

**31<sup>st</sup>**  
**ANNUAL REPORT**  
**2011-2012**



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**GUJARAT THEMIS BIOSYN LIMITED**

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**BOARD OF DIRECTORS**

DR. DINESH PATEL

*Chairman*

MR. RAJNEESH ANAND  
(upto 02-03-2012)

*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, DIST. VALSAD  
GUJARAT, INDIA

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**NOTICE TO THE MEMBERS**

**NOTICE** is hereby given that the 31<sup>st</sup> Annual General Meeting of Gujarat Themis Biosyn Limited will be held on Friday, 28<sup>th</sup> September, 2012, 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 31<sup>st</sup> March, 2012 and the statements of Profit and Loss for the year ended on that date together with reports of the Auditors' and Directors thereon.
2. To appoint a Director in place of Mr. Hinesh Doshi, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. S. C Kim, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Dr. Dinesh S. Patel, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

**Registered Office**

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

By order of the Board

Place : Mumbai  
Date : 14<sup>th</sup> August, 2012

**Dr. Dinesh S. Patel**  
**Chairman**

**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 Wednesday, 26<sup>th</sup> September, 2012 to Friday, 28<sup>th</sup> September, 2012 (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 25<sup>th</sup> September, 2012 which will enable the Company to furnish the replies at the Annual General Meeting.

5. Details of Directors seeking appointment/re-appointment in the 31<sup>st</sup> Annual General Meeting, in pursuance of clause 49 of the Listing Agreements.

<b>Name of Director</b>	<b>Mr. Hinesh Doshi</b>	<b>Mr. S.C Kim</b>	<b>Dr. Dinesh S. Patel</b>
<b>Date of Birth</b>	16-05-1967	15-09-1960	02-11-1948
<b>Date of appointment</b>	14-06-2006	14-06-2006	25-05-1992
<b>Expertise in specific functional areas</b>	Taxation	Planning and Coordination	Industrialist with expertise in Medicinal & Pharmaceutical Research, Fermentation Technology and Business Management.
<b>Qualifications</b>	B. Com, FCA	Master Degree in Business & Admin.	M.Sc. PHD. C. Chem., FRSC (Lon).
<b>List of companies (excluding foreign and private Ltd. companies in which outside Directorships held as on 31<sup>st</sup> March, 2012)</b>	None	None	Themis Medicare Ltd., Bank of Maharashtra
<b>Chairman/ Member of the Committees of the Board of the companies on which he is a director as on 31<sup>st</sup> March, 2012</b>	None	None	Member of Audit Committee of Themis Medicare Ltd.

**Registered Office**

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

Place : Mumbai

Date : 14<sup>th</sup> August, 2012

By order of the Board

**Dr. Dinesh S. Patel**  
**Chairman**

**DIRECTORS' REPORT**

To,  
The Members,

Your Directors have pleasure in presenting herewith the 31<sup>st</sup> Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2012

**FINANCIAL RESULTS**

	<b>Year ended 31.03.2012</b>	<b>(Rs. in Lakhs) Year ended 31.03.2011</b>
Total Income	<b>914.05</b>	1,369.60
Operating Profit / (Loss)	<b>(185.48)</b>	(89.62)
Finance Cost	<b>(113.07)</b>	(125.54)
Profit / (Loss) before depreciation, prior period adjustments & tax	<b>(298.56)</b>	(215.17)
Depreciation and amortization expenses	<b>(110.29)</b>	(107.00)
Exceptional item	<b>568.36</b>	-
Prior period adjustment	<b>(0.83)</b>	(4.36)
Profit / (Loss) after depreciation, exceptional item and prior period adjustments	<b>158.68</b>	(326.53)
Income tax for earlier year	-	1.15
Net Profit/(Loss) after tax	<b>158.68</b>	(327.68)
Surplus/(Deficit) brought forward	<b>(2790.77)</b>	(2463.09)
Surplus / (Deficit) carried forward to Balance Sheet	<b>(2632.09)</b>	(2790.77)

**OPERATIONS**

Your Company's operations during the year under review have declined due to reduction in job work activity done for fermentation activity.

However, Company has entered in to contract for supply of Rifa which has replaced the reduction in job work activity. The positive impact of the same will be seen in the next financial year.

Your Company's sales for the year ending 31<sup>st</sup> March, 2012 is Rs.731.76 Lacs (previous year Rs.0.40 lacs) and conversion charges for job work is Rs.188.96 lacs (previous year Rs.1337.81 Lacs). The operating loss for the year is Rs.185.48 lacs as compared to operating loss of Rs.89.62 lacs for the previous year. The net profit recorded by the Company for the year is Rs.158.68 lacs as compared to net loss of Rs.327.68 lacs in the previous year.

The Company proposes to carry the profit after tax of Rs.158.68 Lacs for adjustment against Reserves & Surplus.

In view of carry forward losses, no dividend is recommended for payment by the directors.

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and as on the date of the report which affect the Balance Sheet.

**BIFR**

Your Company was referred to the Board for Industrial and Financial Reconstruction (BIFR) under Sick Industrial Companies (Special Provisions) Act, 1985 on 2<sup>nd</sup> June, 2008 based on the negative net worth of the Company as at 31<sup>st</sup> March, 2007 and Registered under Case No. 67/2007.

The Board for Industrial and Financial Reconstruction (BIFR) has seen the viability of the Company based on the Rehabilitation Scheme submitted to them. The Scheme of Rehabilitation of the Company was approved by BIFR on 12<sup>th</sup> January, 2012. The main features of the Rehabilitation Scheme approved by BIFR are given below:

1. The Authorized and Paid up value of each share of the Company has been reduced from Rs.10/- per equity share to Rs. 5/- per equity share.
2. The reduction in the value of equity shares is to be utilized for writing off the accumulated losses of the Company.
3. The Authorized share capital is kept same with number of shares under equity shares and Unclassified shares increased from 1,36,00,000 & 1,11,00,000 to 2,72,00,000 & 2,22,00,000 respectively. Preference shares remaining the same as 30,000.
4. Themis Medicare Ltd. has been inducted as co-promoter of the Company and issued 2928702 Equity shares of Rs.5/- each fully paid-up at a premium of Rs.5/- each against cash / cash equivalent subject to lock-in period of 3 years.
5. Public shareholding to be brought to the minimum level of 25% in the financial year 2014.
6. Post increase in public share holding (F.Y. 2014) the holding of Yuhan Corporation will be maintained at 26% by acquiring shares from the existing promoters at a price to be determined in accordance with the then applicable laws.
7. Gujarat Industrial Investment Corporation (GIIC) to accept their unsecured loan amount of Rs.26 Lacs in 3 equal yearly instalments or alternatively the entire amount as would be decreed by the court will be payable by the Company before the end of the scheme in 2018.
8. The net worth of the Company to become positive by 2018.

**Concession / Relief**

As per the scheme sanctioned by BIFR on 12<sup>th</sup> January, 2012 certain reliefs and concessions were allowed by Bank, Income Tax Department, SEBI, Stock Exchange, Department of Company Affairs etc. as contained in the approved scheme.

**Union Bank of India**

Union Bank of India has sacrificed by giving refund of Rs.133.75 Lacs towards the concessional interest. The Bank has agreed to charge interest at concessional rate till the Net Worth become positive. Further the repayment of WCTL outstanding amount has been rescheduled for the further period of 84 equal monthly instalments from 1<sup>st</sup> November, 2011.

**Promoters sacrifice**

- a) M/s. Yuhan Corporation forego their claim of Rs.395.10 Lacs
- b) Shareholders have foregone Rs.5/- paid on equity shares thereby reducing the face value of the share to Rs. 5/- each from Rs. 10/- each.
- c) Themis Medicare Ltd. the new promoters to take shares of Rs. 5/- each at a premium of Rs.5/- per share.
- d) The new promoters Themis Medicare Ltd. funded unsecured loan amounting of Rs. 350 Lacs
- e) In case of any short fall, the promoters / co-promoters under take to bring the funds in the form of equity / unsecured interest free loan.

**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, Mr. Hinesh Doshi, Mr. S.C Kim & Dr. Dinesh S. Patel retires by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Mr. Rajneesh Anand resigned as Managing Director w.e.f 2<sup>nd</sup> March, 2012. The board places on record their appreciation for the services rendered by him during his tenure as Managing Director of the Company. Subsequently, Mr. Rajneesh Anand is appointed as President & CEO of the Company.

**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.

**BOARD'S EXPLANATION ON STATUTORY AUDITOR'S OBSERVATIONS.****Point No. 2 (f) regarding maintaining of fixed assets records**

The management expects to carry out physical verification of fixed assets during the F.Y 2012-13. Considering that the production unit is in running condition, the physical existences of availability and running of fixed assets is established beyond doubt. The board does not expect any material discrepancy between fixed assets as per books and its physical availability.

**Point no. 2 g(i) regarding preparation of financial statements on going concern basis.**

After considering the viability of unit, BIFR has passed order for Rehabilitation Scheme. This shows that the operations of the Company are viable in short and long run. As regards brought forward losses and negative net worth, after giving effect of BIFR

directives, the same will considerably reduce. As regards working capital deficiency, the Company has entered in to a contract with a party for supply of material for which raw materials will be supplied by them. This will considerably reduce working capital burden of the Company and monthly billing is taking care of overhead funding. With this arrangement, the Company do not foresee any problem of working capital requirements. In the opinion of the board there is no doubt about the Company ability to continue as a going concern.

**Point no. 2 g(ii) regarding confirmation of balances**

The Company do not foresee any material variation in the balances of trade receivable, deposits, loans and advances, long term borrowings, liability for expenses, trade payables as per the balance as on 31-3-2012. Hence there will not be any material impact on the financial statements of the Company.

**Regarding default / repayment of loans & interest from bank**

In view of the value of sacrifices on account of interest on CC Limit, WCTL, Penal Interest amounting to Rs.133.75 Lacs as contained in the approved Rehabilitation Scheme which was agreed to by Union Bank of India who submitted the Rehabilitation Scheme to BIFR as Operating Agency. Had this refund of interest as agreed by the Bank credited timely to the Company's account, there would not have been default / delay in repayment of principal Term Loan & Interest to that extent.

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

**INTERNAL AUDITOR**

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

**COST AUDITORS**

Pursuant to the directives of the Central Government under the provisions of Section 233B of the Companies Act, 1956, qualified Cost Auditors appointed by the Company to conduct cost audit relating to Company's bulk drug division for the financial year ended 31<sup>st</sup> March, 2012.

**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 is 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 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.

**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

Place : Mumbai  
Date : 14<sup>th</sup> August, 2012

**Dr. Dinesh S Patel**  
Chairman

**Dr. Sachin D. Patel**  
Director

**Subhash C. Kaushik**  
Director

**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 Plant and equipment to reduce energy consumption and the Company will continue in its efforts to improve methods of energy conservation and utilization.

**FORM - A**
**Form for disclosure of Particulars with respect to Conservation of Energy**
**A POWER AND FUEL CONSUMPTION**

		2011-2012	2010-2011
<b>1.</b>	<b>Electricity :</b>		
a)	<b>Purchase :</b>		
	Units	3026520	8685390
	Total Amount	24502347	53391598
	Rate/Unit (Rs.)	8.10	6.15
b)	<b>Own Generation :</b>		
	Through diesel / LDO Generators (KwH)	16472	116760
	Diesel / LDO Consumed (Liters)	9600	51858
	Units / Liter of Diesel /LDO (KwH)	1.72	2.25
	Total Amount (Rs.)	439092	2162850
	Cost / Unit ( Rs. / KwH)	26.66	18.52
<b>2.</b>	<b>Furnace Oil :</b>		
	Quantity (Liters)	10000	315167
	Total Amount (Rs)	379628	8281905
	Average Rate (Rs./Liter)	37.96	26.28
<b>3.</b>	<b>Coal / Lignite :</b>		
	Quantity (Kgs)	2052130	7461990
	Total Amount (Rs.)	12222432	37275691
	Rate / Kgs (Rs.)	5.96	5.00



**B. CONSUMPTION PER MT OF FINISHED GOODS PRODUCED \***

	2011-2012	2010-2011
Electricity per MT (Rs)	527471	442790
Furnace Oil Per MT (Rs)	8172	68684
Diesel /LDO Per MT (Rs)	9452	17937
Coal / Lignite Per MT (Rs)	263117	309137

\* 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 its 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.

**(c) 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.

**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.

<b>Total foreign exchange used and earned</b>	<b>(Rs. In lakhs)</b>
- Total foreign exchange earned	<b>NIL</b>
- Total foreign exchange spent	<b>NIL</b>

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 14<sup>th</sup> August, 2012

**Dr. Dinesh S Patel**  
Chairman

**Dr. Sachin D. Patel**  
Director

**Subhash C. Kaushik**  
Director

## 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 31<sup>st</sup> March, 2012.

### 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) (upto 02-03-2012)	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 2011-12 and at the last Annual General Meeting.

Name of the Director	Number of Board Meetings held during F.Y. 2011-12 while holding the Office.	Number of Board Meetings attended while holding the Office.	Attendance at last Annual General Meeting.
Dr. Dinesh Patel	6	6	Yes
Dr. Sachin Dinesh Patel	6	6	Yes
Mr. A.B Shah (Nominee of GIIC)	6	2	–
Mr. J. K. Cha	6	–	–
Mr. S.S Lee	6	–	–
Mr. J. H. Choi	6	–	–
M. S.C Kim	6	–	–
Mr.Rajneesh Anand (Managing Director) upto 02-03-2012	6	6	Yes
Mr. Vijay Agarwal	6	2	–
Mr. Hinesh Doshi	6	5	–
Ms. Dharmishta N. Raval	6	2	–
Mr. Subhash C Kaushik	6	5	Yes

The Board meetings are generally held in Mumbai. During the financial year 2011-12, Six meetings of the Board of Directors were held on 3<sup>rd</sup> May, 2011, 12<sup>th</sup> August, 2011, 26<sup>th</sup> August, 2011, 13<sup>th</sup> February, 2012 & 2<sup>nd</sup> March, 2012.

#### (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 24<sup>th</sup> September, 2011.

#### AUDIT COMMITTEE

The Audit Committee was formed pursuant to provisions of Section 292A and Clause 49 of the Listing Agreement,. 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. Hinesh Doshi, Dr. Sachin D Patel & Mr.Rajneesh Anand as the members. Due to resignation of Mr. Rajneesh as a Managing Director as well as the director of the Company, the Committee was reconstituted on 2<sup>nd</sup> March, 2012 and from that day the committee consists of Mr. Vijay Agarwal – Chairman, Mr. Hinesh Doshi, Dr. Sachin D Patel and Mr. Subhash C Kaushik as the Members.

The Committee met four times during the Financial Year 2011-12. The dates of Audit Committee meetings held during Financial Year 2011-12 are 3<sup>rd</sup> May 2011, 12<sup>th</sup> August 2011, 14<sup>th</sup> November 2011 & 13<sup>th</sup> February, 2012 and most of the members were present at all the meetings.

**REMUNERATION OF DIRECTORS**

The Remuneration Committee of the Directors of the Company comprised of Mr. Subhash C Kaushik , Mr. A. B Shah and Ms. Dharmishtaben N Raval as Members.

**Remuneration of Directors**

Mr. Rajneesh Anand, the Managing Director is the only Executive Director in the Board and he resigned from the Board of Directors of the Company on 2<sup>nd</sup> March, 2012 . The Board of Directors 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 2011-12 is as under:

<b>Particulars</b>	<b>Amount (in Rs.) (2011 – 12)</b>
Salary	2,25,000/-
Gratuity	—
Leave Salary	—
LTA, Medical & Other benefits	—
<b>Total</b>	<b>2,25,000/-</b>

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

In the year 2011-2012, the Company has not paid any sitting fees to the Directors.

**DIRECTORS SHAREHOLDING**

Dr. Dinesh S Patel is holding 4701 shares (0.041%) and Dr. Sachin D. Patel is holding 7100 shares (0.061%).

**SHARE TRANSFER AND INVESTORS GRIEVANCE COMMITTEE**

The Share Transfer Committee was formed by the Board of Directors of the Company and had delegated the authority to approve transfer of shares and to attend to the 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 2011-12, 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 members of Share Transfer & Investors Grievance Committees are Dr. Sachin Dinesh Patel – Chairman, Mr. Vijay Agarwal & Mr. Hinesh Doshi

The committee met 12 times during the Financial Year 2011-12. 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 2011-12 have been approved. During the year 2011-12, Company has received complaints from Shareholders and all the complaints were resolved and no complaint is pending as on 31<sup>st</sup> March, 2012.

**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
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.
2010-11	69/C, GIDC Indl. Estate, Vapi 396 195, Dist. Valsad, Gujarat.	24-09-2011	11.00 A. M.

Pursuant to the Rehabilitation Scheme approved by the Hon'ble BIFR on 12<sup>th</sup> January, 2012, Special Resolutions were passed by the members at its Extraordinary General Meeting held on 6<sup>th</sup> April, 2012 as per the EGM notice dated 2<sup>nd</sup> March, 2012.

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 2011-12 are furnished in Note No. 27 with respect to "Significant Accounting Policies and Notes to Accounts", which forms part of the Accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2012.

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 : 28<sup>th</sup> September, 2012 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 2012-13

1<sup>st</sup> Quarterly Results : 14<sup>th</sup> August, 2012  
Half Yearly Results : 14<sup>th</sup> November, 2012  
3<sup>rd</sup> Quarterly Results : 14<sup>th</sup> February, 2013  
Annual Results : 30<sup>th</sup> May, 2013

#### C) Dates of Book Closure

From 26<sup>th</sup> September, 2012 to 28<sup>th</sup> September, 2012 (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. The Company has paid listing fee for the year 2012-13.

In order to comply with the BIFR order dated 12<sup>th</sup> January, 2012, the Company had fixed 8<sup>th</sup> June, 2012 as record date and accordingly the Stock Exchanges stopped / suspended trading of the securities from 7<sup>th</sup> June, 2012 for giving effect to the reduction in paid up value of equity shares of the Company. The listing application has been approved by Bombay Stock Exchange vide their letter dated 8<sup>th</sup> August, 2012. The trading will commence after complying with Stock Exchange requirements.

#### F) Stock Code

Ahmedabad Stock Exchange : 22810/GUJTHEMIS  
Mumbai Stock Exchange : 506879  
DEMAT ISIN No. for CDSL & NSDL : INE942C01029

**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, 2011	19811	18976	8.34	6.92
May, 2011	19254	17786	8.02	6.32
June, 2011	18873	17314	8.22	5.60
July, 2011	19132	18132	9.10	6.91
August, 2011	18440	15766	7.85	6.00
September, 2011	17212	15801	9.30	6.32
October, 2011	17908	15745	12.08	6.02
November, 2011	17702	15479	11.99	10.58
December, 2011	17004	15136	10.50	8.96
January, 2012	17259	15358	8.85	6.44
February, 2012	18524	17062	8.87	6.31
March, 2012	18041	16921	8.50	6.01

**H) Registrar and Share Transfer Agent**

M/s. Link Intime India Private Limited are the Registrar and Share Transfer Agents of the Company (R&T Agent). They deal with all matters pertaining to transfers, transmissions, subdivisions and consolidation of Company's securities and also correspondence for holdings in physical shares. It may be noted that the request for demat of shares should be made by the investors to their respective depository participants. There are no legal proceedings against the Company on any share transfer matter.

**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 Fax : 022 – 2594 6969 E-mail : <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>
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 : <a href="mailto:gtblmumbai@gtbl.in">gtblmumbai@gtbl.in</a> / <a href="mailto:accounts@gtbl.co.in">accounts@gtbl.co.in</a>

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 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 under compulsory dematerialized (demat) mode and are available for trading under National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). As on 31<sup>st</sup> March 2012, a total of **7370492** Equity Shares of the Company forming **63.54%** of the total paid up share capital stands dematerialised. All requests for dematerialisation of shares are processed within the stipulated time. The identification allotted to the Company's equity shares is **INE942C01029**.

**L) Shareholding pattern**

Distribution of shareholding as on 31<sup>st</sup> March, 2012 was as under:

Range	No of shareholders	% of Total shareholders	No of shares held	% of shareholding
1 to 500	5546	90.5026	682666	5.8851
501 to 1000	330	5.3851	281960	2.4307
1001 to 2000	111	1.8114	174696	1.5060
2001 to 3000	41	0.6691	102731	0.8856
3001 to 4000	24	0.3916	88246	0.7607
4001 to 5000	24	0.3916	116835	1.0072
5001 to 10000	28	0.4569	191227	1.6485
10001 & above	24	0.3916	9961639	85.8762
<b>TOTAL</b>	<b>6128</b>	<b>100.000</b>	<b>11600000</b>	<b>100.000</b>

The categories of shareholding as on 31<sup>st</sup> March, 2012 was as under:

Category	No of shares held	% of shareholding
Promoters	8949140	77.15
Institutional Investors	4900	0.04
NRIs / OCBs	83002	0.72
Others and General Public	2562958	22.09
<b>TOTAL</b>	<b>11600000</b>	<b>100</b>

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

There are no outstanding GDRs / ADRs / Warrant or other instruments.

**N) Details of Public funds obtained in the last three years :**

No capital has been raised form Public during the last three years.

**O) 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 2011-12 is annexed to this report.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 14<sup>th</sup> August, 2012

**Dr. Dinesh S. Patel**  
Chairman

**Dr. Sachin D. Patel**  
Director

**Subhash C. Kaushik**  
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 31<sup>st</sup> March, 2012 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. Our 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 31<sup>st</sup> March, 2012.

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.

**SANDHYA BORASE**  
Company Secretary  
ACS 8353  
C P 4563

Place : Mumbai  
Date : 14<sup>th</sup> August, 2012

## 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 31<sup>st</sup> March 2012 and the Statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the Books of Account;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 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. 9(iii) 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) *Financial Statements have been prepared on going concern basis in spite of brought forward losses of Rs.27,90,76,856/-, which has resulted in negative net worth of Rs.13,86,43,883/- as at 31<sup>st</sup> March, 2012. 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. Further the Rehabilitation Scheme has been sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) in the hearing held 12<sup>th</sup> January, 2012. 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. (Refer note no. 32)*  
(ii) *The outstanding balances as at 31<sup>st</sup> March, 2012 in respect of certain balances of trade receivables, deposits, loans & advances, long term borrowings, liability for expenses, trade payables and creditors for capital expenditure are subject to confirmation from respective parties and consequential reconciliation and adjustment arising there from, if any. (Refer note no. 30). Consequential impact thereof on the financial statements is not ascertainable.*
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 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 31<sup>st</sup> March, 2012 and
  - b) in the case of the Statement of Profit and Loss, of the Profit 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 : 14<sup>th</sup> August, 2012



**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012 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) *According to the information and explanations given to us, the Company has not taken any loan during the year from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, provisions of clause 4 (iii) (f) (g) are not applicable to the Company.*
- 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 Central Sales Tax, Provident Fund, Value Added Tax, Profession Tax, Employees' State Insurance (ESIC), ESIC dues in respect of contractors, Tax Deducted at Source (TDS), 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 31<sup>st</sup> March, 2012 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

- 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. However pursuant to Scheme of Rehabilitation as approved by BIFR under Sick Industrial Companies (Special Provision) Act, 1985 on 12<sup>th</sup> January 2012, the said loan has been treated as unsecured loan and GIIC to accept principal amount of Rs.26,00,000/- in three equal annual instalments commencing from 1<sup>st</sup> April, 2011 or alternatively the entire amount as would be decreed by the court will be payable by the Company before the end of the Scheme 2018. Also, the GIIC has not yet communicated for repayment in three equal annual instalments. [Refer Note no. 4(c)]
- (b) In case of Indian rupee term loan, short term loan, cash credit facility and devolved letter of credit taken from Union Bank of India (UBI), the details of defaults/delay in repayments of principal and interest are as under :-

Period Of Default	Indian Rupee Term Loan		Short Term Loan		Cash Credit	Devolved Letter of Credit	Remarks
	Principal	Interest	Principal	Interest	Interest	Principal	
Less than 30 days	3,84,000	4,26,016	-	-	7,23,957	9,97,911	In respect of Indian Rupee Term Loan, Principal and Interest amount of Rs.3,84,000 and Rs.4,26,016 respectively is outstanding as on 31.03.2012
31 to 60 days	12,20,000	6,85,980	20,00,000	96,947	8,12,027	-	In respect of Indian Rupee Term Loan Interest amount of Rs.6,85,980 is outstanding as on 31.03.2012
61 to 90 days	33,99,000	12,21,022	17,73,220	1,00,508	3,17,579	1,11,31,624	In respect of Devolved Letter of Credit, Principal amount of Rs.92,45,142 is outstanding as on 31.03.2012
91 to 120 days	61,81,480	32,08,198	7,73,220	2,03,510	3,49,339	59,94,543	-
121 to 150 days	36,36,520	7,07,380	-	1,00,594	2,61,634	26,38,581	-
151 to 180 days	13,33,000	13,72,214	-	49,566	-	2,11,100	-
More than 180 days	-	14,47,468	-	12,745	-	-	In respect of Indian Rupee Term Loan, interest amount of Rs.58,044 is outstanding as on 31.03.2012

During the year, there has been reschedulement in respect of repayment of Indian rupee term loan of UBI w.e.f. 1<sup>st</sup> November, 2011, pursuant to Scheme of Rehabilitation as approved by the Board for Industrial and Financial Reconstruction (BIFR) on 12<sup>th</sup> January, 2012 under Sick Industrial Companies (Special Provision) Act, 1985. The defaults / delay reported above include defaults / delay before and after aforesaid reschedulement.

In December 2011, the Company has received refund of interest on Cash Credit limit, interest on working capital Indian rupee term loan and penal interest aggregating to Rs.1,33,75,163/- from Union Bank of India, Operating Agency, on account of concession in interest rate from the cut-off date 1<sup>st</sup> October, 2008 from which the Company is declared as sick unit, to 30<sup>th</sup> September 2011 in accordance with scheme sanctioned by the BIFR. The effect of refund of interest in calculating delay(s) / default(s) have not been considered till the date of receipt of the said interest from the Bank.

- 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.22,01,53,359/- 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 : 14<sup>th</sup> August, 2012

**Balance Sheet as at 31<sup>st</sup> March, 2012**

	Notes	As at 31-03-2012 Rs.	As at 31-03-2011 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	115,996,000	115,996,000
Reserves and Surplus	3	(254,639,883)	(270,507,943)
		<u>(138,643,883)</u>	<u>(154,511,943)</u>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	42,401,568	46,106,568
Deferred Tax Liabilities (Net)	5	–	–
Long-Term Provisions	6	2,647,731	2,125,948
Other long term liabilities		–	–
		<u>45,049,299</u>	<u>48,232,516</u>
<b>Current Liabilities</b>			
Short-Term Borrowings	7	64,731,691	26,203,007
Trade Payables	8	60,401,871	36,068,634
Other Current Liabilities	8	143,180,043	169,449,225
Short-Term Provisions	6	158,762	254,081
		<u>268,472,367</u>	<u>231,974,947</u>
<b>TOTAL</b>		<u><b>174,877,783</b></u>	<u><b>125,695,520</b></u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	9	108,975,178	86,150,995
Intangible Assets		–	–
Capital Work-In-Progress		5,087,636	919,803
Intangible Assets Under Development		–	–
<b>Non-Current Investments</b>	10	56,000	6,000
<b>Long-Term Loans And Advances</b>	11	12,372,714	15,330,111
<b>Trade Receivables</b>	12	–	–
<b>Other Non-Current Assets</b>	13	67,248	63,030
		<u>126,558,776</u>	<u>102,469,939</u>
<b>Current Assets</b>			
Current investments	10	–	1,500
Inventories	14	7,216,821	8,254,275
Trade Receivables	12	25,968,757	–
Cash And Cash Equivalents	15	6,959,167	6,117,666
Short-Term Loans And Advances	11	7,568,468	8,374,625
Other Current Assets	13	605,795	477,515
		<u>48,319,008</u>	<u>23,225,581</u>
<b>Total</b>		<u><b>174,877,783</b></u>	<u><b>125,695,520</b></u>
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

**As per our report of even date annexed**

**For KHANDELWAL JAIN & CO.**

Chartered Accountants

For and on behalf of the Board of Directors

**Narendra Jain**

Partner

Membership No.048725

Place : Mumbai

Date : 14<sup>th</sup> August, 2012

**Dr. Dinesh S. Patel**

Chairman

**Dr. Sachin D. Patel**

Director

**Subhash C. Kaushik**

Director

Statement of Profit and Loss for the Year Ended 31<sup>st</sup> March, 2012

	Note No.	For the year ended 31-03-2012 Rs.	For the year ended 31-03-2011 Rs.
<b>Income</b>			
Revenue from operations (gross)	16	94,784,925	135,076,453
Less : Excise Duty		7,689,849	—
Revenue from operations(net)		87,095,076	135,076,453
Other income	17	4,310,175	1,883,308
<b>Total Income</b>		<b>91,405,251</b>	<b>136,959,761</b>
<b>EXPENDITURE</b>			
Material Consumed /Sold	18	30,064,758	8,088,887
Purchase of traded goods		71,341	39,708
(Increase) / Decrease in inventories of finished goods, WIP and Traded goods	19	3,498,394	(3,077,289)
Employee benefit expenses	20	25,491,243	22,739,999
Other expenses	21	50,827,607	118,130,889
Finance costs	22	11,306,984	12,553,972
Depreciation and amortization expenses	9	11,029,738	10,700,435
<b>Total Expenses</b>		<b>132,290,065</b>	<b>169,176,601</b>
<b>Profit / (Loss) before exceptional item and prior period adjustments and tax</b>		<b>(40,884,814)</b>	<b>(32,216,840)</b>
Prior Period Adjustments (Net)	23	83,270	436,025
Exceptional Item	24	56,836,145	—
<b>Profit / (Loss) before extraordinary items and tax</b>		<b>15,868,061</b>	<b>(32,652,865)</b>
Extraordinary items		—	—
<b>Profit / ( Loss) before tax</b>		<b>15,868,061</b>	<b>(32,652,865)</b>
<b>Tax Expenses</b>			
Income Tax for ealier years		—	115,155
<b>Total Tax Expenses</b>		<b>—</b>	<b>115,155</b>
<b>Profit / (Loss) for the Year</b>		<b>15,868,061</b>	<b>(32,768,020)</b>
<b>Earnings per equity share</b>			
Basic (Rs.)	25	1.37	(2.82)
Diluted (Rs.)		1.37	(2.82)

As per our report of even date annexed  
For KHANDELWAL JAIN & CO.  
Chartered Accountants

**Narendra Jain**  
Partner  
Membership No.048725  
Place : Mumbai  
Date : 14<sup>th</sup> August, 2012

For and on behalf of the Board of Directors

**Dr. Dinesh S. Patel**  
Chairman

**Dr. Sachin D. Patel**  
Director

**Subhash C. Kaushik**  
Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012**

	2011-12 Rs.	2010-11 Rs.
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / ( Loss) before tax	15,868,061	(32,652,865)
<b>Adjustment for :</b>		
Depreciation and amortization expenses	11,029,738	10,700,435
Excess provision / Sundry Credit Balance written back	(38,373)	(33,170)
Sundry Debit Balance written off	-	7,984
Excess Provision for doubtful receivables written back	(1,180,719)	(4,123)
Finance Cost	11,306,984	12,553,972
Interest refunded by Bank included in exceptional item	(12,043,280)	-
Write back of unsecured loan included in exceptional item	(39,510,377)	-
Loss due to fire included in exceptional item	1,228,742	-
(Profit) / Loss on sale of fixed assets	(1,655,891)	(595,100)
Interest received	(714,335)	(1,138,141)
<b>Operating Profit before working capital adjustments</b>	<b>(15,709,450)</b>	<b>(11,161,008)</b>
<b>Adjustment for :</b>		
Trade and Other receivables	(23,991,895)	3,247,366
Inventories	1,037,454	(1,937,705)
Trade Payables & Other Current Liabilities	54,381,274	36,039,175
<b>Cash generated from operations</b>	<b>15,717,383</b>	<b>26,187,828</b>
Direct Taxes Refund (Net of Paid)	2,900,555	3,537,408
<b>NET CASH FROM / ( USED IN ) OPERATING ACTIVITIES (A)</b>	<b>18,617,938</b>	<b>29,725,236</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Investment (National Saving Certificate)	(50,000)	-
Sale / Maturity of Investment	1,500	-
Purchase of Fixed Assets (including Capital Work in Progress & Capital Advances)	(38,838,736)	(13,469,196)
Sale Proceeds of Fixed Assets	1,655,891	1,548,000
Investment in Bank Deposits	773,263	(126,992)
Interest received	786,056	1,131,946
<b>NET CASH FROM / ( USED IN ) INVESTING ACTIVITIES (B)</b>	<b>(35,672,027)</b>	<b>(10,916,242)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds / (Repayment) from / of Secured Borrowings (Net)	22,532,684	(9,002,572)
Proceeds / (Repayment) from / of UnSecured Borrowings (Net)	(3,489,395)	3,489,395
Finance Cost Paid	(370,218)	(12,106,019)
<b>NET CASH FROM / ( USED IN ) FINANCING ACTIVITIES (C)</b>	<b>18,673,071</b>	<b>(17,619,196)</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A + B + C)</b>	<b>1,618,982</b>	<b>1,189,798</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>4,051,287</b>	<b>2,861,489</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>5,670,269</b>	<b>4,051,287</b>
<b>Net increase / (decrease) in Cash and Cash Equivalent</b>	<b>1,618,982</b>	<b>1,189,798</b>

**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.
- 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 : 14<sup>th</sup> August, 2012

For and on behalf of the Board of Directors

**Dr. Dinesh S. Patel**  
Chairman

**Dr. Sachin D. Patel**  
Director

**Subhash C. Kaushik**  
Director

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**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012**
**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****a) Basis of preparation**

The Financial statements are prepared under historical cost convention, on accrual basis, in accordance with the Generally Accepted Accounting Principles in India and comply with Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government and the provisions of the Companies Act, 1956, (the 'Act') to the extent applicable.

**b) Use of estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the date of the financial statements and the reported accounts of revenues and expenses for the years presented. Although these estimates are based upon management's knowledge of current event and actions, actual results could differ from those estimates and revisions, if any, are recognized in the current and future periods.

**c) Revenue Recognition**

- i) 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.
- ii) 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.
- iii) Revenue is being recognised when there is reasonable certainty of ultimate realization.
- iv) Income on investments is accounted for on accrual basis.

**d) Fixed Assets and Depreciation****A 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.

**B 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.

**e) Technical Know-how**

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

**f) 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.
-

**g) Investments**

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

**h) Inventory Valuation**

**A 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.

**B 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.

**C 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.

**D Materials In Transit**

Materials in Transit are valued at cost incurred to date.

**i) Material Events occurring after the Balance Sheet date**

Material events occurring after the date of Balance Sheet have been taken cognizance of liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty have been treated as contingent liability and are disclosed by way of notes to accounts.

**j) 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**

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

**k) CENVAT CREDIT**

- 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.

**l) Export Incentives**

Export Benefits (DEPB) are accounted on accrual basis.

**m) 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.

**n) 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.

**o) Earning Per Share (EPS)**

In accordance with the Accounting Standard -20 (AS-20) " Earning Per Share" notified under the Companies (Accounting Standards) Rules, 2006,



- i) 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).
- ii) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**p) 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.

**q) Provisions**

Provision is recognized when an enterprise has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

**2. Share Capital**

	<b>31-03-2012</b>	31-03-2011
	<b>Amount (Rs.)</b>	Amount (Rs.)
<b>Authorised Shares</b>		
1,36,00,000 (P.Y. 1,36,00,000) Equity Shares of Rs.10/- each	<b>136,000,000</b>	136,000,000
30,000 (P.Y. 30,000) Preference Shares of Rs.100/- each	<b>3,000,000</b>	3,000,000
1,11,00,000 (P.Y. 1,11,00,000) Unclassified share of Rs.10/- each	<b>111,000,000</b>	111,000,000
	<b>250,000,000</b>	250,000,000
<b>Issued</b>		
1,16,00,000 (P.Y. 1,16,00,000) Equity Shares of Rs.10/- each	<b>116,000,000</b>	116,000,000
	<b>116,000,000</b>	116,000,000
<b>Subscribed and Paid up shares</b>		
1,16,00,000 (P.Y. 1,16,00,000) Equity Shares of Rs.10/- each	<b>116,000,000</b>	116,000,000
Less: call Unpaid (Other than Directors)	<b>4,000</b>	4,000
	<b>115,996,000</b>	115,996,000

**a. Reconciliation of the Share outstanding at the beginning and at the end of reporting period**

**Equity Shares**

	<b>31-03-2012</b>		31-03-2011	
	<b>No. of Shares</b>	<b>Amount (Rs.)</b>	No. of Shares	Amount (Rs.)
At the beginning of the period	<b>11,600,000</b>	<b>115,996,000</b>	11,600,000	115,996,000
Issued during the Year	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>11,600,000</b>	<b>115,996,000</b>	11,600,000	115,996,000

**b. Term / Right attached to equity Share**

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share.

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

**c. Pursuant to Scheme of Rehabilitation as approved by the Board for Industrial and Financial Reconstruction (BIFR) under Sick Industrial Companies (Special Provision) Act, 1985 on 12<sup>th</sup> January 2012, subsequent to the balance sheet date the following transactions have effected:**

- i) W.e.f. 6<sup>th</sup> April 2012, The Authorised Share Capital of the Company comprising of 1,36,00,000 Equity Shares of Rs.10/- each, 30,000 Preference Shares of Rs.100/- each and 1,11,00,000 Unclassified Shares of Rs.10/- each aggregating to Rs.25,00,00,000 has been reclassified into 2,72,00,000 Equity Shares of Rs.5/- each, 30,000 Preference Shares of Rs.100/- each and 2,22,00,000 Unclassified Shares of Rs.5/- each aggregating to Rs.25,00,00,000.
- ii) W.e.f. 6<sup>th</sup> April 2012, Paid up Share Capital of the Company comprising of 1,16,00,000 Equity Shares of 10/- each fully paid up is reduced to 1,16,00,000 Equity Shares of Rs.5/- each fully paid up by way of reduction in paid up value of each share by Rs.5/- each aggregating to Rs.5,80,00,000 by adjusting against accumulated losses of the Company to that extent.
- iii) On 15<sup>th</sup> May 2012, the Company has issued and allotted 29,28,702 equity shares of Rs.5/- each fully paid up amounting to Rs.1,46,43,510 at a premium of Rs.5/- per share amounting to Rs.1,46,43,510 aggregating to Rs.2,92,87,020 to Themis Medicare Ltd. (TML) (inducted as a co-promoter with an equity stake under Rehabilitation Scheme) for cash equivalent against the amount already invested for supply of capital equipment of Rs.2,20,00,000 and against advances of Rs.72,87,020, in accordance with the terms of Scheme of Rehabilitation as approved by the BIFR under Sick Industrial Companies (Special Provision) Act, 1985 on 12<sup>th</sup> January 2012 and resolution passed at extra-ordinary general meeting on 6<sup>th</sup> April, 2012.
- iv) As paid up value of the equity shares reduced from Rs.10/- per share to Rs.5/- per share, to give effect to the same, the trading on Stock Exchanges was suspended from 8<sup>th</sup> June, 2012. The Company has received in principle approval from BSE for listing of 1,45,28,702 equity shares of Rs.5/- each vide their letter dated 8<sup>th</sup> August, 2012.

**d. Details of shareholders holding more than 5% shares in the Company**

	31-03-2012		31-03-2011	
	No. of Shares	% holding	No. of Shares	% holding
<b>Equity Shares of Rs.10/- each fully paid</b>				
Pharmaceutical Business Group India Ltd	5,005,000	43.15	5,005,000	43.15
Yuhan Corporation	3,850,000	33.19	3,850,000	33.19

As per records of Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**3. Reserves & Surplus**

	31-03-2012 Rs.	31-03-2011 Rs.
<b>Capital Reserves</b>		
Cash subsidy from Government of Gujarat	<b>1,568,913</b>	1,568,913
<b>Share Premium</b>	<b>7,000,000</b>	7,000,000
<b>Surplus/(Deficit) in the statement of profit and loss</b>		
<b>Balance as per last financial statements</b>	<b>(279,076,856)</b>	(246,308,836)
Profit/(Loss) for the Year	<b>15,868,061</b>	(32,768,020)
<b>Net Deficit in the statement of profit and loss</b>	<b>(263,208,796)</b>	(279,076,856)
<b>Total reserves and surplus</b>	<b>(254,639,883)</b>	(270,507,943)

#### 4. Long Term Borrowings

	Non current		Current	
	31-03-2012 Rs.	31-03-2011 Rs.	31-03-2012 Rs.	31-03-2011 Rs.
<b>Term Loans</b>				
Indian rupee loan from bank (secured)	<b>39,801,568</b>	43,506,568	<b>7,704,000</b>	19,995,000
Short term Loan from bank (unsecured)	–	–	–	3,489,395
	<b>39,801,568</b>	43,506,568	<b>7,704,000</b>	23,484,395
<b>Other Loans and Advances (Unsecured)</b>				
Loan from Gujarat Industrial Investment Corporation Limited (GIIC)	<b>2,600,000</b>	2,600,000	–	–
Loan from Yuhan Corporation	–	–	–	39,510,377
	<b>2,600,000</b>	2,600,000	–	39,510,377
<b>Total</b>	<b>42,401,568</b>	46,106,568	<b>7,704,000</b>	62,994,772
<b>The above amount includes</b>				
Secured borrowings	<b>39,801,568</b>	43,506,568	<b>7,704,000</b>	19,995,000
Unsecured borrowings	<b>2,600,000</b>	2,600,000	–	42,999,772
Amount disclosed under the head "other current liabilities" (Note 8)	–	–	<b>(7,704,000)</b>	(62,994,772)
<b>Total</b>	<b>42,401,568</b>	46,106,568	–	–

- a) Indian Rupee Loan from banks (secured) carries interest at base rate presently 10.65 % p.a. Interest is payable at the end of each month. The original amount of loan was to be repaid in 84 monthly instalments starting from October, 2007. The first 78 Instalments were to be of Rs.13,33,000 each and balance 6 instalments were to be of Rs.19,29,000. Pursuant to Scheme of Rehabilitation as approved by the Board for Industrial and Financial Reconstruction (BIFR) under Sick Industrial Companies (Special Provision) Act, 1985 on 12<sup>th</sup> January 2012, the outstanding amount of loan of Rs.5.12 crores is to be repaid in 84 equal monthly instalments beginning from 1<sup>st</sup> November, 2011. The said loan is secured by charge on factory premises at GIDC, Vapi & first charge on entire Plant & Machinery excluding those financed by other Financial Institution. Further, secured by equitable mortgage of factory land & building & first charge of entire plant & machinery. Further, the loan is secured by Corporate Guarantee given by Pharmaceutical Business Group (India) Ltd and by personal guarantee of one of the Director.
- b) Short term Loan from bank (unsecured) outstanding as at the end of previous year carried interest at base rate + 1% presently 11.65 % p.a. Interest is payable at the end of each month. The said loan was repayable in five monthly instalments commencing from October 2011 and was taken against insurance claim and personal guarantee of one of the Director.
- c) In respect of Loan from Gujarat Industrial Investment Corporation (GIIC), GIIC had filed a suit against the Company in City Civil Court in respect of interest @18% 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 31<sup>st</sup> March 2012 is Rs.1,12,61,277/-. 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. Pursuant to Scheme of Rehabilitation as approved by the Board for Industrial and Financial Reconstruction (BIFR) under Sick Industrial Companies (Special Provision) Act, 1985 on 12<sup>th</sup> January 2012, the said loan has been treated as unsecured loan and GIIC to accept principal amount of Rs.26,00,000/- in three equal annual instalments commencing from 1<sup>st</sup> April, 2011 or alternatively the entire amount as would be decreed by the court will be payable by the Company before the end of the Scheme 2018. However, as the GIIC has not yet communicated for repayment in three equal annual instalments, the same is treated as non-current borrowing.

- d) Loan from Yuhan Corporation outstanding as at the end of previous year represents royalty due to Yuhan Corporation which is culminated from the technical collaboration agreement with the Company towards their technical and other contribution to the Company. During the year, the Company has written back the said unsecured loan of Rs.3,95,10,377 in terms of the approved Rehabilitation Scheme formulated for revival of the Company as sanctioned by the BIFR at the hearing held on 12<sup>th</sup> January, 2012 & consent for waiver by promoter Company "Yuhan Corporation".
- e) (i) Amount of continuing default as on 31<sup>st</sup> March, 2012 in respect of repayment of principal amount of Indian rupee term loan from Bank is Rs.3,84,000/- outstanding since less than 30 days [Previous year Rs.13,33,000/- outstanding since less than 30 days and Rs.26,66,000/- outstanding since 31-60 days].
- (ii) Amount of continuing default as on 31<sup>st</sup> March, 2012 in respect of payment of interest amount of Indian rupee term loan from Bank is Rs.4,26,016/- outstanding since less than 30 days, Rs.6,85,980/- outstanding since 31-60 days and Rs.58,044/- outstanding since more than a year [Previous year Rs.7,14,789/- outstanding since less than 30 days, Rs.13,45,612/- outstanding since 31-60 days and Rs.58,044/- outstanding since 121-150 days]. The above outstanding interest amounts are included in Interest accrued and due on borrowings under Note 8 on "Other Current Liabilities".

## 5. Deferred Tax Liability (Net)

	31-03-2012 Rs.	31-03-2011 Rs.
<b>Deferred Tax Liability</b>		
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	14,786,355	15,980,552
<b>Gross Deferred Tax Liability</b>	14,786,355	15,980,552
<b>Deferred Tax Asset</b>		
Provision for doubtful debts	13,919,149	15,658,196
Provision for Leave encashment, Gratuity, Bonus and Unpaid Liability u/s 43B	867,206	322,356
<b>Gross Deferred Tax Assets</b>	14,786,355	15,980,552
<b>Deferred Tax Liability ( Net)</b>	-	-

**Note:** 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. As a matter of prudence, deferred tax assets on carried forward losses, unabsorbed depreciation and other assets have been recognised only to the extent of deferred tax liability.

## 6. Provisions

	Long-Term		Short-Term	
	31-03-2012 Rs.	31-03-2011 Rs.	31-03-2012 Rs.	31-03-2011 Rs.
<b>Provision For Employee Benefits</b>				
Provision for Gratuity	1,849,613	1,501,866	61,021	140,496
Provision For Leave Encashment	798,118	624,082	97,741	113,585
	2,647,731	2,125,948	158,762	254,081

## 7. Short Term Borrowings

	31-03-2012 Rs.	31-03-2011 Rs.
Cash Credit from Bank (Secured)	17,986,549	20,485,084
Loan from Lupin Limited (Secured)	37,500,000	-
Devolved Letter of Credit from Bank (Secured)	9,245,142	5,717,923
	64,731,691	26,203,007

	31-03-2012 Rs.	31-03-2011 Rs.
<b>The above amount Includes</b>		
Secured Borrowings	<b>64,731,691</b>	26,203,007
Unsecured Borrowings	-	-
	<b>64,731,691</b>	26,203,007

- a) Cash Credit from Bank (Secured) are repayable on demand and carries interest at base rate + 1% presently @ 11.65 % p.a. which is payable at the end of each month and 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 and secured by personal guarantee of one of the director.
- b) Loan from Lupin Limited is a returnable non-interest bearing loan and is repayable against 50% of the "Conversion Charges" for each invoice raised by till such time the loan is recovered in full. As, the Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date, the said loan has been classified as short term borrowing. The loan of Rs.3,00,00,000 is secured against hypothecation of the equipments purchased availing the loan as and by way of first charge to Lupin Ltd and the additional loan of Rs.75,00,000 is secured against other equipments at the plant of the Company ("Property") by hypothecation / mortgage of the same as and by way of a first charge upon the Property to Lupin Ltd. However, the Company is in the process to create the necessary charges to hypothecate the equipments.
- c) Overdue Devolved Letter of Credit from Bank (Secured) represents inland letter of credit, the tenure of which is in the range of 60 - 90 days and the rate of interest at base rate + 1% presently @ 11.65 % p.a. These are secured by usance documents covering purchase of raw material, coal and pledge of Bank's deposits duly discharged by the Company.
- d) (i) Amount of continuing default as on 31<sup>st</sup> March, 2012 in respect of repayment of principal amount of Devolved Letter of Credit from Bank is Rs.92,45,142/- outstanding since 61-90 days [Previous year Rs.29,87,760/- outstanding since less than 30 days, Rs.24,63,663/- outstanding since 31-60 days and Rs.2,66,500/- outstanding since 61-90 days].
- (ii) Amount of continuing default as on 31<sup>st</sup> March, 2012 in respect of payment of interest on Cash Credit limit from Bank is Nil [Previous year Rs.2,36,609/- outstanding since less than 30 days]. The above outstanding interest amount is included in Interest accrued and due on borrowings under Note 8 on "Other Current Liabilities".

## 8. Other Current Liabilities

	31-03-2012 Rs.	31-03-2011 Rs.
Trade Payables	<b>60,401,871</b>	36,068,634
	<b>60,401,871</b>	36,068,634
<b>Other Laibilities</b>		
Liability for expenses	<b>7,063,533</b>	4,740,069
Creditor for Capital expenditure	<b>344,904</b>	333,650
Current maturities of long-trem borrowing	<b>7,704,000</b>	62,994,772
Interest accrued and due on borrowings	<b>1,557,291</b>	2,463,805
Statutory Dues	<b>630,909</b>	487,251
Advances from customers	<b>125,879,406</b>	98,429,677
	<b>143,180,043</b>	169,449,225
	<b>203,581,914</b>	205,517,859

**Note :** There are no Micro, Small & Medium Enterprises, to whom the Company owes dues on account of principal amount together with interest as at the Balance sheet date. This has been determined to the extent such parties have been identified on the basis of information available with the Company.

(Amount in Rs.)

**9. FIXED ASSETS**

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 1-Apr-11	Addition During the	Deduction During the	As at 31-Mar-12	For the year	Deduction/ Adjustment	As at 31-Mar-12	As at 31-Mar-11
<b>Tangible Assets</b>								
LAND *	1,117,526	-	-	1,117,526	13,628	-	364,549	766,605
BUILDINGS	24,322,347	3,158,154	2,178,302	25,302,199	717,594	1,240,229	17,471,364	6,328,348
STAFF QUARTERS	67,541	-	-	67,541	1,307	-	42,714	26,134
PLANT & MACHINERY	339,090,096	31,565,384	16,704,588	353,950,892	9,888,027	16,551,183	254,894,404	77,532,536
FURNITURE & FIXTURES	5,317,598	50,715	115,634	5,252,679	109,175	115,635	4,985,801	325,337
COMPUTER	2,932,488	163,528	130,250	2,965,766	56,273	76,425	2,753,243	159,093
ERECTION & OFFICE EQUIPMENT	2,487,466	144,880	95,032	2,537,314	67,467	11,593	2,211,227	332,113
VEHICLES	1,795,394	-	-	1,795,394	176,267	-	1,290,832	680,829
<b>Total (A)</b>	<b>377,130,456</b>	<b>35,082,661</b>	<b>19,223,806</b>	<b>392,989,311</b>	<b>11,029,738</b>	<b>17,995,065</b>	<b>284,014,134</b>	<b>86,150,995</b>
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-
<b>Total (B)</b>	-	-	-	-	-	-	-	-
<b>TOTAL (A+B)</b>	<b>377,130,456</b>	<b>35,082,661</b>	<b>19,223,806</b>	<b>392,989,311</b>	<b>11,029,738</b>	<b>17,995,065</b>	<b>284,014,134</b>	<b>86,150,995</b>
<b>PREVIOUS YEAR</b>	<b>365,767,855</b>	<b>14,650,169</b>	<b>3,287,568</b>	<b>377,130,456</b>	<b>10,700,435</b>	<b>2,334,668</b>	<b>290,979,461</b>	<b>83,154,161</b>

\* AMOUNT AMORTISED AGAINST LEASEHOLD LAND

**Note :-** (i) Depreciation for the year include Rs.48,436/- reversal of excess depreciation charged in earlier year.

(ii) 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.

(iii) 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.

**10. Investments**

	Non-Current		Current	
	31-03-2012 Rs.	31-03-2011 Rs.	31-03-2012 Rs.	31-03-2011 Rs.
National Savings Certificate (Out of above NSC lying with Excise department Rs.50,000/- (Previous year Rs.Nil) and NSC Lying with District Magistrate of Rs.6,000/- (Previous Year Rs.6,000/-)	56,000	6,000	-	1,500
<b>Total</b>	<b>56,000</b>	<b>6,000</b>	<b>-</b>	<b>1,500</b>
Aggregate amount of Unquoted investments	56,000	6,000	-	1,500
Aggregate provision for diminution in value of investments	-	-	-	-

**11. Loans and Advances**

	Non-Current		Current	
	31-03-2012 Rs.	31-03-2011 Rs.	31-03-2012 Rs.	31-03-2011 Rs.
<b>Capital Advances</b>				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	468,771	535,625	-	-
	<b>468,771</b>	<b>535,625</b>	<b>-</b>	<b>-</b>
<b>Advances recoverable in cash or in kind</b>				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	-	1,386,034	673,787
Considered doubtful	-	-	2,009,431	2,009,431
	-	-	<b>3,395,465</b>	<b>2,683,218</b>
Less : Provision for doubtful advances	-	-	<b>2,009,431</b>	<b>2,009,431</b>
	-	-	<b>1,386,034</b>	<b>673,787</b>
<b>Loans and Advances to Employees</b>				
Unsecured, Considered good	61,250	-	251,200	11,000
Considered doubtful	81,945	262,664	-	-
	<b>143,195</b>	<b>262,664</b>	<b>251,200</b>	<b>11,000</b>
Less : Provision for doubtful advances	<b>81,945</b>	<b>262,664</b>	<b>-</b>	<b>-</b>
	<b>61,250</b>	<b>-</b>	<b>251,200</b>	<b>11,000</b>
Pre-paid expenses	3,949	55,187	1,336,025	535,096
Advance for Purchase of Land	1,810,000	1,810,000	-	-
Less : Provision for doubtful advances	1,810,000	1,810,000	-	-
	-	-	-	-
Cenvat Credit Availed	-	-	4,594,324	7,103,857
Deposit with Excise Authorities	-	-	885	50,885
Advance Income Tax ( Net of Provisions)	3,730,164	6,630,719	-	-
Sundry Deposits	8,108,580	8,108,580	-	-
<b>Total</b>	<b>12,372,714</b>	<b>15,330,111</b>	<b>7,568,468</b>	<b>8,374,625</b>

	Non-Current		Current	
	31-03-2012	31-03-2011	31-03-2012	31-03-2011
	Rs.	Rs.	Rs.	Rs.
<b>Loans to employee include</b>				
Dues from Directors	-	-	-	-
Dues from Officers	61,250	-	234,200	-
Dues from Workers	-	-	17,000	11,000
<b>Total</b>	<b>61,250</b>	<b>-</b>	<b>251,200</b>	<b>11,000</b>

## 12. Trade Receivables

	Non-Current		Current	
	31-03-2012	31-03-2011	31-03-2012	31-03-2011
	Rs.	Rs.	Rs.	Rs.
<b>Unsecured, Considered good (unless stated otherwise)</b>				
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	-	-	-
Considered, Doubtful	-	-	54,280,092	55,280,092
	-	-	54,280,092	55,280,092
Less : Provision for doubtful receivables	-	-	54,280,092	55,280,092
	-	-	-	-
<b>Other Receivables</b>				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	-	25,968,757	-
	-	-	25,968,757	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>25,968,757</b>	<b>-</b>

## 13. Other Assets

	Non-Current		Current	
	31-03-2012	31-03-2011	31-03-2012	31-03-2011
	Rs.	Rs.	Rs.	Rs.
<b>Unsecured, Considered good (unless stated otherwise)</b>				
Interest accrued on deposit with DGVCL	-	-	399,294	394,385
Interest accrued on deposit with Excise Authorities	-	-	5,541	12,677
Interest accrued on investments	-	-	960	-
Interest accrued on Margin Money deposit	-	-	-	70,453
Interest charges' credit receivable from Bank	-	-	200,000	-
Non current bank balances (note - 15)	67,248	63,030	-	-
<b>Total</b>	<b>67,248</b>	<b>63,030</b>	<b>605,795</b>	<b>477,515</b>



**14. Inventories**

(Valued at cost or market value whichever is lower, as taken, valued and certified by management)

	<b>31-03-2012</b>	31-03-2011
	<b>Rs.</b>	Rs.
Raw Materials (inclusive of stock in trade)	<b>2,299,280</b>	–
Work-in-progress	<b>2,128,110</b>	6,018,776
Finished goods (inclusive of stock in trade)	<b>392,272</b>	–
Store and spares	<b>2,391,883</b>	2,230,752
Packing Material	<b>5,276</b>	4,747
	<b>7,216,821</b>	8,254,275

**15. Cash and bank balances**

	<b>Non-Current</b>		<b>Current</b>	
	<b>31-03-2012</b>	31-03-2011	<b>31-03-2012</b>	31-03-2011
	<b>Rs.</b>	Rs.	<b>Rs.</b>	Rs.
<b>Cash and cash equivalents</b>				
Balances with banks:				
On current accounts	–	–	<b>5,573,518</b>	4,016,306
Cash on hand	–	–	<b>96,751</b>	34,981
	–	–	<b>5,670,269</b>	4,051,287
<b>Other bank balances</b>				
Deposits with original maturity for more than 12 months (Deposit lying with UP Sales Tax,)	<b>67,248</b>	63,030	–	–
Margin Money deposit	–	–	<b>1,288,898</b>	2,066,379
	<b>67,248</b>	63,030	<b>1,288,898</b>	2,066,379
Amount disclosed under non-current assets (Note - 13)	<b>67,248</b>	63,030	–	–
	–	–	<b>6,959,167</b>	6,117,666

**Margin money deposits given as security :**

Margin money deposits with a carrying amount of Rs.12,88,898/- (Previous year Rs.20,66,379/-) are to secure non-fund based inland letter of credit.

**16. Revenue from operations**

	2011-12 Rs.	2010-11 Rs.
<b>Sales of products</b>		
Finished Goods	73,104,534	–
Traded Goods	71,341	39,708
<b>Operating Revenue</b>		
Conversion / Job Work Charges Received	18,896,132	133,780,905
<b>Other Operating Revenue</b>		
Scrap sales	2,712,918	1,255,840
<b>Revenue from operations (gross)</b>	<b>94,784,925</b>	135,076,453
Less : Excise Duty #	7,689,849	–
<b>Revenue from operations(net)</b>	<b>87,095,076</b>	135,076,453

# Excise duty on sales amounting to Rs.76,89,849 (31<sup>st</sup> March, 2011 : Rs.Nil) has been reduced from sales in profit & loss account and excise duty on (increase) / decrease in stock amounting to Rs.43,151 (31<sup>st</sup> March, 2011 : Rs.Nil) has been considered as (income) / expense in note 21 of financial statements.

**Details of Products Sold**

	2011-12 Rs.	2010-11 Rs.
<b>Finished Goods Sold</b>		
Sales Lova Boronate	12,218,870	–
Sales Rifamycin - B	60,334,790	–
Sales Lova Crude	550,874	–
	<b>73,104,534</b>	–
<b>Traded goods sold</b>		
Others	71,341	39,708
	<b>71,341</b>	39,708
	<b>73,175,875</b>	39,708
<b>Operating Revenue</b>		
Conversion / Job Work Charges for following products;		
Lovastatin	–	720,900
Lova Boronate	18,634,262	104,994,583
Debit Note to a party (refer note below)	–	3,431,116
Lova technical	–	7,583,920
Lova Cake (Semi- finished)	–	5,166,774
Other Bulk Drugs	261,870	11,883,612
	<b>18,896,132</b>	133,780,905

Note: During the previous year, the Company had raised a debit note to a party towards overhead expenses against loss of inventory due to fire on 9<sup>th</sup> December, 2010.

**17. Other Income**

	2011-12 Rs.	2010-11 Rs.
Interest income on		
- Deposits including margin money	84,799	145,378
- Deposits with DGVCL	443,661	429,835
- Income Tax Refund	184,514	466,701
- Investment	1,361	684
- Others	15,165	95,543
	<b>729,500</b>	1,138,141
Net Gain /Loss on sale of Fixed Assets	<b>1,655,891</b>	595,100
Other Non -Operating income		
- Excess Provision Written back	38,373	33,170
- Excess Provision for doubtful receivables/advances written back	1,180,719	4,123
- Recovery of TDS paid on behalf of party in earlier year	433,327	112,774
- Notice Pay recovery	235,817	-
- Other	36,548	-
	<b>4,310,175</b>	1,883,308

**18. Cost of Materials consumed / sold**

	2011-12 Rs.	2010-11 Rs.
Inventory at the beginning of the year	2,235,499	3,375,083
Add: Purchases	32,525,698	6,949,303
	<b>34,761,197</b>	10,324,386
Less: Inventory at the end of the year	4,696,439	2,235,499
Cost of raw material and components consumed	<b>30,064,758</b>	8,088,887

**Details of Materials consumed / sold**

	2011-12 Rs.	2010-11 Rs.
Lova Boronate	10,471,605	-
RIFA-S	15,050,104	-
Laboratory Consumables and Chemicals	619,901	544,877
Other raw material	146,891	251,531
Store & Spares	3,739,975	7,291,172
Packing Material Consumed	36,282	1,307
	<b>30,064,758</b>	8,088,887

**Details of Inventory**

	31-03-2012 Rs.	31-03-2012 Rs.
<b>Raw Materials &amp; Components</b>		
Lova Boronate	2,040	-
RIFA-S	2,297,240	-
	<b>2,299,280</b>	-

**19. Increase / (Decrease) in Inventories**

	2011-12 Rs.	2010-11 Rs.
Inventories at the end of the year		
Work in Process	2,128,110	6,018,776
Finished Goods	392,272	-
	<b>2,520,382</b>	6,018,776
Inventories at the beginning of the year		
Work in Process	6,018,776	2,941,487
Finished Goods	-	-
	<b>6,018,776</b>	2,941,487
<b>(Increase)/Decrease in Inventories</b>	<b>3,498,394</b>	<b>(3,077,289)</b>

**Details of Purchase of Traded Goods**

	31-03-2012 Rs.	31-03-2011 Rs.
Raw Material	63,703	-
Packing Material	7,638	39,708
	<b>71,341</b>	39,708

**Details of Inventory**

	31-03-2012 Rs.	31-03-2011 Rs.
<b>Work-in-progress</b>		
Lovaboronate	-	79,161
Lova Crude	-	5,939,615
RIFA - S	2,128,110	-
	<b>2,128,110</b>	6,018,776
<b>Finished goods</b>		
RIFA - S	392,272	-
	<b>392,272</b>	-

**20. Employee benefit expenses**

	2011-12 Rs.	2010-11 Rs.
Salary, Wages & Bonus	22,964,816	20,373,485
Company's contribution to Provident and other Funds	1,071,873	1,157,040
Gratuity	408,768	402,405
Staff Welfare Expenses	1,045,786	807,069
	<b>25,491,243</b>	22,739,999

Employee benefits expense for the year ended 31<sup>st</sup> March, 2012 includes amount of Rs.50,24,214 towards full & final settlement to two ex-employees who had left the organization long back.

**21. Other expenses**

	2011-12 Rs.	2010-11 Rs.
Power, Fuel and water	39,334,236	105,264,320
Insurance	1,171,059	369,183
Rates and Taxes	1,108,046	772,147
Excise Duty Expense	43,151	–
Excise Duty not claimed	297,403	–
Donation	54,500	4,800
Legal & Professional Charges	2,243,251	1,118,806
<u>Repairs and Maintenance :</u>		
Building	641,938	37,276
Plant & Machinery	1,186,168	2,955,901
Others	838,557	2,912,902
Vehicle Expenses	399,865	294,127
Auditor's Remuneration (Refer details below)	290,000	295,000
Job Work charges	213,550	1,077,021
Security Charges	1,100,410	755,128
Testing and Analytical Charges	77,430	216,560
Printing & Stationary Expenses	174,539	187,732
Travelling & Conveyance	241,299	239,816
Hire Charges	118,842	62,914
Postage & Telegram Charges	86,224	51,275
Telephone & Telex Charges	186,387	155,896
Miscellaneous Expenses	1,020,752	1,360,085
	<b>50,827,607</b>	<b>118,130,889</b>

**Auditor's Remuneration includes**

	2011-12 Rs.	2010-11 Rs.
<b>As Auditor:</b>		
Audit Fee	180,000	180,000
Tax Audit Fee	50,000	50,000
Limited Review	60,000	60,000
Other Service (certification fee)	–	5,000
	<b>290,000</b>	<b>295,000</b>

**22. Finance costs**

	2011-12 Rs.	2010-11 Rs.
<b>Interest Expense</b>		
Term Loans	6,313,240	8,257,065
Cash Credit	2,869,774	2,787,041
Bank Charges & Other Finance Cost		
Other Finance Cost	1,155,518	648,243
Bank Charges	968,452	861,623
	<b>11,306,984</b>	<b>12,553,972</b>

**23. Prior Period Adjustments (Net)**

	2011-12 Rs.	2010-11 Rs.
<b>Income</b>		
Delay Charges	–	19,500
Reversal of Conversion Charges in earlier year	–	(40,900)
Excess Interest Income of earlier year	–	(642)
	–	(22,042)
<b>Expenses</b>		
Central Effluent Treatment Charges	–	331,591
Legal and Professional Charges	–	40,875
Rates & Taxes	–	18,982
Electric and Winding Works	40,653	–
Repairs & Maintenance Charges	17,495	–
Other Expenses	25,122	22,535
	83,270	413,983
<b>Total</b>	83,270	436,025

**24. Exceptional Item (refer notes below)**

	2011-12 Rs.	2010-11 Rs.
Write back of unsecured loan	39,510,377	–
Insurance Claim received	7,386,230	–
Assets loss due to fire	(2,103,742)	–
Interest refunded by Bank	12,043,280	–
	56,836,145	–

**Notes:**

- (i) During the year, the Company has written back unsecured loan of Rs.3,95,10,377 in terms of the approved Rehabilitation Scheme formulated for revival of the Company as sanctioned by the BIFR at the hearing held on 12<sup>th</sup> January, 2012 & consent for waiver by promoter Company "Yuhan Corporation".
- (ii) Company has received insurance claim of Rs.73,86,230 in respect of a fire broken out on 9<sup>th</sup> December, 2010 out at the Vapi factory premises of the Company damaging one of the plant and equipment in the factory.
- (iii) During the year, for the relief of interest amounting to Rs.1,20,43,280 given by the operating Agency, Union Bank of India on account of reduction in interest rate from 1<sup>st</sup> October, 2008, the cut-off date from which the Company is declared as sick unit, to 31<sup>st</sup> March, 2011 in terms of the approved Rehabilitation Scheme formulated for revival of the Company as sanctioned by the BIFR at the hearing held on 12<sup>th</sup> January, 2012.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012**25 Earnings Per Share (EPS)**

In accordance with Accounting Standard 20 - "Earning per Share" notified under Companies (Accounting Standard) Rules, 2006, (as amended) and relevant provisions of Companies Act, 1956 the required disclosure is given below:

	31-03-2012 In Rs	31-03-2011 In Rs
<b>The following reflects the profit/(loss) and share data used in the basic and diluted EPS computations :</b>		
Net profit / (loss) attributable to Shareholders (Rs.)	15,868,061	(32,768,020)
Weighted average number of equity shares issued (Nos.) for basic EPS	11,600,000	11,600,000
Basic earnings per share of Rs. 10/- each (in Rs.)	<u>1.37</u>	<u>(2.82)</u>

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

**26 Disclosure under Revised Accounting Standard 15 on 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.

**A Defined Contribution Plan**

During the year, the Company has recognized Rs.10,08,726/- (Previous Year Rs. 10,91,244/-) towards Defined Contribution Plan Obligation.

**B Defined Benefit Plan****A) Leave Encashment**

Liability is computed on the basis of Leave Encashment benefit payable to all eligible employees at the rate of daily salary as per current accumulation of leave days, as per the Projected Unit Credit Method.

	2011-12 In Rs	2010-11 In Rs
Net Periodic Cost debited to Profit & Loss Account	271,777	120,775
Liability recognised in the Balance Sheet	895,859	737,667

**B) Gratuity**

Liability is computed on the basis of Gratuity payable on death or resignation or on retirement, at attainment of superannuation age, with the qualifying salaries appropriately projected, as per the Projected Unit Credit Method. The disclosure of the same is as under.

**I. Actuarial Assumption**

Particulars	Gratuity	
	31-03-2012	31-03-2011
Discount Rate	8.75%	8.25%
Salary Escalation	5.00%	5.00%
Attrition Rate	2.00%	2.00%

**II Table Showing Change in Benefit Obligation**

Particulars	Gratuity	
	31-03-2012	31-03-2011
Projected Benefit Obligations (PBO) at the beginning of the year	1,642,362	1,327,321
Interest Cost	135,495	114,886
Service Cost	137,709	152,437
Benefits paid	(140,496)	(87,364)
Actuarial (gain) / loss on Obligations	135,564	135,082
Projected Benefit Obligations (PBO) at the end of the Year	1,910,634	1,642,362

**III The Amounts to be recognised in Balance Sheet and Income Statement and the related analysis**

Particulars	Gratuity	
	31-03-2012	31-03-2011
Fair value of Plan Assets	–	–
Present Value of Obligation	<b>(1,910,634)</b>	(1,642,362)
Funded Status	<b>(1,910,634)</b>	(1,642,362)
Unrecognised Actuarial gains (losses)	–	–
Unrecognised Transitional Liability	–	–
Assets / (Liability) Recognised in Balance Sheet	<b>(1,910,634)</b>	(1,642,362)

**IV Net Periodic Cost**

Particulars	Gratuity	
	31-03-2012	31-03-2011
Current Service Cost	<b>137,709</b>	152,437
Interest Cost	<b>135,495</b>	114,886
Expected Return on Plan Assets	–	–
Net Actuarial (gain) loss recognised in the year	<b>135,564</b>	135,082
Expenses Recognised in the Income Statement	<b>408,768</b>	402,405

**V Movements in the liability recognised in the Balance Sheet**

Particulars	Gratuity	
	31-03-2012	31-03-2011
Opening Net Liability	<b>1,642,362</b>	1,327,321
Expense as above	<b>408,768</b>	402,405
Contributions paid	<b>(140,496)</b>	(87,364)
Closing Net Liability	<b>1,910,634</b>	1,642,362

**27 Related Party Disclosure**

Disclosure requirement as per Accounting Standard 18 (AS-18) "Related Party Disclosure" notified under Companies (Accounting Standard) Rules, 2006, (as amended) and relevant provisions of Companies Act 1956,

Name of the Related Party	Nature of relationship
M/s. Pharmaceutical Business Group (India) Limited (PBG)	Investing party of which the Company is an Associate
M/s. Vividhmargi Investment Pvt. Ltd.	Holding Company of the above Investing party
M/s. Yuhan Corporation	Venturer in Joint Venture
Mr. Rajneesh Anand	Key Management Personnel

**Note:** Related Party Relationships have been identified by the management and relied upon by the Auditors.



**Details of transactions between the Company & related parties & the status of outstanding balances as on 31<sup>st</sup> March, 2012.**

Nature of Transactions	Name of Party	Associates/ Enterprises over which directors and/or their relatives has significant influence		Key Management Personnel	
		2011-12	2010-11	2011-12	2010-11
<b>Transactions during the year</b>					
Expense Incurred on behalf of investing party	M/s. Pharmaceutical Business Group (India) Limited	–	1,500	–	–
Remuneration	Mr. Rajneesh Anand	–	–	<b>225,000</b>	300,000
<b>Outstanding Balances</b>					
		<b>31-03-2012</b>	31-03-2011	<b>31-03-2012</b>	31-03-2011
Unsecured Loans (refer note below)	M/s. Yuhan Corporation	–	39,510,377	–	–
Corporate Guarantee given by PBG to Company's Bankers	M/s. Pharmaceutical Business Group (India) Limited	<b>78,400,000</b>	147,600,000	–	–
Expense Incurred on behalf of investing party	M/s. Pharmaceutical Business Group (India) Limited	<b>18,500</b>	18,500	–	–

**Note:** During the year, the Company has written back unsecured loan of Rs.3,95,10,377/- in terms of the approved Rehabilitation Scheme formulated for revival of the Company as sanctioned by the BIFR at the hearing held on 12<sup>th</sup> January, 2012 & consent for waiver by promoter Company "Yuhan Corporation".

**28 Contingent Liabilities**

Contingent liabilities not provided for in respect of:

	<b>2011-12 In Rs</b>	<b>2010-11 In Rs</b>
I) Letter of credit in respect of purchases, outstanding at the year-end	<b>106,047</b>	4,071,198
II) Income tax under dispute	<b>1,220,952</b>	1,807,387
III) Fringe benefit tax under dispute	<b>201,972</b>	201,972
IV) Disputed Labour Dues	<b>44,638,168</b>	37,903,835
V) Claim of interest on unsecured Loan from Gujarat Industrial Investment Corporation (GIIC)	<b>11,261,277</b>	10,793,277
VI) Claim made by an ex-employee pending with Valsad Civil Court [including interest of Rs.Nil (P.Y Rs.1,95,556)]	–	464,765
VII) Claim made by an supplier pending with Vadodra Civil Court [including interest of Rs.4,40,538 (P.Y Rs.3,56,820)]	<b>548,816</b>	465,098

**29** Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for Rs.1,04,829/- (Previous year Rs.12,73,533 /-).

**30** The outstanding balance as at 31<sup>st</sup> March, 2012, in respect of certain balances of trade receivables, deposits, loans & advances, long term borrowings, liability for expenses, trade payables and creditors for capital expenditure are subject to confirmation and adjustments necessary upon reconciliation if any, consequential impact thereof in the financial statements is not ascertainable. The Management does not expect any material variation in the financial statements.

**31** (a) The Company is a sick industrial Company under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). The Rehabilitation Scheme formulated for revival of the Company has been sanctioned by the BIFR at the hearing held on 12<sup>th</sup> January, 2012 and the BIFR order has been issued to the Company on 1<sup>st</sup> March, 2012. However pending the necessary consent / formalities with statutory authorities and stock exchanges as at 31<sup>st</sup> March, 2012, adjustments with regard to effect of the directions as contained in the scheme approved by the order of BIFR including the effect of reduction in equity share capital and issue of further equity shares have been given subsequent to the balance sheet date, except that the Company has already accounted during the year, for the relief of interest amounting to Rs.1,33,75,163 given by the operating Agency, Union Bank of India on account of reduction in interest rate from 1<sup>st</sup> October, 2008, the cutoff date from which the Company is declared as sick unit, to 30<sup>th</sup> September, 2011

(Rs.1,20,43,280 for the period from 1<sup>st</sup> October, 2008 to 31<sup>st</sup> March, 2011 which is shown as an exceptional item and Rs.13,31,883 for the period from 1<sup>st</sup> April, 2011 to 30<sup>th</sup> September, 2011 which is credited to finance cost) and write back of unsecured loan of Rs.3,95,10,377 in terms of the approved scheme & consent for waiver by promoter Company "Yuhan Corporation" for repayment of unsecured loan of Rs.3,95,10,377 which has been shown as income under the head exceptional item.

- (b) Other relief and concessions as provided in Rehabilitation Scheme sanctioned by the BIFR at the hearing held on 12<sup>th</sup> January 2012, are as under.
- (i) Income tax department to consider relief u/s. 41(1) i.e. additions not to consider write back of liabilities / no longer considered payable, exemption from Minimum Alternate Tax (MAT) till the total loss is adjusted, to allow relief u/s. 72 for carry forward of losses beyond 8 years and until the earlier of their absorption against taxable income in future years, to consider waiver of penalty imposed.
  - (ii) Securities and Exchange Board of India to grant of exemption from operations / applicability of regulations 7, 10, 11 and 12 of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations 1997.
  - (iii) Bombay Stock Exchange to allow continued listing of the Company's shares on the BSE post share capital restructuring, to consider automatic listing of additional shares.
  - (iv) Registrar of Companies (ROC) to consider waiver of fee payable to ROC, Gujarat in respect of increase in authorized share capital as and when contemplated.
  - (v) The Company may exercise the option of revaluing the land and writing off accumulated book losses to that extent with the permission of BIFR.
  - (vi) Promoters / Co-promoters to bring in funds to meet the cost of the scheme in the form of unsecured loan to the extent of Rs.3,50,00,000 irrespective of the provisions of Companies Act, 1956 or any other guidelines.
- 32** The Company has brought forward losses of Rs.27,90,76,856 which has resulted in negative net worth of Rs.13,86,43,883 as at 31<sup>st</sup> March, 2012. 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). Further the Rehabilitation Scheme has been sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) in the hearing held 12<sup>th</sup> January, 2012. The Company has initiated efforts including development of new products and has ventured into manufacturing of goods on own and on job work basis so as to reduce the losses. Accordingly these accounts have been prepared on a going concern basis.
- 33** The Company is manufacturing Bulk Drugs for its own and on job work basis for others. Hence, there is no separate reportable segment as per Accounting Standard - 17 (AS-17) "Segment Reporting" as notified by Companies (Accounting Standards) Rules 2006.
- 34** In view of carry forward losses of earlier years as per Income Tax, no provision for the Income Tax has been made on profit of the current year.
- 35** In the opinion of the Management, Current / Non-current Assets, Long term / Short term Loans & Advances are approximately of the value stated, if realized, in the ordinary course of business. The provision for all known and determined liability is adequate and not in the excess of the amount reasonably required.
- 36** During the year ended 31<sup>st</sup> March, 2012, the Revised schedule VI notified under The Companies Act 1956, has become applicable to the Company, for presentation and preparation of its financial statement. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impacts on presentation and disclosure made in the financial statements. The Company has also reclassified the previous year figure in accordance with the requirements applicable in the current year.

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**AS PER OUR REPORT OF EVEN DATE**

**For KHANDELWAL JAIN & CO.**  
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

**Narendra Jain**  
Partner  
Membership No.048725

**Dr. Dinesh S. Patel**  
Chairman

Place : Mumbai  
Date : 14<sup>th</sup> August, 2012

**Dr. Sachin D. Patel**  
Director

**Subhash C. Kaushik**  
Director



# GUJARAT THEMIS BIOSYN LTD.

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

E-mail : [gtblmumbai@gtbl.in](mailto:gtblmumbai@gtbl.in) / [accounts@gtbl.co.in](mailto:accounts@gtbl.co.in)

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](mailto: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](mailto: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/-**

**Dr. Dinesh S. Patel**

Chairman

Place : Mumbai

Date : 14<sup>th</sup> August, 2012

## 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)

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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 First/Sole Shareholder	
Name of Joint Shareholder(s) if any	
Registered Address	
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)

**31<sup>ST</sup> ANNUAL GENERAL MEETING**  
FRIDAY THE 28<sup>TH</sup> SEPTEMBER, 2012, 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"/> PROXY
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 **31<sup>st</sup> Annual General Meeting** of the Company to be held on Friday the 28<sup>th</sup> September, 2012, at 11 a.m adjournment(s) thereof.

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

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

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
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**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.