co. Ltd.	Themis Medicare Ltd
Chairman/ Member of the Committees of the Board of the companies on which he is a director as on 31 st March, 2011	Chairman of Share Transfer & Investors Grievances Committee of Themis Medicare . Ltd	None	Member of Audit Committees of Themis Medicare Ltd., Birla Machining & Tools Ltd. and Compuage Infocom Ltd. Member of Share Transfers & Investors Grievances Committee of Birla Machining & Tools Ltd.	Member of Share Transfers & Investors Grievances Committee of Themis Medicare Ltd.

EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956

ITEM NO. 6

Members may be aware that Mr. Rajneesh Anand was appointed as Managing Director of the Company with effect from 1st February, 2008 for a period of 3 (three) years. i.e. upto 31st January, 2011. Subject to the approval of members, the Board of Directors in their meeting held on 31st January, 2011 have Re-appointed him as Managing Director of the Company for a further period of three years with effect from 1st February, 2011.

Mr. Rajneesh Anand, aged 57 years, is B.E. (Mechanical), MIE and DMS. He has been associated with the Company for last Nine years as Managing Director of the Company. Mr. Rajneesh Anand has over 36 years of Industrial experience in the area of production planning, project implementation, system designing and engineering, quality control, marketing, finance, personnel, labour management and general administration and management. He is also responsible for all technical as also techno-commercial matters of the Company and under his stewardship, the Company has successfully commissioned several new/expansion projects.

The terms of Reappointment and remuneration/revised remuneration paid/payable to Mr. Rajneesh Anand as Managing Director of the Company are as under –

Meeting held on 31st January, 2011

1. Date & Period of Appointment :	1 st February, 2011 for 3 Years
2. Payable Monthly	Per Month
Salary	Rs.25,000/-
TOTAL	Rs.25,000/-

In addition to the remuneration payable to the Managing Director as aforesaid, he shall also be entitled to participate in the Group Accident Insurance Policy of the Company.

The benefits and payments received by the Managing Director on account of above shall not be included in the computation of limits for the remuneration.

Provision for use of Company's car for official duties and telephone (including Mobile Phone) at residence (including payment for local calls and long distance official calls) will not be considered as remuneration and included in the computation of remuneration receivable by the Managing Director.

Minimum Remuneration: Notwithstanding anything to the contrary herein contained where in any financial year during the currency of his tenure as the Managing Director of the Company, if the Company has no profits or its profits are inadequate, the Company shall pay remuneration by way of salary and perquisites and allowances as specified above or the maximum remuneration payable as per the limits set out in section II of Part II of Schedule XIII of the Companies Act, 1956 whichever is lower, unless otherwise determined by the Board of Directors subject to approval of Central Government, if required as minimum remuneration.

The terms and conditions of the appointment of Mr. Rajneesh Anand as aforesaid may be varied from time to time by the Board of Directors as it may in its discretion, deem fit, within the maximum amounts payable to the managing and whole time directors in accordance with Schedule XIII to the Companies Act, 1956 or any amendments made hereafter in this regard.

Mr. Rajneesh Anand, so long as he functions as Managing Director of the Company, shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.

Appointment of Mr. Rajneesh Anand as Director and Managing Director of the Company is subject to the provisions of Section 283(1)(i) of the Companies Act, 1956. If at any time, Mr. Rajneesh Anand cease to be a Managing Director of the Company, and as such in employment of the Company, for any causes whatsoever, then he shall forthwith cease to be the Director of the Company and vice versa.

The Managing Director shall, subject to the supervision and control of the Board of Directors, be entrusted with such powers and perform such duties, as may, from time to time, be delegated/entrusted to him.

In addition to the above terms and conditions governing remuneration, the Agreement to be signed by the Company with Mr. Rajneesh Anand also provides for earlier determination of his appointment by either party by giving three months notice in writing to the other party or the Company paying three month's remuneration in lieu thereof, non-participation in any selling agency of the Company by himself or through his wife and/or minor children, reimbursement of the entertainment, travelling and all the other expenses incurred by him for the business of the Company, etc.

The resolution proposed at item no. 6 of the accompanying Notice also provides for variation in the terms of the appointment including the remuneration payable to Mr. Rajneesh Anand at the sole and absolute discretion of the Board of Directors of the Company subject however that the remuneration payable to Mr. Anand shall not exceed the maximum remuneration permissible under Schedule XIII and in accordance with the other applicable provisions of the Companies Act, 1956.

The Board recommends passing of the resolution set out at Item No. 6 in the notice of the 30th Annual General Meeting.

The draft Agreement between the Company and Mr. Rajneesh Anand is available for inspection by the members of the Company at its Registered Office between 9.00 a.m. to 11.00 a.m. on any working day of the Company up to and including the date of the 30th Annual General Meeting.

The detailed terms of appointment and variation, as aforesaid, be treated as an abstract of the terms of appointment or variation in terms of appointment of Mr. Rajneesh Anand as Managing Director of the Company required to be circulated amongst the members pursuant to the Provisions of Section 302 of the Companies Act, 1956.

Except Mr. Rajneesh Anand, None of the other directors of the Company may be considered to be concerned or interested in the proposed resolution.

Registered Office

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

Place : Mumbai

Date : 26th August, 2011

By order of the Board

RAJNEESH ANAND
Managing Director

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting herewith the 30th Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2011

FINANCIAL RESULTS

	Year ended 31.03.2011	(Rs. in Lakhs) Year ended 31.03.2010
Total Income	1369.60	1563.59
Operating Profit / (Loss)	(89.62)	142.54
Interest and Finance charge	125.54	159.80
Profit / (Loss) before depreciation, prior period adjustments & tax	(215.16)	(17.26)
Profit./ (loss) after depreciation and tax	(326.53)	(103.06)
Income tax for earlier year	1.15	4.74
Fringe Benefit Tax for earlier year	—	0.55
Net Profit/(Loss) after tax	(327.68)	(108.35)
Surplus/(Deficit) brought forward	(2463.09)	(2354.74)
Surplus / (Deficit) carried forward to Balance Sheet	(2790.77)	(2463.09)

OPERATIONS

Your Company's operations during the year under review have declined due to fire accident occurred in your factory at Vapi on 9th December, 2010 affecting and damaging a section of plant, building, various equipments etc. Further due to less order on Job work, company could not achieve the production capacity.

Your Company's sales for the year ending 31st March, 2011 is Rs.0.40 Lacs (previous year Rs.2.28 lacs) and conversion charges for job work is Rs.1337.81 lacs (previous year Rs.1545.70 Lacs). The operating loss for the year is Rs.89.62 lacs as compared to operating profit of Rs. 142.54 lacs for the previous year. The net loss recorded by the Company for the year is Rs. 327.68 lacs as compared to net loss of Rs.108.35 lacs in the previous year.

BIFR

Your Company became "Sick Company" as defined under Sec 3 (1) (o) of the Sick Industrial Companies (Special provision) Act 1985, and in accordance with the provisions of section 15 (l) of the said Act and registered with BIFR on 5/11/2007 under reference No.67/2007.

Based on the direction by BIFR the Revised Draft Rehabilitation Scheme has been prepared by Union Bank of India (Operating Agency) in consultation with the promoters and other involved agencies and submitted to BIFR for their consideration.

Your Company is hopeful of working out an acceptable revival strategy and turn around the performance of the Company within a reasonable time with technical and financial support of new co-promoters.

MANAGEMENT DISCUSSIONS AND ANALYSIS

1. Industry Structure & Developments

India has been making rapid strides in the field of Bulk Drugs and majority of these drugs required in India are manufactured in India. India also happens to be a major exporter of bulk drugs all over the globe, particularly to Europe and US markets.

2. Opportunity, Threats, Outlook, Risk and Concerns

The Indian fermentation industry does not have a level playing field as compared to China. The energy cost, labour cost and raw material cost are much lower in China, therefore the Company finds itself in a very difficult situation.

3. Segment-wise or Product-wise Performance

Your Company is engaged in manufacturing activities on Job Work basis. Your company is also on look out for new products to support its activities and fixed costs.

4. Internal Control Systems and their adequacy.

The Company has adequate internal control procedures which commensurate with its size and nature of business. The internal control procedures and systems ensure efficient use and protection of resources and compliance with the policies, procedures and statutes.

5. Material Developments in Human Resources and Industrial Relations

Fermentation industry is a high technology Industry. Continues efforts are being made in training the employees through In-house training programs to suit the Company's requirements. Industrial Relations have been generally cordial and healthy.

DIRECTORS

In terms of Article of Association of the Company as well as the requirement of the Companies Act, 1956, Dr. Sachin D Patel, Mr. J.K. Cha and Mr. Vijay Agarwal retires by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. Rajneesh Anand was re-appointed as Managing Director of the Company for a period of three years with effect from 1st February, 2011. The Board places on record their sincere appreciation for the useful contribution made by Mr. Rajneesh Anand as the Managing Director.

INDUSTRIAL RELATIONS

Relations between the Management and the workers generally remained cordial and peaceful.

AUDITORS

Messrs Khandelwal Jain & Co., Chartered Accountants, Statutory Auditors of the Company retires at the conclusion of the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment.

The Auditors have furnished to the Company the requisite Certificate under Section 224 (1B) of the Companies Act, 1956.

INTERNAL AUDITOR

The Company has appointed M/s Gopalkrishnan Aiyer & Co., Chartered Accountants as Internal Auditors of the Company.

COST AUDITORS

The Company being Sick Unit and Registered with BIFR and presently the Company is engaged in manufacturing activities on Job Work basis.

Based on the said reason, the company making an application to Central Government for exemption from Cost Audit of the Record of the Company for the financial year 2010-11 u/s 233 of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

No employees of the Company are drawing salary in excess of the limits specified under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on conservation of energy and technology absorption etc. as required to be disclosed in terms of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Directors) Rules, 1988, are given in Annexure "A" to the Director's Report.

CORPORATE GOVERNANCE

Report of Directors on compliance of conditions on Corporate Governance as specified in Clause 49 of the Listing Agreement together with certificate issued by the Practicing Company Secretary thereon attached to this Report.

DIRECTORS' RESPONSIBILITY

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors confirm that:

- i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the financial year under consideration.
- iii) The Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provision of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the annual accounts on a going concern basis.

AUDITORS' OBSERVATIONS & COMMENTS

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

ACKNOWLEDGMENT

Your Directors have pleasure to place on record their sincere appreciation for the continued co-operation, support extended to the Company by Financial Institutions, Union Bank of India, all the Employees, Yuhan Corporation, the State Government of Gujarat, Dept. of Chemical & Petrochemical and various other Government authorities.

For and on behalf of the Board of Directors

RAJNEESH ANAND
Managing Director

DR. SACHIN D. PATEL
Director

Place : Mumbai
Date : 26th August, 2011

'ANNEXURE A' TO THE DIRECTORS REPORT

INFORMATION AS PER SECTION 217 (1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT.

CONSERVATION OF ENERGY

- (a) Energy conservation measures taken: -
During the year under review, all possible efforts were made to ensure optimum conservation of electricity and fuel at the plant.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: -
The Company has introduced improved operational methods, improved maintenance systems and rationalisation to bring about a saving in power consumption.
- (c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: -
The adoption of energy conservation measures stated above is expected to help in saving to the Company on fuel and energy cost.
- (d) The total energy consumption per unit of production as per Form A of the Annexure to the Rules in respect of Industries specified in the Schedule thereto: -
The Company has invested substantial amount in the Plant and equipment to reduce energy Consumption and the Company will continue in its efforts to improve methods of energy conservation and utilisation.

FORM - A

Form for disclosure of Particulars with respect to Conservation of Energy

A POWER AND FUEL CONSUMPTION

	<u>2010-2011</u>	<u>2009-2010</u>
1. Electricity :		
a) Purchase :		
Units	8685390	9636840
Total Amount	53391598	60143017
Rate/Unit (Rs.)	6.15	6.24
b) Own Generation :		
Through diesel / LDO Generators (KwH)	116760	60824
Diesel / LDO Consumed (Liters)	51858	34396
Units / Liter of Diesel /LDO (KwH)	2.25	1.77
Total Amount (Rs.)	2162850	1224783
Cost / Unit (Rs. / KwH)	18.52	20.14
2. Furnace Oil :		
Quantity (Liters)	315167	301628
Total Amount (Rs)	8281905	7019567
Average Rate (Rs./Liter)	26.28	23.27
3. Coal / Lignite :		
Quantity (Kgs)	7461990	7198000
Total Amount (Rs.)	37275691	32786997
Rate / Kgs (Rs.)	5.00	4.56

B. CONSUMPTION PER MT OF FINISHED GOODS PRODUCED *

	<u>2010-2011</u>	<u>2009-2010</u>
Electricity per MT (Rs)	442790	386720
Furnace Oil Per MT (Rs)	68684	45136
Diesel /LDO Per MT (Rs)	17937	7875
Coal / Lignite Per MT (Rs)	309137	210820

* Figures are not comparable as mix of two products were produced and use of substitute, also the per MT cost has been calculated excluding the finished goods used for captive consumption.

TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form-B of the Annexure to the Rules:

FORM B**Form for disclosure of Particulars with respect to absorption****1 Research & Development (R & D)****(a) Specific areas in which R & D carried out by the Company:**

Since the company is currently in the Job work business, the company works on the development of processes and strains to improve productivity to increase the income /reduce losses.

(b) Benefits derived as a result of the above R & D:

The R & D activities of the Company have resulted in improved productivity and quality of the product, better yields and recoveries leading to cost containment.

(b) Future Plan of action:

The Research activity will continue to concentrate on new product, development of products which the company will identify in future, process improvement and development. The Company is working aggressively to scale up new product.

(c) Expenditure on R & D:

	(Rs. in Lakhs)
i. Capital	Nil
ii. Recurring	1.66
iii. Total	1.66
iv. Total R&D Expenses as per percentage of total turnover	0.12%

2 Technology Absorption, Adaptation and Innovation:**(a) Efforts in brief, made towards technology absorption, adaptation and innovation:**

The Company has taken steps to increase the yields and productivity to bring down the cost of operation.

(b) Benefits derived as a result of the above efforts:

- Reduction of operation cost.
- Improvement in product quality.

3. Activities related to exports, initiatives taken to increase exports, development of new export markets for products and services and export plan:

The company is in the job work business area only, however the product made by the company is used by the principals for manufacture of down stream API which is widely exported. This will help the country to gain good foreign exchange. Our Principals earlier were also importing the products manufactured by us from China. Thus our activity in a way is also helping the country to save foreign exchange.

	(Rs. In lakhs)
Total foreign exchange used and earned	
- Total foreign exchange earned	NIL
- Total foreign exchange spent	NIL

For and on behalf of the Board of Directors

RAJNEESH ANAND
Managing Director

DR. SACHIN D. PATEL
Director

Place : Mumbai

Date : 26th August, 2011

ANNEXURE 'B' TO THE DIRECTORS REPORT
REPORT ON CORPORATE GOVERNANCE

To,
The Members,

The Directors of the Company are pleased to present report on Corporate Governance for the financial year ended 31st March, 2011.

PHILOSOPHY ON CODE OF GOVERNANCE

The philosophy underlying Corporate Governance seeks to create a system of "Checks and Balances" based on transparency, ensuring integrity, clarity and consistency in the dealing of the Company with all its stakeholders. Good governance ensures that a Company follows the best corporate practices. Implementation of good governance indicates not only the compliance of the laws and regulations of the land but also indicates the values, practices and culture of your organisation.

BOARD OF DIRECTORS
(A) Composition of the Board

The Company's Board comprises an optimum combination of Executive and Non-Executive Directors in conformity with the provisions of the listing agreement on Corporate Governance. The Company also has the optimum number of Independent Directors in accordance with the criteria given in Clause 49 of the listing agreement. The Non-Executive Directors brings an external and wider perspective confirming therewith in depth business deliberations and decisions advantage. The Board represents an optimum mix of professionals, knowledge and expertise.

The Managing Director subject to the superintendents and direction of the Board of Directors manages the business of the Company. Details of Board of Directors and their directorship/membership in committees of other companies (excluding Private Limited and Foreign Companies) are as under:

Name of the Director	Category	Number of other directorships	Committee Memberships	
			Chairman	Member
Dr. Dinesh S. Patel	Non executive Promoter Director	3	—	1
Dr. Sachin Dinesh Patel	Non executive & Promoter Director	2	—	1
Mr. A. B Shah (Nominee of GIIC)	Non executive & Independent	4	—	2
Mr. J. K. Cha	Non executive Representative of Yuhan Corpn.	—	—	—
Mr. S. C. Kim	Non executive Representative of Yuhan Corpn.	—	—	—
Mr J. H. Choi	Non executive Representative of Yuhan Corpn.	—	—	—
Mr. S.S. Lee	Non executive Representative of Yuhan Corpn.	—	—	—
Mr Vijay Agarwal	Non executive & Independent	7	—	4
Mr Hinesh Doshi	Non executive & Independent	—	—	—
Mr. Rajneesh Anand (Managing Director)	Executive	1	—	1
Ms. Dharmishta N Raval	Non executive & Independent	—	—	—
Mr. Subhash C Kaushik	Non executive & Promoter Director	1	—	—

(B) Details of attendance of the directors at the Board Meetings held in Financial Year 2010-11 and at the last Annual General Meeting.

Name of the Director	Number of Board Meetings held during F.Y. 2010-11 while holding the Office.	Number of Board Meetings attended while holding the Office.	Attendance at last Annual General Meeting.
Dr. Dinesh Patel	4	4	Yes
Dr. Sachin Dinesh Patel	4	4	Yes
Mr. A.B Shah (Nominee of GIIC)	4	—	—
Mr. J. K. Cha	4	—	—
Mr. S.S Lee	4	—	—
Mr. J. H. Choi	4	—	—
M. S.C Kim	4	—	—
Mr.Rajneesh Anand (Managing Director)	4	4	Yes
Mr. Vijay Agarwal	4	3	—
Mr. Hinesh Doshi	4	3	—
Ms. Dharmishta N. Raval	4	2	—
Mr. Subhash C Kaushik	3	1	—

The Board meetings are generally held in Mumbai. During the financial year 2010-11, Four meetings of the Board of Directors were held on 21st May, 2010, 31st July 2010, 11th November 2010 and 31st January 2011.

(C) Role of Independent Directors

The Independent Director's play an important role in bringing deliberation in Board Meeting and guide the company with their wide experience in Accountancy, Finance, Taxation and Legal Fields.

(D) Board Meetings

The Meetings of the Board of Director's are held at regular intervals of not more than four months in Mumbai or at other places in India as per the convenience of the Directors. These are generally scheduled well in advance. The provisions of the Companies Act, 1956 and those under Clause 49 of the Listing Agreement have been followed. The Board meets at least once a Quarter to review Performance and Financial Results. All the major decisions are taken at the Board meeting wherein directors are provided with all material information. Senior Executives of the Company are invited to attend the board meeting and provide clarifications as and when required.

The last Annual General Meeting of the Company was held on 28th September, 2010.

AUDIT COMMITTEE

Pursuant to provisions of Section 292A and Clause 49 of the Listing Agreement, the Audit Committee was formed on 27th June, 2001. The terms of reference and powers of committee are in compliance with the provisions of clause 49 of the listing agreement on corporate governance and Section 292A of the Companies Act, 1956. The Committee also reviews Reports of the Statutory Auditors along with the comments and action taken. Senior Executives are invited to attend the meeting of the Audit Committee as and when considered appropriate. The head of Finance function regularly attends the Meeting of the Audit Committee.

The Audit Committee consists of Mr. Vijay Agarwal – Chairman, Mr.Rajneesh Anand, Dr. Sachin D. Patel and Mr. Hinesh Doshi (upto 30th October, 2010). The Committee met four times during the Financial Year 2010-11. The dates of Audit Committee meetings held during Financial Year 2010-11 are 21st May, 2010, 31st July 2010, 11th November, 2010 and 31st January 2011 and most of the members were present at all the meetings.

REMUNERATION COMMITTEE

The Remuneration Committee of the Directors of the Company comprised of Dr. Dinesh Patel – Chairman, Mr. Vijay Agarwal and Dr. Sachin D. Patel.

Remuneration of Directors

Mr. Rajneesh Anand, the Managing Director is the only Executive Director in the Board. The Board of Directors of the Company takes all the decisions regarding appointment and payment of remuneration to the Directors (including Managing Director) as per the recommendation of the Remuneration Committee.

The Company is paying managerial remuneration to the Managing Director only. The details of such remuneration are given herewith.

The remuneration payable to Mr. Rajneesh Anand, Managing Director of the Company as specified hereunder, is pursuant to provisions of Section 269, Schedule XIII and other applicable provisions of the Companies Act, 1956.

Details of remuneration paid to the Managing Director for year 2010-11 is as under:

Particulars	Amount (in Rs.) (2010 – 11)
Salary	3,00,000/-
Gratuity	—
Leave Salary	—
LTA, Medical & Other benefits	—
Total	3,00,000/-

The Company has not paid any commission to the Managing Director.

In the year 2010-2011, the Company has not paid any sitting fees to the Directors.

SHARE TRANSFER AND INVESTORS GRIEVANCE COMMITTEE

The Share Transfer Committee was formed on 26th July, 2000 by the Board of Directors of the Company and had delegated the authority to approve transfer of shares and to attend other share transactions including transmission, transposition, split, consolidation and issue of duplicate share certificate so as to expedite the process relating thereto. During the financial year 2010-11, the Board of Directors has renamed the committee as Share Transfer & Investors Grievance Committee to look into the grievances of investors in addition to approval of transfer of shares. The present members of Share Transfer & Investors Grievance Committee are Mr. Rajneesh Anand – Chairman, Dr. Sachin Dinesh Patel & Mr. Vijay Agarwal .

The committee met 10 times during the Financial Year 2010-11. For some periods there were no share transfers, therefore the share transfer committee meetings were not held. The Minutes of the Share Transfer Committee were laid before the Board of Directors for record. All the valid applications for share transfer received during the year 2010-11 have been approved. During the year 2010-11, Company has received complaints from Shareholders and all the complaints were resolved and no complaint is pending as on 31st March, 2011.

Compliance Officer

Mr. Jayapal. K

69/C, GIDC Industrial Estate,
Vapi – 396 195, Dist. Valsad,
Gujarat, India

GENERAL BODY MEETINGS

Annual General Meetings

Last three Annual General Meetings of the Shareholders of the Company were held as under:

Year	Venue	Date	Time
2007-08	69/C, GIDC Indl. Estate, Vapi 396 195, Dist. Valsad, Gujarat.	05-09-2008	11.00 A. M.
2008-09	69/C, GIDC Indl. Estate, Vapi 396 195, Dist. Valsad, Gujarat.	26-09-2009	11.00 A. M.
2009-10	69/C, GIDC Indl. Estate, Vapi 396 195, Dist. Valsad, Gujarat.	28-09-2010	11.00 A. M.

No other general meetings were held in last three financial years. All resolutions including the special resolution set out in the respective notices were passed by the Shareholders.

No resolution which required to be passed through a postal Ballot, as recommended under Clause 49 of the Listing Agreement and the Companies (Passing of Resolution through Postal Ballots) Rules 2001, were placed for shareholder's approval at the meeting.

Disclosures

Details of the related parties and transactions of the Company with such related parties during the financial year 2010–11 are furnished at Para 16 of Schedule 20 with respect to "Significant Accounting Policies and Notes to Accounts", which forms part of the Accounts of the Company for the Financial Year ended 31st March, 2011.

There have neither been any instance of non compliance of any matter related to the capital market during the last three years nor any penalty, stricture have been imposed on the Company by Stock Exchanges or by Securities and Exchange Board of India or any other statutory authority on any matter related to capital market.

Means of Communication

The Company publishes the quarterly and half yearly financial results in the daily news papers (English & Gujarati editions) as required by the provisions of the listing agreement. Presently the Company does not have practice of mailing half-yearly results to the shareholders. The Management discussions and Analysis Report forms part of Annual Report.

General Shareholders Information

A) Annual General Meeting

Date and time : 24th September, 2011 at 11 A. M
Venue : 69/C, GIDC Indl. Estate, Vapi 396 195, Dist. Valsad, Gujarat.

B) Tentative Financial Calendar (Subject to change) for the financial Year 2011-12

1st Quarterly Results - 13th August, 2011
Half Yearly Results - 14th November, 2011
3rd Quarterly Results - 14th January, 2012
Annual Results - 29th May, 2012

C) Dates of Book Closure

From 20th September, 2011 to 24th September, 2011 (both days inclusive).

D) Dividend Payment Date

The Company has not declared any dividend.

E) Listing on Stock Exchanges

The Company's Equity Shares are listed on Ahmedabad Stock Exchange Ltd. and Bombay Stock Exchange Ltd. The listing fees for the year 2011 - 2012 have been paid to above Stock Exchanges.

F) Stock Code

Ahmedabad Stock Exchange Ltd. : 22810/GUJTHEMIS
Bombay Stock Exchange Ltd. : 506879

G) Fixed / Public Deposit

Your Company has not accepted any public deposits during the year.

G) Stock Price Data and Stock Performance

Month	BSE Sensex		Share Price	
	High	Low	High (Rs.)	Low (Rs.)
April, 2010	18,047.86	17,276.80	15.25	11.55
May, 2010	17,536.86	15,960.15	13.02	10.85
June, 2010	17,919.62	16,318.39	13.50	10.99
July, 2010	18,237.56	17,395.58	12.47	9.90
August, 2010	18,475.27	17,819.99	12.50	9.92
September, 2010	20,267.98	18,027.12	12.84	9.11
October, 2010	20,854.55	19,768.96	10.99	7.49
November, 2010	21,108.64	18,954.82	13.00	8.56
December, 2010	20,552.03	19,074.57	9.97	7.83
January, 2011	20,664.80	18,038.48	10.03	7.00
February, 2011	18,690.97	17,295.62	8.80	6.86
March, 2011	19,575.16	17,792.17	7.77	6.26

H) Registrar and Share Transfer Agent

In order to comply with SEBI circular the Company has appointed M/s. Link Intime India Pvt. Ltd. as Company's Registrar and Share Transfer Agent to handle the work relating to the transfer of shares and other share transactions in physical and electronic form as well as communications with shareholders with respect to the matters related to their shareholdings.

I) Address for correspondence

The addresses for correspondence are as under:

For Physical as well as Electronic form	:	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, Lal Bahadur Shastri Marg, Bhandup (West), Mumbai 400 078 Phone : 022 – 2594 6970 / 2596 3838 Fax : 022 – 2594 6969 E-mail : rnt.helpdesk@linkintime.co.in
For any other matter and unresolved complaints	:	69/C GIDC Industrial Estate, Vapi – 396 195, Dist. Valsad, Gujarat Phone : 0260 - 2430027 Fax : 0260 - 2400639 E-mail : gtblmumbai@gtbl.in / accounts@gtbl.co.in

Shareholders holding their shares in Electronic mode should address all their correspondence to their respective Depository Participants.

J) Share Transfer System

The Company's Registrar, M/s. Link Intime India Pvt. Ltd. has adequate infrastructure to process the share transfers. The Applications for transfer of shares received by the Company in physical form are processed and registered within 30 days of receipt of the documents valid in all respects. After such processing, the option of simultaneous dematerialisation of the shares is provided to the shareholders. Shares under objection are returned within a week's time. The share transfer committee meets on a need basis for a minimum twice in a month to consider the transfer application and other proposals relating to transmission, transposition, split, consolidation and issue of fresh share certificate. In case if there are no transfers in particular period, share transfer committee meetings were not held. In compliance with listing agreement, every six months, a practicing Company Secretary audit the system of transfer and a certificate to that effect is issued.

K) Dematerialisation of Shares

The equity shares of the Company are in compulsory demat list with effect from 29th January, 2001 and are available for trading under National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). The identification allotted to the Company's equity shares is **INE942C01011**. As on 31st March 2011, a total of **7360492** Equity Shares of the Company forming **63.45%** of the total paid up share capital stands dematerialised. All requests for dematerialisation of shares are processed within the stipulated time.

L) Shareholding pattern

Distribution of shareholding as on 31st March, 2011 was as under:

Range	No of shareholders	% of Total shareholders	No of shares held	% of shareholding
1 to 500	5605	90.26	696023	6.00
501 to 1000	341	5.49	293859	2.53
1001 to 2000	121	1.95	186748	1.61
2001 to 3000	49	0.79	121771	1.05
3001 to 4000	26	0.42	95827	0.83
4001 to 5000	25	0.40	120848	1.04
5001 to 10000	20	0.32	137033	1.18
10001 & above	23	0.37	9947891	85.76
TOTAL	6210	100	11600000	100

The categories of shareholding as on 31st March, 2011 was as under:

Category	No of shares held	% of shareholding
Promoters	8949140	77.15
Institutional Investors	4900	0.04
NRIs / OCBs	84472	0.73
Others and General Public	2561488	22.08
TOTAL	11600000	100

M) Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity.

Not Applicable

N) Plant Locations

Company's Plant is located at 69/C, GIDC Industrial Estate, Vapi – 396 195, Dist. Valsad, Gujarat.

COMPLIANCE

The Company has complied with mandatory requirements of Corporate Governance code as contained in clause 49 of the listing agreement. The Board would review the implementation of non-mandatory requirements of Corporate Governance code in due course of time. The certificate regarding compliance of corporate governance code for the financial year 2010-11 is annexed to this report.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 26th August, 2011

RAJNEESH ANAND
Managing Director

DR. SACHIN D. PATEL
Director

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Gujarat Themis Biosyn Limited

I have examined the compliance of conditions of Corporate Governance by the Gujarat Themis Biosyn Limited for the year ended on 31st March, 2011 as stipulated in clause 49 of the listing agreement of the said Company with the stock exchanges.

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

In my opinion and to the best of information and explanations provided to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned listing agreement.

Based on verification of the records of the Company and as certified by the Company's Registrar and Share Transfer Agent, I state that no investor grievances are pending against the Company for more than 30 days as on 31st March, 2011.

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

Date : 26th August, 2011
Place : Mumbai

SANDHYA BORASE
Company Secretary
ACS 8353
C P 4563

REPORT OF THE AUDITORS' TO THE MEMBERS

The Members,
GUJARAT THEMIS BIOSYN LIMITED.

We have audited the attached Balance Sheet of **GUJARAT THEMIS BIOSYN LIMITED**, as at 31st March 2011 and also the Profit and Loss Account and the Cash Flow statement for the year ended on that date annexed thereto. 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.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those 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.

1. As required by the Companies (Auditor's Report) Order, 2003 (As Amended) issued by the Central Government of India in terms of sub-section (4-A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order, to the extent applicable to the Company.
2. Further to our comments in the annexure referred to in Paragraph 1 above, we report that: -
 - a. We have obtained all the informations and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper Books of Account as required by law, have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Account;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of the written representations received from the directors as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. *Attention is invited to Note No. 8 of schedule 20 and paragraph (i) of Annexure to this Report, regarding non-maintenance of proper records showing full particulars including quantitative details and situation of fixed assets and no physical verification of such fixed assets carried out by the management during the year. Consequently, the discrepancies if any between the book records and the physical availability of assets could not be ascertained. However in the opinion of management there will be no material discrepancies between Fixed Assets records as per Books and its physical availability.*
 - g.
 - (i) *Note No. 7 of Schedule 20 regarding preparation of accounts on the basis of a going concern in spite of loss of Rs.3,27,68,020/- incurred during the year and brought forward losses of Rs.24,63,08,836/-, which has resulted in negative net worth of Rs.15,45,11,943/- as at 31st March, 2011. The Company also has working capital deficiency. The company is also a sick company within the meaning of Section 3 (1) (o) of the Sick Industrial Companies (Special Provisions) Act 1985 and the Company has been registered with the BIFR. These factors raise doubts about, the Company's ability to continue as a going concern which is dependent upon infusion of long terms funds for its future operations. The accompanying financial statements do not include any adjustments relating to the recoverability and classification of assets carrying amounts or the amount and classification of liabilities that might result, should the Company be unable to continue as a going concern.*
 - (ii) *The outstanding balances as at 31st March, 2011 in respect of certain sundry debtors, deposits, loans & advances and sundry creditors are subject to confirmation from respective parties and consequential reconciliation and adjustment arising there from, if any. (Refer note no. 9 (a) of Schedule 20) Consequential impact thereof on the financial statements is not ascertainable.*
 - (iii) *Non provision of losses due to fire, pending ascertainment of the actual loss. (Refer Note No. 19 of Schedule 20)*
 - (iv) *The Company continues to recognize the cenvat credit receivable which as at 31st March, 2011 amounted to Rs.71,03,857/-. We are unable to comment on the extent of its utilization and realisability. Consequential impact thereof on the financial statements is not ascertainable. (Refer note no. 20 of Schedule 20)*
3. In our opinion and to the best of our information and according to the explanations given to us, the said Accounts, *subject to our comments in paragraph 2(g) above consequential cumulative effect thereof is not ascertainable* and read together with significant accounting policies and 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, 2011 and
 - b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date.
 - c) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For KHANDELWAL JAIN & CO.
Chartered Accountants,
Firm Regn. No. 105049W
(NARENDRA JAIN)
PARTNER
Membership No.048725

Place : Mumbai
Date : 26th August, 2011

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011 OF GUJARAT THEMIS BIOSYN LIMITED

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 not maintained proper records showing full particulars including quantitative details and situation of its assets.*
 - b) *We were informed that the fixed assets were not physically verified by the management, during the year. Hence, the discrepancies if any between book records and physical availability could not be ascertained;*
 - c) *We were informed that, no substantial part of fixed assets of company have been disposed off during the year.*
- ii) a) *The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable;*
 - b) *According to the information and explanations given to us, the procedures followed for physical verification of the inventory are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business;*
 - c) *According to the records produced before us for our verification, there were no material discrepancies noticed on physical verification of stocks referred to in Para 2(a) above as compared to the book records and the same have been properly dealt with in the books of account of the Company;*
- iii) a) *According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any Companies, Firms or other Parties listed in the register maintained under Section 301 of the Companies Act, 1956.*
 - b) *Since the company has not granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 provisions of clause 4 (iii) (b) (c) (d) are not applicable to the company.*
 - c) *Further, according to the information and explanations given to us, the outstanding royalty amount payable to Yuhan Corporation has been treated as interest free unsecured Loan (The Amount and the year-end balance Rs.3,95,10,377/-). Except the above, company has not taken any Loans, Secured or unsecured from Companies, Firms or other Parties in the register maintained under section 301 of the Companies Act, 1956;*
 - d) *In our opinion, the rate of interest and other terms and conditions of loans taken by the company, secured or unsecured, are prima facie not prejudicial to the interest of the company;*
 - e) *As informed to us, there is regular repayment of principal and interest amounts in respect of loan taken by company, wherever stipulated;*
- iv) *In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regards to purchase of inventory and fixed assets and with regards to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls system;*
- v) a) *According to the information and explanations given to us and based on our verification, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been entered;*
 - b) *Further, according to the information and explanations given to us, each of these transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time;*
- vi) *According to the information and explanations given to us, the Company has not accepted any deposits from the public;*
- vii) *In our opinion, the company has an internal audit system commensurate with the size and 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 with a view to determine whether they are accurate;*

- ix) a) *Undisputed Statutory Dues including Employees' State Insurance (ESIC), ESIC dues in respect of contractors, Profession Tax, Tax Deducted at Source (TDS), Interest on Notified Area Tax and NA charges have not been regularly deposited with the appropriate authorities as there have been substantial delay in depositing such statutory dues. According to the information and explanations given to us, there were no undisputed statutory dues which have remained outstanding as at 31st March, 2011 for the period of more than six months from the date they became payable.*
- b) According to the information and explanation given to us, there are no dues of Sales Tax, Service Tax, Income Tax, Customs Duty, Wealth tax, Excise duty and Cess, which have not been deposited on account of any dispute, except the following:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax	Demand u/s 143 (3)	10,79,703/-	A.Y. 2001-2002	Hon. High Court, Gujarat Income Tax (TDS)
	Demand u/s 201(1) / 201(1A)	2,53,647/-	A.Y. 2009-2010	Hon. Commissioner of Income Tax (Appeals) Valsad

- x) *The accumulated losses of the company are more than fifty percent of its net worth. The company has, without considering the effect of our comments in the paragraph 2 (f) & (g) in the main report, has incurred cash losses during the financial year covered by our audit. It had incurred cash losses in the immediately preceding financial year also, without considering the effects of our comments made in paragraph 2 (f) & (g) of our Auditors Report for the said financial year.*
- xi) In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of dues to a financial institution, bank or debenture holders. Details of such defaults is given as under :-
- (a) in case of Gujarat Industrial Investment Corporation Limited (GIIC), where repayment of unsecured loan amounting to Rs.26,00,000/- has not been made as in the opinion of the company, GIIC is also a promoter and as per the BIFR sanctioned scheme the loan which was subordinated to the dues of the Banks and Financial Institutions would be repaid only after clearing the dues to banks and Financial Institutions.
- (b) In case of working capital term loan taken from Union Bank of India, the details of defaults/delay in repayments of principal are as under: -

Period Of Default	Amount	Remarks
Less than 30 days	26,66,000	Including Rs.13,33,000 outstanding as on 31.03.2011
30 to 90 days	1,44,84,591	Including Rs.26,66,000 outstanding as on 31.03.2011
91 to 120 days	15,11,409	Nil outstanding as on 31.03.2011

- (c) In case of working capital term loan taken from Union Bank of India, the details of defaults/delay in payment of interest are as under: -

Period Of Default	Amount	Remarks
Less than 30 days	8,31,765	Including Rs.7,14,789 outstanding as on 31.03.2011
30 to 90 days	88,09,159	Including Rs.13,45,612 outstanding as on 31.03.2011
91 to 120 days	2,82,000	Nil outstanding as on 31.03.2011
More than 120 days	58,044	Rs.58,044 outstanding as on 31.03.2011

- (d) In case of cash credit taken from Union Bank of India, the details of defaults/delay in payment of interest are as under:-

Period Of Default	Amount	Remarks
Less than 30 days	20,83,563	Including Rs.2,36,609 outstanding as on 31.03.2011
30 to 90 days	4,28,768	Nil outstanding as on 31.03.2011

(e) Letters of Credit issued by Union Bank of India have devolved and details of defaults/delay in repayments of principal of the same are as under:

Period Of Default	Amount	Remarks
Less than 30 days	72,03,113	29,87,760 outstanding as on 31.03.2011
30 to 90 days	1,24,43,501	27,30,163 outstanding as on 31.03.2011
90 to 120 days	39,19,591	Nil outstanding as on 31.03.2011

- xii) According to the informations and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
- xiii) In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company;
- xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company;
- xv) According to the informations and explanations given to us, the Company has not given any guarantee for loan taken by others from bank or financial institutions;
- xvi) In our opinion, the term loans raised during the year have been applied for the purpose for which they were raised;
- xvii) According to the informations and explanations given to us and on an examination of the balance sheet of the company, *we report that fund raised on short term basis amounting to Rs.13,43,95,476/- been used for long term purposes including for accumulated losses;*
- xviii) According to the informations and explanations given to us, 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) According to the information and explanations given to us, the Company has not issued debentures;
- xx) According to the information and explanations given to us, the Company has not raised money by public issues during the year;
- xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For KHANDELWAL JAIN & CO.
Chartered Accountants,
Firm Regn. No. 105049W

(NARENDRA JAIN)
PARTNER

Membership No.048725

Place : Mumbai
Date : 26th August, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SOURCES OF FUNDS			
Shareholders' Funds :			
Capital	1	115,996,000	115,996,000
Reserves and Surplus	2	8,568,913	8,568,913
Loan Funds :			
Secured Loans	3	92,126,037	100,722,999
Unsecured Loans	4	45,642,115	42,110,377
		262,333,065	267,398,289
APPLICATION OF FUNDS			
Fixed Assets :			
Gross Block	5	377,130,456	365,767,855
Less :- Depreciation		290,979,461	282,613,694
Net Block		86,150,995	83,154,161
Capital Work-in-Progress		1,455,428	2,636,401
		87,606,423	85,790,562
Investment	6	7,500	7,500
Current Assets, Loans & Advances :			
Inventories	7	8,254,275	6,316,570
Sundry Debtors	8	—	—
Unbilled Revenue		—	5,293,535
Cash and Bank Balances	9	6,180,696	4,863,906
Loans & Advances	10	23,169,111	24,779,366
Other Current Assets		477,515	471,320
		38,081,597	41,724,698
Less:- Current Liabilities & Provisions:			
Current Liabilities	11	140,059,282	104,393,135
Provisions	12	2,380,029	2,040,172
		142,439,311	106,433,307
NET CURRENT ASSETS		(104,357,714)	(64,708,609)
Deffered Tax Assets/ (Liability) (Net)	13	—	—
Profit & Loss Account		279,076,856	246,308,836
		262,333,065	267,398,289
Significant Accounting Policies and Notes to Accounts	20		

The schedules referred to above, form an integral part of the Balance Sheet

As per our Report of even date attached

For KHANDELWAL JAIN & CO.

Chartered Accountants

NARENDRA JAIN

Partner

Membership No. 048725

Place : Mumbai

Date : 26th August, 2011

RAJNEESH ANAND

Managing Director

SUBHASH C KAUSHIK

Director

DR.SACHIN D. PATEL

Director

For and on behalf of the Board

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Schedule	For the year ended 31.03.2011		For the year ended 31.03.2010	
	Rs.	Rs.	Rs.	Rs.
INCOME				
Conversion / Job Work Charges Received		133,780,905		154,570,218
Sales (Gross)	39,708		227,779	
Less: Excise Duty	—	39,708	12,955	214,824
Scrap Sales		1,255,840		767,615
Other Income	14	1,883,308		793,509
Increase/(Decrease) in Stocks	15	3,077,289		1,524,206
		140,037,050		157,870,372
EXPENDITURE				
Materials Consumed / Sold	16	8,128,595		10,400,642
Payments to & Provisions for employees	17	22,739,999		19,249,883
Manufacturing & Other Expenses	18	118,130,889		113,965,802
		148,999,483		143,616,327
Profit/ (Loss) before Interest, Depreciation, Prior period adjustments & Tax		(8,962,433)		14,254,045
Interest & Finance Charges	19	12,553,972		15,980,141
Profit / (Loss) before Depreciation, Prior period adjustments & Tax		(21,516,405)		(1,726,096)
Depreciation		10,700,435		10,417,932
Profit / (Loss) before Prior period adjustments & Tax		(32,216,840)		(12,144,028)
Prior Period adjustments		436,025		(1,680,605)
Sundry Credit Balances written back		—		3,518,539
Profit / (Loss) before Tax		(32,652,865)		(10,306,094)
Less : Income Tax for earlier year		115,155		474,037
Less : Fringe Benefit Tax for earlier year		—		54,707
Less : Provision for Taxation				
- Current Tax		—		—
- Deferred Tax		—		—
Net Profit / (Loss) for the year		(32,768,020)		(10,834,838)
Balance of Surplus / (deficit) brought forward		(246,308,836)		(235,473,998)
Balance of surplus carried to Balance Sheet		(279,076,856)		(246,308,836)
Basic / Diluted Earning per Share (Rs.) (Refer Note No. 15 of Schedule 20)		(2.82)		(0.93)

Significant Accounting Policies and Notes to Accounts 20

The schedules referred to above, form an integral part of the Balance Sheet

As per our Report of even date attached

For KHANDELWAL JAIN & CO.

Chartered Accountants

NARENDRA JAIN

Partner

Membership No. 048725

Place : Mumbai

Date : 26th August, 2011

RAJNEESH ANAND

Managing Director

SUBHASH C KAUSHIK

Director

DR.SACHIN D. PATEL

Director

For and on behalf of the Board

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE - 1		
SHARE CAPITAL		
Authorised :		
1,36,00,000 (P. Y. 1,36,00,000) Equity Shares of Rs.10/- each	136,000,000	136,000,000
30,000 (P. Y. 30,000) Preference Shares of Rs.100/- each	3,000,000	3,000,000
1,11,00,000 (P.Y. 1,11,00,000) Unclassified Shares of Rs.10/- each	111,000,000	111,000,000
TOTAL	250,000,000	250,000,000
Issued, Subscribed and Paid up :		
1,16,00,000 (P. Y. 1,16,00,000) Equity Shares of Rs. 10/- each	116,000,000	116,000,000
Less: Calls Unpaid (Other than Directors)	4,000	4,000
TOTAL	115,996,000	115,996,000
SCHEDULE - 2		
RESERVES & SURPLUS		
(a) Capital Reserve :		
Cash Subsidy from Government of Gujarat	1,568,913	1,568,913
(b) Share Premium		
	7,000,000	7,000,000
TOTAL	8,568,913	8,568,913
SCHEDULE - 3		
SECURED LOANS		
From Bank		
Union Bank of India		
- Cash Credit (Refer note No.2 & 4 below) (The above Loan includes interest accrued and due amounting to Rs.2,36,609/- (Previous Year Rs.2,42,697/-))	20,721,693	20,242,697
- Working Capital Term Loan (Refer note No.3 & 4 below) (The above Term Loan includes interest accrued and due amounting to Rs.21,18,445/- (Previous Year Rs.17,67,253/-))	65,620,013	80,474,400
- Overdue Devolved Letter of Credit (The above Overdue Devolved Letter of Credit includes interest accrued and due amounting to Rs.66,408/- (Previous Year Rs.5,902/-))	5,784,331	5,902
TOTAL	92,126,037	100,722,999

Note 1 : Working Capital Term Loan from Bank (Union Bank of India) includes amount repayable within 12 months Rs.1,99,95,000/- (Previous Year Rs. 1,86,62,000/-)

Note 2 : Cash Credit are secured by labour bills drawn on Artemis Biotech (a division of Themis Medicare Ltd.), hypothecation of all stocks of consumable stores, book debts and such other movable property of any kind belonging to the Company. Further secured by equitable mortgage of immovable properties (by the deposit of title deeds in favour of the bank) together with all buildings and structure erected/constructed thereon, existing or future, and/or fixed plant and machinery located at Vapi (Gujarat). Further, the loan is secured by Corporate Guarantee given by Pharmaceutical Business Group (India) Ltd

Note 3 : Working Capital Term Loans are secured by charge on factory premises at GIDC, Vapi and first charge on entire Plant & Machinery excluding those financed by other Financial Institution. Further, secured by equitable mortgage of factory land & building and first charge of entire plant & machinery. Further, the loan is secured by Corporate Guarantee given by Pharmaceutical Business Group (India) Ltd.

Note 4 : Working Capital Term Loan, Cash Credit and Import Inland LC are secured by the personal guarantee of one of the Director.

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE - 4		
UNSECURED LOANS		
Short Term Loan	3,531,738	—
(The above Short Term Loan includes interest accrued and due amounting to Rs.42,343/- (Previous Year Nil) [Against insurance claim and personal guarantee of one of the Director]		
Yuhan Corporation	39,510,377	39,510,377
Gujarat Industrial Investment Corporation Limited	2,600,000	2,600,000
TOTAL	45,642,115	42,110,377

SCHEDULE - 5

FIXED ASSETS

(Amount in Rs.)

ASSETS	GROSS BLOCK				DEPRICIATION				NET BLOCK	
	As at 1-Apr-10	Addition During the year	Deduction During the year	As at 31-Mar-11	As at 1-Apr-10	For the year	Deduction/ Adjustment	As at 31-Mar-11	As at 31-Mar-11	As at 31-Mar-10
LAND *	1,117,526	—	—	1,117,526	337,293	13,628	—	350,921	766,605	780,233
BUILDINGS	23,714,347	608,000	—	24,322,347	17,192,036	801,962	—	17,993,998	6,328,349	6,522,311
STAFF QUARTERS	67,541	—	—	67,541	40,032	1,375	—	41,407	26,134	27,509
PLANT & MACHINERY	328,633,550	13,064,460	2,607,915	339,090,095	253,774,523	9,507,090	1,724,053	261,557,560	77,532,535	74,859,027
FURNITURE & FIXTURES	5,197,236	120,363	—	5,317,599	4,939,972	52,290	—	4,992,262	325,337	257,264
COMPUTER	2,847,888	84,600	—	2,932,488	2,688,218	85,177	—	2,773,395	159,093	159,670
ERECTION & OFFICE EQUIPMENT	2,387,763	99,703	—	2,487,466	2,104,103	51,251	—	2,155,354	332,112	283,660
VEHICLES	1,802,004	673,043	679,653	1,795,394	1,537,517	187,662	610,615	1,114,564	680,830	264,487
TOTAL :==>>	365,767,855	14,650,169	3,287,568	377,130,456	282,613,694	10,700,435	2,334,668	290,979,461	86,150,995	83,154,161
PREVIOUS YEAR	364,287,751	1,480,104	—	365,767,855	272,195,762	10,417,932	—	282,613,694	83,154,161	—

* AMOUNT AMORTISED AGAINST LEASEHOLD LAND

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
<u>SCHEDULE - 6</u>		
INVESTMENT (Long Term)		
Quoted Equity Shares :	—	—
Unquoted :		
National Saving Certificate (Out of above NSC Lying with District Magistrate of Rs.6,000/-)	7,500	7,500
TOTAL	7,500	7,500
<u>SCHEDULE - 7</u>		
INVENTORIES		
(As taken, valued and certified by the Managing Director) (Valued at cost or net realisable value whichever is lower)		
Stores & Spares	2,230,752	2,754,031
Fuel, Coal, Oil	—	616,106
Packing Material	4,747	4,946
Finished Goods	—	—
Work-in-Process	6,018,776	2,941,487
TOTAL	8,254,275	6,316,570
<u>SCHEDULE - 8</u>		
SUNDRY DEBTORS (Unsecured)		
(i) Debts exceeding six months		
Considered good	—	—
Considered doubtful	55,280,092	55,280,092
	55,280,092	55,280,092
Less : Provision for doubtful debts	55,280,092	55,280,092
	—	—
(ii) Others - Considered Good	—	—
TOTAL	—	—
<u>SCHEDULE - 9</u>		
CASH & BANK BALANCES		
Cash in hand	34,981	36,694
Balance with Scheduled Banks :		
In Current Accounts	4,016,306	2,824,795
In Deposit Accounts (L/C Margin Money)	2,066,379	1,948,000
UBI Deposit (With UP Sales Tax Dept.)	63,030	54,417
TOTAL	6,180,696	4,863,906

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE -10		
LOANS AND ADVANCES		
(Unsecured, considered good, unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received:		
Considered good	673,787	1,474,091
Considered doubtful	2,009,431	2,011,054
	<u>2,683,218</u>	<u>3,485,145</u>
Less : Provision for doubtful advances	2,009,431	2,011,054
	<u>673,787</u>	<u>1,474,091</u>
Loans and Advances to Employees		
Considered good	11,000	—
Considered doubtful	262,664	265,164
	<u>273,664</u>	<u>265,164</u>
Less : Provision for doubtful advances	262,664	265,164
	<u>11,000</u>	<u>—</u>
Pre-paid expenses	590,283	332,407
Advance for Purchase of Land	1,810,000	1,810,000
Less : Provision for doubtful advances	1,810,000	1,810,000
	<u>—</u>	<u>—</u>
Cenvat Credit Available	7,103,857	4,814,694
Deposit with Excise Authorities	50,885	50,885
Advance Income Tax (Net of Provisions)	6,630,719	10,283,282
Sundry Deposits	8,108,580	7,824,007
	<u>—</u>	<u>—</u>
TOTAL	<u>23,169,111</u>	<u>24,779,366</u>
SCHEDULE - 11		
CURRENT LIABILITIES		
Sundry Creditors (Refer Note no. 11 of Schedule 20)		
Micro, Small and Medium Enterprises **	—	94,547
Others	41,129,582	42,030,151
	<u>41,129,582</u>	<u>42,124,698</u>
Others Liabilities	500,023	354,929
Advance from Customer (Pharma)	71,717	71,717
Advance from Customer (Bulk Drugs)	98,357,960	61,841,791
	<u>140,059,282</u>	<u>104,393,135</u>
** Total outstanding dues to Small Scale Industrial undertaking / Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.		
SCHEDULE - 12		
PROVISIONS FOR :		
Gratuity	1,642,362	1,327,321
Leave Encashment	737,667	712,851
	<u>2,380,029</u>	<u>2,040,172</u>
SCHEDULE - 13		
DEFERRED TAX (Refer Notes No.17 of Schedule 20)		
Deferred Tax Assets	15,980,552	17,403,904
Deferred Tax Liabilities	15,980,552	17,403,904
Deferred Tax Assets / (Liability) (Net)	<u>—</u>	<u>—</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	For the year ended 31.03.2011 Rs.	For the year ended 31.03.2010 Rs.
<u>SCHEDULE - 14</u>		
OTHER INCOME		
Interest Received (TDS Rs.57,061/-, P.Y. Rs.48,566/-)	1,138,141	510,715
Exchange Rate Fluctuation (Imp Stores)	—	28,021
Sundry Credit Balance Written Back	33,170	—
Excess Provision Written Back	—	125,393
Excess provision for doubtful advances written back	4,123	—
Profit on Sales of Fixed Assets	595,100	—
Miscellaneous Income	112,774	129,380
TOTAL	1,883,308	793,509
<u>SCHEDULE - 15</u>		
INCREASE/(DECREASE) IN STOCKS OF FINISHED GOODS & WORK-IN-PROCESS :		
Opening Stocks :		
Work in Process	2,941,487	1,417,281
Finished Goods	—	—
	<u>2,941,487</u>	<u>1,417,281</u>
Closing Stocks :		
Work in Process	6,018,776	2,941,487
Finished Goods	—	—
	<u>6,018,776</u>	<u>2,941,487</u>
TOTAL	3,077,289	1,524,206
<u>SCHEDULE - 16</u>		
MATERIALS CONSUMED / SOLD		
Stores & Spares	7,291,172	9,188,508
Packing Material Consumed	1,307	70,607
Cost of Raw Material Sold	—	166,721
Cost of Packing Material Sold	39,708	48,103
Other Materials Consumed	796,408	926,703
TOTAL	8,128,595	10,400,642
<u>SCHEDULE - 17</u>		
PAYMENTS TO AND PROVISION FOR EMPLOYEES'		
Salary, Wages, other benefits etc.	20,775,890	17,387,130
Company's contribution to Provident and other Funds	1,157,040	978,869
Staff Welfare Expenses	807,069	883,884
TOTAL	22,739,999	19,249,883

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

For the year ended
31.03.2011
Rs.

For the year ended
31.03.2010
Rs.

SCHEDULE - 18**MANUFACTURING & OTHER EXPENSES**

Power, Fuel & Water	105,264,320	103,376,805
Rent , Rates & Taxes	772,147	815,995
Conference & Seminar Exp	3,000	20,000
Repairs & Maintenance	5,906,079	5,127,559
Insurance Charges	369,183	391,839
Travelling & Conveyance	239,816	164,116
Job Work charges	1,077,021	—
Auditor Remuneration	295,000	275,000
Vehicle Running & Maintenance Expenses	294,127	281,594
Legal & Professional Expenses	1,218,806	1,320,814
Membership & Subscription	13,000	3,000
Miscellaneous Expenses	1,240,901	590,501
Testing and Analytical Charges	216,560	71,660
Printing & Stationary Expenses	187,732	174,150
Sundry DR.Balance Write Off	7,984	11,907
Hire Charges	62,914	446,959
Provision for doubtful Advances (P&L)	—	22,029
Postage & Telegram Charges	51,275	61,867
Telephone & Telex Charges	155,896	195,832
Security Charges	755,128	614,175
TOTAL	118,130,889	113,965,802

SCHEDULE - 19**INTEREST AND FINANCE CHARGES**

Bank Charges	861,623	329,442
Interest on Short Term Loan	43,353	—
Interest on Cash Credit	2,787,041	2,831,829
Interest on OD PAD	448,557	425,664
Interest on Term Loan	8,213,712	11,863,092
Delayed Payment Charges - Others	118,538	142,685
Other Interest Charges	81,148	387,429
TOTAL	12,553,972	15,980,141

SCHEDULE – 20**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****I STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES****A. SYSTEM OF ACCOUNTING**

The Company follows the mercantile system of accounting and generally recognizes income and expenditure on an accrual basis except those with significant uncertainties.

B. FIXED ASSETS AND DEPRECIATION**FIXED ASSETS**

- i. Fixed Assets are stated at Cost of acquisition, net of Modvat, including any cost attributable for bringing the asset to its working condition for its intended use, less accumulated depreciation. Cost of specific borrowing is capitalised and included in the cost to Fixed Assets.
- ii. Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.
- iii. The carrying amount of assets are reviewed at each balance sheet date for impairment, so as to determine the provision for impairment loss, if any, required, or the reversal, if any, required of impairment loss recognized in previous period.

DEPRECIATION

- i. Leasehold Land is amortised over the remaining period of the lease.
- ii. The Company provides depreciation on Factory Buildings and Plant and Machinery on the "Straight Line Method" (SLM) at the rates specified in Schedule XIV to the Companies Act, 1956, as amended vide notification GSR No. 756 dated 16-12-93.
- iii. Depreciation on all other Fixed Assets is provided on the "Written Down Value" (WDV) Method at the rates specified in Schedule XIV to the Companies Act, 1956.

C. TECHNICAL KNOW-HOW

Technical Know how is written off over a period of its useful life.

D. FOREIGN CURRENCY TRANSACTIONS

- i. The transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction.
- ii. Current Assets and Current Liabilities in Foreign currency outstanding at the Balance Sheet date are translated at the exchange rates prevailing on the date of Balance Sheet.
- iii. The resulting Exchange Difference, if any, is charged to the Profit & Loss Account.

E. INVESTMENT

Long-term investments are valued at cost. Provision for diminution in value of investment is made to recognise a decline other than temporary.

F. INVENTORY VALUATION**I. FINISHED GOODS AND WORK-IN-PROCESS**

- i. Finished Goods are stated at Cost or Market Value whichever is lower.
- ii. Work-in-Process is stated at their cost or market value whichever is lower.
- iii. Cost includes materials, labour, expenses directly & indirectly including depreciation attributable to production.

II. RAW MATERIALS

Raw materials are stated at their Historical Costs (Net of modvat) applying the First in First out (FIFO) or the net realisable value whichever is lower.

III. STORES AND SPARES

Stores and spares are stated at their Historical Costs, (Net of modvat) applying the First in First out (FIFO) or the net realisable value, whichever is lower.

IV. MATERIALS IN TRANSIT

Materials in Transit are valued at cost incurred to date.

G REVENUE RECOGNITION

The Company recognizes revenue from sales as when the transfer of ownership of the goods to the buyer takes place and revenue from Job work on completion of the assigned job.

The revenue in respect of job work completed as at the end of the reporting period for which no bills have been raised is classified as Unbilled Revenue.

H. EMPLOYEE BENEFITS**I DEFINED CONTRIBUTION PLAN**

The Company's monthly contribution towards Provident Fund, Employee's State Insurance scheme, Labour Welfare Fund and Employee's Deposit Linked Insurance are accounted for on accrual basis

II DEFINED BENEFIT PLAN

Liabilities on account of Gratuity and Leave Salary are accounted for on the basis of Actuarial Valuation at the end of each year

III Other Short Term Employee Benefits are charged to revenue in the year in which the related services are rendered.

I. CENVAT

I. CENVAT benefit availed on purchase of Fixed Assets is reduced from the carrying cost of the respective assets.

II. CENVAT benefit availed on purchase of materials is adjusted against the Cenvat payable on sale of material.

J. EXPORT INCENTIVES

Export Benefits (DEPB) are accounted on accrual basis.

K. PRIOR PERIOD ITEMS

Prior Period Expense/Income is accounted under the head Prior Period Adjustment Account. Material item if any, are disclosed separately by way of a note.

L BORROWING COSTS

Borrowing costs that are attributable to the acquisition, construction or productions of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

M. EARNING PER SHARE

In accordance with the Accounting Standard -20 (AS-20) " Earning Per Share" issued by the Institute of Chartered Accountants of India, basic earnings per share is computed using the weighted average number of shares outstanding during the period. The earnings considered in ascertaining the Company's earning per share comprise the net profit after tax (and includes the post tax effect of any extra ordinary items).

N. TAXES ON INCOME

(i) Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws.

(ii) Deferred Tax Assets and liabilities are measured using the tax rates and tax laws that have been announced up to the Balance Sheet date. Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the taxable income and accounting income. The effect of tax rate change is considered in the Profit & Loss account of the respective year of change.

(iii) Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

II NOTES TO ACCOUNTS**1. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:**

- a) Letter of credit in respect of purchases, outstanding at the year-end amounting to Rs.40,71,198/- (Previous year Rs.69,05,144/-).
- b) Income tax under dispute amounting to Rs.18,07,387/- (Previous year Rs.20,99,053/-).
- c) Fringe benefit tax under dispute amounting to Rs.2,01,972/- (Previous year Nil).
- d) Disputed Labour Dues estimated at Rs. 3,79,03,835/- (Previous year Rs. 3,11,41,191/-)

- e) Contingent Liability in respect of claim of interest on Unsecured Loan from Gujarat Industrial Investment Corporation (GIIC) amounting to Rs.1,07,93,277/- (Previous Year Rs. 1,03,25,277/-)
- f) Contingent Liability in respect of Claim of Rs.4,64,765/- (Previous Year Rs. 4,40,537/-) including interest @ 9% p.a. Rs.1,95,556/- (Previous Year Rs. 1,73,128/-) made by an ex-employee is pending with Valsad Civil Court.
- g) Contingent Liability in respect of claim of Rs.4,65,098/- (Previous Year Nil) including interest of Rs.3,56,820/- (Previous Year Nil) made by a supplier is pending with Vadodra Civil Court.

2. EMPLOYEE BENEFITS

Consequent to Accounting Standard-15-“Employee Benefits” (Revised 2005) becoming effective, the Company has made the provision for Defined Contribution Plan and Defined Benefit Plan.

I. Defined Contribution Plan:

During the year the Company has recognised Rs.10,91,244/- (Previous year Rs.9,20,340/-) towards Defined Contribution Plan Obligation.

II. Defined Benefit Plan:

The Present value of obligations for gratuity and leave encashment are determined based on Actuarial Valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

I. Actuarial Assumption

Particulars	Gratuity	
	2010-11	2009-10
Discount Rate Current	8.25%	8.00%
Rate of Return on Plan Assets Current	8.00%	8.00%
Salary Escalation Current	5.00%	5.00%
Attrition Rate (at each age)	2.00%	2.00%

II. Reconciliation of Present Value of Obligation

Particulars	Gratuity (Rs)	
	2010-11	2009-10
Present Value of Obligation at the beginning of the year	13,27,321	12,45,030
Expense Recognized in Profit & Loss Account	4,02,405	3,50,506
Benefits paid	(87,364)	(2,68,214)
Present Value of Obligation at the end of the year	16,42,362	13,27,321

III. Expenses Recognized in the Profit and Loss Account

Particulars	Gratuity (Rs)	
	2010-11	2009-10
Current Service Cost	1,52,437	1,56,934
Interest Cost	1,14,886	98,259
Expected Return on Plan Assets	—	—
Net Actuarial (gain)/loss to be recognized	1,35,082	95,313
Expense Recognized in Profit & Loss Account	4,02,405	3,50,506

IV. Amount Recognized in the Balance Sheet

Particulars	Gratuity (Rs)	
	2010-11	2009-10
Liability at the end of the year	16,42,362	13,27,321
Fair Value of Plan Assets at the end of the year	—	—
Difference	16,42,362	13,27,321
Amount Recognized in the Balance Sheets	16,42,362	13,27,321

3. Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for Rs.12,73,533 /- (Previous year Rs.31,21,984/-).
4. As per the foreign collaboration agreement entered with M/s Yuhan Corporation, the royalty to M/s Yuhan Corporation is payable for first 10 profitable years on the basis of the ex-factory cost of production of Rifampicin. Since, the Company has not produced Rifampicin and has incurred losses in the current year, no provision in the books of account for royalty payable to M/s Yuhan Corporation has been made.
5. Managerial Remuneration paid to Managing Director is as under:

	<u>2010- 2011</u>	<u>2009- 2010</u>
Salary	3,00,000	3,00,000
Total	3,00,000	3,00,000

The Company has not paid any commission to the Managing Director; hence the calculation of net profit under section 198/349 read with section 309 of the Companies Act, 1956 is not given.

6. Auditor Remuneration in Schedule 18 to the Accounts includes:

	<u>2010 - 2011</u>	<u>2009 - 2010</u>
Remuneration paid to Statutory Auditors		
Audit fees	1,80,000	1,80,000
Tax Audit Fees	50,000	50,000
Other Matters	65,000	45,000
Total excluding service tax	2,95,000	2,75,000
Service tax on above	30,385	28,325
Total	3,25,385	3,03,325
Remuneration paid to Cost Auditors	NIL	NIL
Total	NIL	NIL

7. The Company has incurred losses of Rs.3,27,68,020/- during the current year and has brought forward losses of Rs.24,63,08,836/- which has resulted in negative net worth of Rs.15,45,11,943/- as at 31st March, 2011. Further, the Company also has a working capital deficiency. The Company is also a sick Company within the meaning of Section 3 (1) (o) of the Sick Industrial Companies (Special Provisions) Act 1985, and in accordance with the provisions of section 15 (l) of the said act. The Company has been registered with the Board for Industrial & Financial Reconstruction (BIFR). BIFR has appointed Union Bank of India as the Operating Agency (OA). The Company has initiated efforts including development of new products and has ventured into manufacturing of goods on job work basis and is hopeful of working out an acceptable revival strategy with BIFR, arresting these losses and turning around the operations in the coming years. Accordingly, these accounts have been prepared on a going concern basis.
8. The management is in the process of preparing the proper records of the fixed Assets showing the full particulars including quantitative details and situation of fixed Assets. Further during the year no physical verification of the Fixed Assets has been done and therefore discrepancies between book records and physical availability could not be ascertained. However in the opinion of the management there will be no material discrepancies between Fixed Assets records as per books and its physical availability.
9. a) The outstanding balance as at 31st March, 2011 in respect of some of the Sundry Debtors, Deposits, Loans & Advances and Sundry Creditors are subject to confirmation from respective parties and consequential reconciliation/ adjustments arising there from, if any. The management however does not expect any material variation.
- b) In the opinion of the Management, no item of Current Assets, Loans & Advances has a value on realization in the ordinary course of business, which is less than the amount at which it is stated in the Balance Sheet, unless otherwise specified.
10. During the year, the company has reviewed its fixed assets for impairment loss as required by Accounting Standard 28 "Impairment of Assets". In the opinion of the management no provision for impairment loss is considered necessary.

11. The company does not have amounts due to suppliers under The Micro, Small and Medium Enterprise Development Act, 2006, (MSMED Act) as at 31st March, 2011. The disclosure pursuant to the said Act is as under:

Particulars	As on 31.03.2011 (Rs.)	As on 31.03.2010 (Rs.)
Principal amount due to suppliers under MSMED Act, 2006	NIL	94,547
Interest accrued and due to suppliers under MSMED Act, on the above amount	NIL	NIL
Payment made to suppliers (other than interest) beyond the appointed day, during the year	NIL	NIL
Interest paid to suppliers under MSMED Act, (Other than Section 16)	NIL	NIL
Interest paid to suppliers under MSMED Act, (Section 16)	NIL	NIL
Interest due and payable to suppliers under MSMED Act, for payments already made	NIL	NIL
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act.	NIL	NIL

The information has been given in respect of such vendors to the extent they could be identified as "Micro, Small and Medium" enterprises on the basis of information available with the company.

12. Gujarat Industrial Investment Corporation (GIIC) has filed a suit against the Company in City Civil Court in respect of interest on a unsecured loan of Rs 26,00,000/- taken by the Company in the year 1985-86 on the basis of Memorandum of Understanding (MOU), the total interest claimed by GIIC is Rs.93,11,277/-. The accumulated interest upto 31st March 2011 is Rs.1,07,93,277/-. However the Company has disputed the said amount of interest claim on the ground that as per the resolution passed by the GIIC's Board dated 18.07.1985 the said loan would not attract interest until the Company declares any dividend and the MOU was subject to approval by Industrial Development Bank of India (Lead Financial Institution). The Company has not declared any dividend from the date of taking the said loan. Further as per the scheme finalized by BIFR the said loan, being subordinated to the dues of the Banks and Financial Institutions would be repaid only after clearing the dues of banks and of the financial institutions, as GIIC is also a promoter of the Company.

In view of the above no provision has been considered necessary by the management in respect of the said claim of interest and the same has been disclosed as contingent liability.

13. In view of loss for the year no provision for the Income Tax has been made.
14. The Company is manufacturing Bulk Drugs on job work basis for others. Hence, there is no separate reportable segment as per Accounting Standard-17 (AS-17) issued by the Institute of Chartered Accountants of India.

15. Earning per share:

Particulars	2010-2011	2009-2010
Net Profit / (Loss) attributable to Shareholders (Rs.)	(3,27,68,020)	(1,08,34,838)
Number of equity shares	1,16,00,000	1,16,00,000
Earning / (Loss) per share of Rs.10/- (Rs.)	(2.82)	(0.93)

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share remain the same.

16. Related party transaction:

A. Name of the Related Party and Nature of the Related Party Relationship:

- | | | |
|---|---|--|
| a) Joint Venture Company | : | Yuhan Corporation |
| b) Associate Company | : | Pharmaceutical Business Group (India) Ltd. |
| c) Holding Company of Associate Company | : | Vividhmargi Investment Pvt. Ltd |
| d) Key Management Personnel | : | Mr. Rajneesh Anand |

Above mentioned related parties are identified by the management as per Accounting Standard (AS)- 18 "Related Party Transaction" issued by the Institute of Chartered Accountants of India and relied upon by the auditors.

B. Transactions with Related Parties:

Details of related party transactions are as under:

Name of the Related Party	Nature of Relationship	Nature of Transactions	Year ended 31.03.2011 Amount (Rs.)	Year ended 31.03.2010 Amount (Rs)
Transactions during the year				
Pharmaceutical Business Group (India) Limited	Associate Company	Expenses incurred on behalf of associate (recoverable from associate)	1,500	2,500
Closing balance as at year end				
Yuhan Corporation	Joint Venture Company	Unsecured Loan Outstanding	3,95,10,377	3,95,10,377
Pharmaceutical Business Group (India) Limited	Associate Company	Corporate Guarantee Given by PBG to Co's Bankers	14,76,00,000	14,76,00,000
		Expenses incurred on behalf of associate (recoverable from associate)	18,500	17,000
Mr. Rajneesh Anand	Key Management Personnel	Remuneration	3,00,000	3,00,000

17. a) In accordance with the Accounting Standard (AS) -22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has accounted for deferred taxation. Though the Company has significant amount of carried forward losses and unabsorbed depreciation, as a matter of prudence deferred tax assets have been recognised only to the extent of deferred tax liability.

b) Break up of deferred tax assets / liabilities and reconciliation of current year deferred tax charge:

	Opening Balance (Rs.)	(Charged) /Credited to P & L (Rs.)	Closing Balance (Rs.)
Deferred Tax Liabilities:			
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	1,74,03,904	14,23,352	1,59,80,552
Total (A)	1,74,03,904	14,23,352	1,59,80,552
Deferred Tax Assets:			
Tax impact of expenses charged in the financial statement but allowable as deduction in future years under income tax:			
Carried forward Losses / Unabsorbed Depreciation.	—	—	—
Provision for doubtful debts.	1,70,81,548	(14,23,352)	1,56,58,196
Provision for Leave encashment, Gratuity, Bonus and Unpaid Liability u/s 43B	3,22,356	—	3,22,356
Total (B)	1,74,03,904	—	1,59,80,552
Net Deferred Tax Assets / (Liabilities) (B – A)	—	—	—

18. During the year the Company had undertaken an exercise for reviewing old outstanding balances of Sundry Creditors and provisions. Based on the review, the Company has written back sundry credit balances of Rs.33,170/- (Previous year Rs.35,18,539/-).

19. On December 9, 2010, a fire broke out at the Vapi factory premises of the Company damaging building, materials and one of the plant in the factory. This has affected the operation of the Company. The Company has taken all efforts to restore the plant and major parts of the plant operations have been restored on December 18, 2010. Ascertainment of actual loss due to fire is under evaluation; hence no provision for the losses has been made in the accounts at this stage. The aggregate book value of assets affected by fire is Rs.20,49,375/-. Insurance claims are under survey / assessment / quantification and hence have not been accounted for in the current year.

20. Company continues to recognize cenvat credit receivable in respect of excise duty and service tax which as at 31st March, 2011 amounted to Rs.71,03,857/-. At present the Company is manufacturing the bulk drugs on job work basis for others and hence there is no liability on account of excise duty / service tax and therefore the same cannot be utilized. However, the management is hopeful of utilization of the same against the excise liability in future as it expects to commence the manufacturing activity for its own.

21. Additional information pursuant to the provisions of paragraph 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956.

(I) Details of Licensed and Installed Capacity, Production, Turnover and Opening and Closing Stocks.

(A) Licensed and Installed Capacities:

Class of Goods	<u>2010 – 2011</u>		<u>2009 – 2010</u>	
	Rifamycin – S	Rifampicin	Rifamycin – S	Rifampicin
Licensed Capacity	100 MTS per annum		100 MTS per annum	
Installed Capacity #				
Rifamycin – S	90 MTS per annum		90 MTS per annum	
Rifampicin/Lova Statin	120 MTS per annum		120 MTS per annum	

As certified by the Managing Director and being a technical matter, is accepted and relied upon by the Auditors as correct.

(B) Production:

	<u>2010 – 2011</u>		<u>2009 – 2010</u>	
	Kgs		Kgs	
BULK DRUGS :-				
a. Rifamycin - S (Refer note i) #	—		—	
b. Rifampicin	—		—	
Piperazine Hexahydrate (By product)	—		—	
Lova Cake (semi-finished)	15,849		—	
Lovastatin #	—		—	
Lovastatin (Job work) #	405		22,975	
Lova Boronate (Job work) #	73,680		59,906	
Other Bulk Drugs (Job work)	26,886		17,227	
Lova technical	3,760		—	

The production of Finished Goods used for captive consumption is excluded and above information is relating to production for sale / job work only.

(C) Turnover (Refer note i & ii):

	<u>2010 – 2011</u>		<u>2009 – 2010</u>	
	Kgs.	Rs.	Kgs.	Rs.
Other RM	—	—	—	1,66,721
Packing Materials	—	39,708	—	48,103
Conversion Charges (Job work)				
Lovastatin	405	7,20,900	22,975	4,08,95,500
Lova Boronate	73,680	10,49,94,583	59,906	10,18,98,604
Debit Note to a party (refer note iii below)		34,31,116	—	—
Other Bulk Drugs	26,886	1,18,83,612	17,227	1,17,76,114
Lova technical	3,760	75,83,920	—	—
Lova Cake (Semi- finished)	15,849	51,66,774	—	—
Total		13,38,20,613		15,47,85,042

i) Turnover is inclusive of excise duty; export benefits, conversion charges & net of sales return.

ii) Excludes samples and replacements.

iii) During the year, the Company has raised a debit note to a party towards overhead expenses against loss of inventory due to fire on 9th December, 2010.

(II) Material Consumed:

	<u>2010 – 2011</u>		<u>2009 – 2010</u>	
	<u>Kgs.</u>	<u>Rs.</u>	<u>Kgs.</u>	<u>Rs.</u>
Laboratory Chemicals		5,45,525		5,57,984
Others	—	2,50,883	—	3,68,719
	<u>—</u>	<u>7,96,408</u>	<u>—</u>	<u>9,26,703</u>

(III) Cost of Raw Material Sold:

	<u>2010 – 2011</u>		<u>2009 – 2010</u>	
	<u>Kgs.</u>	<u>Rs.</u>	<u>Kgs.</u>	<u>Rs.</u>
Others	—	—	—	29,696
Liquid Oxygen	—	—	13,471.50	1,37,025
TOTAL	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,66,721</u>

(IV) Details of imported and indigenous consumptions with percentages thereof:

A. Raw Materials:	<u>2010 – 2011</u>		<u>2009 – 2010</u>	
	<u>%</u>	<u>Rs.</u>	<u>%</u>	<u>Rs.</u>
Imported	—	—	—	—
Indigenous	100.00	7,96,408	100.00	9,26,703
	<u>100.00</u>	<u>7,96,408</u>	<u>100.00</u>	<u>9,26,703</u>
B. Stores, Spares and Packing Materials:				
Imported	—	—	15.16	14,02,924
Indigenous	100.00	72,92,479	84.84	78,56,191
	<u>100.00</u>	<u>72,92,479</u>	<u>100.00</u>	<u>92,59,115</u>

(V) Details of CIF value of imports and expenditure in foreign currency (on accrual basis)

A CIF Value of imports (Including In transit)	<u>2010 – 2011</u>		<u>2009 – 2010</u>	
		<u>Rs.</u>		<u>Rs.</u>
I Raw Materials		NIL		NIL
II Stores and Spares		NIL		29,09,565
III Capital Goods		NIL		NIL
B Expenditure in foreign currency:				
I Commission on Sales		NIL		NIL
II Technical Know-how		NIL		NIL
III R & D Expenses		NIL		NIL
C Earning in foreign exchange				
F.O.B. value of Exports		NIL		NIL

21. Previous year's figures have been regrouped / rearranged / recasted wherever necessary.

As per our report of even date attached

For KHANDELWAL JAIN & CO.

Chartered Accountants

NARENDRA JAIN

Partner

Membership No. 048725

Place : Mumbai

Date : 26th August, 2011

RAJNEESH ANAND
Managing Director

SUBHASH C KAUSHIK
Director

DR.SACHIN D. PATEL
Director

For and on behalf of the Board

**Balance Sheet Abstract and Company's General Business Profile
(In terms of amendment of Schedule VI Part IV)**

(Rs. in thousands)

I Registration Details

 Registration No : 040-4878
 Balance Sheet Date : 31.03.2011

II Capital raised during the year

Public Issue	:	Nil	Right Issue	:	Nil
Bonus Issue	:	Nil	Private Placement	:	Nil

III Position of Mobilisation and Development of Funds

Total Liabilities	:	262,333	Total Assets	:	262,333
-------------------	---	---------	--------------	---	---------

Source of Funds

Paid-up Capital	:	115,996	Reserves & Surplus	:	8,569
Secured Loans	:	92,126	Unsecured Loans	:	45,642

Application of Funds

Net Fixed Assets (including Capital Work-In-Progress)	:	87,606	Investment	:	8
Net Current Assets	:	(104,358)	Misc. Expenditure	:	—
Accumulated Losses	:	279,077	Deferred Tax Assets	:	—

IV Performance of the Company

Turnover & Other Income	:	140,037	Total Expenditure	:	172,690
Profit/Loss Before Tax	:	(32,653)	Profit/Loss After Tax	:	(32,768)
Earning Per Share (in Rs.)	:	(2.82)	Dividend Rate % (Annualised)	:	Nil

V Generic Name of Principal Products/Services of the Company (as per monetary terms)

 Item Code No. (ITC Code) : 294190.01
 Product description : Bulk Drugs

For and on behalf of the Board

 Place : Mumbai
 Date : 26th August, 2011

RAJNEESH ANAND
 Managing Director

SUBHASH C KAUSHIK
 Director

DR.SACHIN D. PATEL
 Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit (Loss) before Tax and Prior period Items	(32,216,840)	(12,144,028)
Adjustment for :		
Depreciation	10,700,435	10,417,932
Sundry Credit Balance written back	(33,170)	—
Sundry Debit Balance written off	7,984	11,907
Excess Provision written back	—	(125,393)
Provision for doubtful Debts written back (P&L)	(4,123)	—
Provision for doubtful Advances (P&L)	—	22,029
Interest and Finance charges	11,692,349	15,650,699
(Profit) / Loss on sale of fixed assets	(595,100)	—
Interest received	(1,138,141)	(510,715)
Operating Profit before working capital adjustments	(11,586,606)	13,322,431
Adjustment for :		
Trade and Other receivables	3,247,366	(3,184,440)
Inventories	(1,937,705)	(710,139)
Trade payables	36,039,175	36,626,669
Cash generated from operations	25,762,230	46,054,521
Direct Taxes Paid (Net of Refunds)	3,537,408	(3,321,283)
Cash Flow before Tax and Prior Period Adjustment Items:	29,299,638	42,733,238
Prior period Adjustments	(436,025)	(1,680,605)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES (A)	28,863,613	41,052,633
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (including Capital Work in Progress)	(13,469,196)	(3,765,955)
Sale Proceeds of Fixed Assets	1,548,000	—
Interest received	1,131,946	374,669
NET CASH FROM / (USED IN) INVESTING ACTIVITIES (B)	(10,789,250)	(3,391,286)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of Secured Loans	(9,002,572)	(19,368,067)
Interest and Finance charges paid	(11,244,396)	(14,781,862)
Proceeds from unsecured Loans	3,489,395	—
NET CASH FROM / (USED IN) FINANCING ACTIVITIES (C)	(16,757,573)	(34,149,929)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A + B + C)	1,316,790	3,511,418
Cash and Cash equivalents at the beginning of the year	4,863,906	1,352,488
Cash and Cash equivalents at the end of the year	6,180,696	4,863,906
Net increase / (decrease) in Cash and Cash Equivalent	1,316,790	3,511,418

NOTES :

- Above statement has been prepared by the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement as specified in the Companies (Accounting Standards) Rules, 2006.
- Cash and Cash equivalents at the end of the year include Rs.20,66,379/- (previous year Rs.19,48,000/-) which are restricted in use.
- Additions to Fixed Assets are stated inclusive of movements of Capital Work-in-Progress between beginning and end of the year treated as part of Investing Activities.
- Previous year's figures have been regrouped / rearranged / recasted, wherever necessary.

As per our Report of even date attached.

For KHANDELWAL JAIN & CO.
Chartered Accountants

NARENDRA JAIN
Partner
Membership No. 048725

Place : Mumbai
Date : 26th August, 2011

RAJNEESH ANAND
Managing Director

SUBHASH C. KAUSHIK
Director

DR.SACHIN D PATEL
Director

For and on behalf of the Board

GUJARAT THEMIS BIOSYN LTD.

Regd Office: 69-C GIDC Industrial Estate, Vapi, Gujart – 396 195.

Dear Shareholder,

Subject: Green Initiative – Registration of E-mail address.

This is to inform you that as part of “Green Initiative in the Corporate Governance”, the Ministry of Corporate Affairs (MCA) vide its circular Nos. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011, respectively: has permitted the Companies to serve the documents viz., annual reports, notices of general meetings / postal ballot, other documents etc. to the members through electronic mode.

In order to support this “Green Initiative”, we are pleased to serve you the above referred documents and also any other documents as specified by MCA from time to time through electronic mode. This will also ensure prompt receipt of communication and avoid loss in postal transit.

We therefore request you to kindly register your E-mail address and / or changes therein from time to time with the Company’s Registrar & Share Transfer Agent (R & T agent) at **gujaratthemisgogreen@linkintime.co.in**

In case you are holding shares in physical mode by filing up the form appearing on reverse of this communication and with your Depository Participant (DP), in case you are holding shares in dematerialized mode.

In case you require physical copies of annual reports and others documents, you may send an email at **gujaratthemisgogreen@linkintime.co.in** or write to the Company’s R & T agent viz., Link Intime India Private Limited, C-13, Pannalal Silk Mill Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400078 by quoting the name of the First/Sole Shareholder, Folio No./DP ID and Client ID. The above documents will be sent to you free of cost.

We request your whole-hearted support to this “Green Initiative” by opting electronic mode of communication for its successful implementation

Thanking you and assuring you of our best attention at all times

Yours faithfully

For GUJARAT THEMIS BIOSYN LTD.

Sd/-

RAJNEESH ANAND

Managing Director

Place : Mumbai

Date : 26th August, 2011

REGISTRATION OF E-MAIL ADDRESS FORM

(In terms of circular No. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011, respectively
issued by Ministry of Corporate Affairs)

(For Shares in Physical Mode)

LINK INTIME INDIA PRIVATE LIMITED
C-13, Pannalal Silk Mill Compound,
L.B.S. Marg, Bhandup – West,
Mumbai-400 078.

I/We shareholder(s) of Gujarat Themis Biosyn Limited hereby accord my/our approval to receive documents viz., annual reports, notices of general meetings/ postal ballot and such other documents that Ministry of corporate Affairs may allow, to be sent in electronic mode.

I/We request you to note my/our latest e-mail address, as mentioned below. If there is any change in the E-mail address, I/we will promptly communicate the same to you. I/We attach the self attested copy of PAN card/ Passport towards identification proof for the purpose of verification.

Folio No Folio No.	
Name of Name of First/Sole Shareholder	
Na Joint Shareholder(s) if any	
Registered Address	
E-mail E-mail Address (to be registered)	

Place :

Date :

(Signature of Shareholder)

Note :For Shares in dematerialized mode – You are requested to register your E-mail address and/or changes therein from time to time with your Depository Participant

GUJARAT THEMIS BIOSYN LIMITED

Regd. Office: 69/C, GIDC Industrial Estate,
Vapi - 396 195
District - Valsad
Gujarat, India

ATTENDANCE SLIP

(TO BE HANDED OVER AT THE ENTRANCE
OF THE VENUE OF THE MEETING)

30TH ANNUAL GENERAL MEETING
SATURDAY THE 24 TH SEPTEMBER, 2011, AT 11 A.M.
VENUE: 69/C, GIDC INDUSTRIAL ESTATE, VAPI - 396 195 DISTRICT - VALSAD, GUJARAT, INDIA

FOLIO NO.		HOLDINGS
D.P. ID★		HOLDINGS
CLIENT ID★		HOLDINGS
<input type="text"/>	MEMBERS	<input type="text"/>
NAME OF THE MEMBER/PROXY (IN CAPITAL LETTERS)		

I hereby register my presence at the Meeting

Signature of the Member/Proxy

Notes :

1. The Meeting is for Members 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.

★ Applicable for investors holding shares in electronic form.

PROXY**GUJARAT THEMIS BIOSYN LIMITED**

Regd. Office: 69/C, GIDC Industrial Estate,
Vapi - 396 195
District - Valsad
Gujarat, India

I/We _____

of _____

in the district of _____ being a member/members of **Gujarat Themis Biosyn Limited**
here by appoint _____ of _____ or failing him _____ of _____

as my/our Proxy to vote for me/us and on my/our behalf at the **30th Annual General Meeting** of the Company to be held on Saturday the 24th September, 2011, at 11 a.m adjournment(s) thereof.

FOLIO NO.		HOLDINGS
D.P. ID★		HOLDINGS
CLIENT ID★		HOLDINGS

Signed this _____ day of _____ 2011

AFFIX
Re. 1
Revenue
Stamp

Signature(s)

PROXY FORM MUST REACH COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING	
For Office use only	
DATE OF RECEIPT	TIME

Book-Post / Printed Matter

If not delivered; please return to :
GUJARAT THEMIS BIOSYN LIMITED
69/C, GIDC Industrial Estate,
Vapi - 396 195, District - Valsad.
Gujarat State.