

**Toheal Pharmachem Limited**

**Annual Report**

**For**

**2011- 2012**

# TOHEAL PHARMACHEM LIMITED

## Board of Directors

ATUL BAHADURSHAH PANDIT  
YOGENDRA HARILAL MACHHAR  
DHARMESH DESAI  
JAYESH SHAH  
HARSH JITENDRAKUMAR SHAH  
SUJAY JYOTINDRA MEHTA

MANAGING DIRECTOR  
DIRECTOR  
DIRECTOR  
ADDITIONAL DIRECTOR  
ADDITIONAL DIRECTOR  
ADDITIONAL DIRECTOR

## Auditors

M/s. P. Dalal & Co., Chartered Accountants,  
75, Samast Brahmkshatriya Society,  
Bhattha, Paldi, Ahmedabad-380 007.

## Registered Office

5<sup>th</sup> Floor, Nilkanth Palace, B Block,  
Opp. Seema Hall, 100ft. Sanjay Sachin Road,  
Satellite, Ahmedabad-380015

## NOTICE

Notice is hereby given that the Annual General Meeting of the members of TOHEAL PHARMACHEM LIMITED will be held on 28/09/2012 at 12:30 p.m. at 5<sup>th</sup> Floor, Nilkanth Palace, B Block, Opp. Seema Hall, 100 ft. Sanjay Sachin Road, Satellite, Ahmedabad-380015 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended on 31<sup>st</sup> March, 2012, balance sheet as on that date, Director's Report and the Auditor's report thereon.
2. To appoint Director in place of Mr. Dharmesh Desai who retires by rotation and being eligible offers himself for reappointment.
3. To appoint the Auditors of the Company from the Conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS:

4. **To Consider and if thought fit to pass with or without modification following resolution as Special Resolution:**

**"RESOLVED THAT**, pursuant to provisions of Section 260 and all other applicable provisions of the companies Act 1956 and Articles of Association of the Company also subject to approval of shareholders of the company, Mr. Jayesh Shah, who was appointed as an Additional Director by the Board of Directors, who hold the office as such only up to the conclusion of this Annual General Meeting, who is eligible to be appointed as Director of the Company u/s 255, 256 and 257 of the Companies Act, 1956 be and is hereby appointed as Director of the company whose term of office liable to determination for retire by rotation."

**"RESOLVED FURTHER THAT** Mr. Atul B. Pandit, Director of the Company, be and is hereby authorised to take necessary action for the implementation of the aforesaid resolution."

5. **To Consider and if thought fit to pass with or without modification following resolution as Special Resolution:**

**"RESOLVED THAT**, pursuant to provisions of Section 260 and all other applicable provisions of the companies Act 1956 and Articles of Association of the Company also subject to approval of shareholders of the

company, Mr. Harsh Jitendrakumar Shah, who was appointed as an Additional Director by the Board of Directors, who hold the office as such only up to the conclusion of this Annual General Meeting, who is eligible to be appointed as Director of the Company u/s 255, 256 and 257 of the Companies Act, 1956 be and is hereby appointed as Director of the company whose term of office liable to determination for retire by rotation."

**"RESOLVED FURTHER THAT** Mr. Atul B. Pandit, Director of the Company, be and is hereby authorised to take necessary action for the implementation of the aforesaid resolution."

**6. To Consider and if thought fit to pass with or without modification following resolution as Special Resolution:**

**"RESOLVED THAT**, pursuant to provisions of Section 260 and all other applicable provisions of the companies Act 1956 and Articles of Association of the Company also subject o approval of shareholders of he company, Mr. Sujay Jyotindra Mehta, who was appointed as an Additional Director by the Board of Directors, who hold the office as such only up to the conclusion of this Annual General Meeting, who is eligible to be appointed as Director of the Company u/s 255, 256 and 257 of the Companies Act, 1956 be and is hereby appointed as Director of the company whose term of office liable to determination for retire by rotation."

**"RESOLVED FURTHER THAT** Mr. Atul B. Pandit, Director of the Company, be and is hereby authorised to take necessary action for the implementation of the aforesaid resolution."

**For And on Behalf of the Company**

**Place : Ahmedabad**

**Date : 30/07/2012**

<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>
<b>Managing Director</b>	<b>Director</b>	<b>Director</b>
<b>(Atul Pandit)</b>	<b>(Harsh Shah)</b>	<b>(Sujay Mehta)</b>

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies, in order to be effective, must be lodged at the registered office of the Company not later than 48 hours before the meeting.

2. The Register of Members and the Share Transfer Books of the Company will remain closed from 19<sup>th</sup> September, 2012 to 28<sup>th</sup> September, 2012 (both days inclusive).
3. The Company has appointed M/s. Cameo Corporate Services Limited, Mumbai, as its Registrars and Share Transfer Agents for rendering the entire range of services to the Shareholders of the Company. Accordingly, all documents, transfers, Demat request, change of address intimation and other communication in relation thereto with respect to shares in electronic and physical form should be addressed to the Registrars directly quoting Folio No., full name and Address to M/s. Cameo Corporate Services Limited., Unit: Toheal Pharmachem Limited.
4. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.
5. Members are requested to bring their copies of the Annual Report to the Meeting.
6. Members are requested to update their Email ID with their respective depository participant and with the Company's Registrar and Transfer Agents (RTA) to enable dispatch the communications in electronic form from time to time as your Company have taken a "Green Initiative" as per the directions of Ministry of Corporate Affairs, New Delhi allowing paperless compliances for Companies.
7. Members holding shares in physical form are requested to notify to the company's Registrar and share Transfer Agent, M/s. Cameo Corporate Services Limited quoting their folio, any change in their registered address with pin code and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participant.
8. Corporate Members intending to send their authorized representatives under Section 187 of the Companies Act, 1956, are requested to send a duly certified copy of the board Resolution authorizing their representatives to attend and vote at the Meeting.

9. In case of joint holding, the joint holder whose name stands first, as per the Company's records, shall alone be entitled to vote.

**For And on Behalf of the Company**

**Place : Ahmedabad**

**Date : 30/07/2012**

<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>
<b>Managing Director</b>	<b>Director</b>	<b>Director</b>
<b>(Atul Pandit)</b>	<b>(Harsh Shah)</b>	<b>(Sujay Mehta)</b>

## Annexure to Notice

Notes on directors seeking appointment/re-appointment as required under Clause 49 of the Listing Agreement entered into with Stock Exchanges:

### Item No. 2

<b>Name</b>	:	Mr. Dharmesh Desai
<b>Date of birth</b>	:	04/11/1970
<b>Qualification</b>	:	B.Sc.
<b>Director of the Company since</b>	:	19/08/1999
<b>Directorship in other public limited companies</b>	:	Nil
<b>Membership of Committees of other public limited companies</b>	:	Nil
<b>No. of Shares held in the Company</b>	:	500 Shares

### Item No. 4

Mr. Jayesh Shah was appointed as an additional director of the company, pursuant to provision of Section 260 of the Companies Act, 1956. He holds office upto the ensuing General Meeting of the Company and in respect of whom the Company has received notice under section 257 of the Companies Act, 1956 proposing the candidature for the office of Directors, and hence his appointment as Directors of the Company has been proposed.

None of the Directors of the Company, are interested in the resolution set out at of the accompanying notice.

### Item No. 5

Mr. Harsh Jitendrakumar Shah was appointed as an additional director of the company, pursuant to provision of Section 260 of the Companies Act, 1956. He holds office upto the ensuing General Meeting of the Company and in respect of whom the Company has received notice under section 257 of the Companies Act, 1956 proposing the candidature for the office of Directors, and hence his appointment as Directors of the Company has been proposed.

None of the Directors of the Company, are interested in the resolution set out at of the accompanying notice.

**Item No. 6**

Mr. Sujay Jyotindra Mehta was appointed as an additional director of the company, pursuant to provision of Section 260 of the Companies Act, 1956. He holds office upto the ensuing General Meeting of the Company and in respect of whom the Company has received notice under section 257 of the Companies Act, 1956 proposing the candidature for the office of Directors, and hence his appointment as Directors of the Company has been proposed.

None of the Directors of the Company, are interested in the resolution set out at of the accompanying notice.

**For And on Behalf of the Company**

**Place : Ahmedabad**

**Date : 30/07/2012**

<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>
<b>Managing Director</b>	<b>Director</b>	<b>Director</b>
<b>(Atul Pandit)</b>	<b>(Harsh Shah)</b>	<b>(Sujay Mehta)</b>



## DIRECTORS' REPORT

**To,  
The Members  
TOHEAL PHARMACHEM LIMITED**

The Directors' present the Annual report on the business and operations of your Company for the year 2011-2012.

### **FINANCIAL RESULTS AND OPERATIONAL REVIEW:**

Particulars	Year Ended 31.03.2012 (Rs.)	Year Ended 31.03.2011 (Rs.)
Gross Sales/Income	10,58,179	5,99,800
Less Depreciation	NIL	NIL
Profit/(Loss) before Tax	(11,07,584)	2,13,907
Taxes/Deferred Taxes	NIL	NIL
Profit/(Loss) After Taxes	(11,07,584)	2,13,907
P& L Balance b/f	(17,55,499)	(19,69,406)
Profit/ (Loss) carried to Balance Sheet	(28,63,083)	(17,55,499)

### **PARTICULARS OF EMPLOYEES:**

There is no employee having remuneration with the provisions of section 217(2A) of the companies Act 1956 read with the companies (Particulars of employee) Rules, 1975 as amended.

### **DIRECTORS:**

During the Year Mr. Jayesh Shah, Mr. Sujay Jyotindra Mehta and Mr. Harsh Jitendrakumar Shah have been appointed as Additional Directors of the Company w.e.f. 07/02/2011 also Board recommend their appointments as Regular Directors of the Company under section 255 of the Companies Act, 1956 in this Annual General Meeting of the Company, the Board took note of the same.

Mr. Dharmesh Desai, Director of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

### **DIVIDEND:**

In view of losses, your Directors do not recommend any dividend during the year.

### **DEPOSITS:**

The Company has not accepted any deposit from the public during the year.

### **RESPONSIBILITY STATEMENT:**

As required u/s 217(2AA) of the Companies Act, 1956 your Director confirms that in the preparation of the annual accounts:

The applicable accounting standards have been followed along with proper explanation relating to material departures.

Such accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates made, 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 the profit/loss of the company for that period.

Proper and sufficient care has been taken for the maintenance of the adequate accounting records in accordance with provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

The annual accounts have been prepared on a going concern basis.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:**

As required under rule 3 of the companies (Disclosure of Particulars in the report of Board of Directors) Rules 1998, the particulars relating to the conservation of energy, Technology absorption, and the foreign exchange earnings and outgo are also Nil as no trading has been done during the year under review.

#### **APPOINTMENT OF AUDITORS:**

**M/S. P. DALAL & COMPANY**, Chartered Accountants, Ahmedabad, the retiring auditors being eligible offer themselves for re-appointment. Members are requested to appoint them as auditors of the company.

#### **MANAGEMENT DISCUSSION AND ANALYSIS:**

Management discussion and analysis Report, pursuant to Clause 49 of the Stock Exchange Listing agreement, forms part of this Report and the same is annexed hereto.

#### **REPORT ON CORPORATE GOVERNANCE:**

A separate Report on Corporate Governance along with Certificate from Auditors on its compliance as annexed hereto.

#### **SEGMENT:**

Your Company is engaged in a single segment only.

#### **ACKNOWLEDGEMENT:**

The management is grateful to the government authorities, Bankers, Vendors for their continued assistance and co-operation. The directors also wish to place on record the confidence of members in the company.

**For And on Behalf of the Company**

**Place : Ahmedabad**

**Date : 30/07/2012**

<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>
<b>Managing Director</b>	<b>Director</b>	<b>Director</b>
<b>(Atul Pandit)</b>	<b>(Harsh Shah)</b>	<b>(Sujay Mehta)</b>

**Report on Corporate Governance**  
**(Pursuant to Clause 49 of the Listing Agreement)**

**1. Company's philosophy:**

Corporate Governance is an integral part of value, ethics and best business practices followed by the Company. The core values of the Company are commitment to excellence and customer satisfaction, maximizing long-term value for stakeholders, socially valued enterprise and caring for people and environment.

TOHEAL PHARMACHEM LIMITED is committed to good Corporate Governance in order to all stakeholders – Customers, suppliers, lenders, employees, the shareholders. The detailed report on implementation by the company of the Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchanges, is set out below :

**2. Board of Directors:**

**2.1 Composition of the Board:**

The Board of Directors as at 31<sup>st</sup> March, 2012 comprises of six directors comprises of a, two are Executive and other are non-executive directors. Mr. Atul B Pandit, Active Director of the Company and he conducts the day to day management of the Company, subject to the supervision and control of the Board of Directors. The independent directors on the Board are senior, competent and highly respected persons from their receptive fields:

**2.2 Responsibilities of the Board**

The responsibility such as policy formulation, performance review and analysis and control, direction and management of the affairs of the company is vested in the Board of Directors presided over by the Chairman and Managing Director. The Board has delegated some of its powers to the executives of the company. The Board reviews from time to time such delegated powers and their utilization for effective functioning of the Company.

**2.3 Meeting and Attendance Record of Directors**

The meetings of the Board of Directors are held at periodical intervals and are generally at the registered office of the Company, Ahmedabad. The meeting dates are decided well in advance and the agenda and notes on agenda are circulated in advance to the directors. All material information is incorporated in the notes on agenda for facilitating meaningful and focused discussion at the meeting. Where it is not perusable to attach supporting or relevant documents to the agendas, the same is tabled before the meeting. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Senior Management persons are often invited to attend the Board Meetings and provide clarifications as and when required.

During the Financial year 2011-2012, 9 Board meeting were held during the year, they are as follows:

25/04/2011, 06/07/2011, 20/07/2011, 22/08/2011, 19/09/2011, 06/10/2011, 23/01/2012  
02/02/2012, 29/02/2012

The composition, attendance and other memberships of the Board of Directors of the company is as follows: c. Attendance of Directors at Meetings of Board of Directors and last AGM:

Name of the Director	Designation	Category	No. of Board meetings attended	Attendance at last AGM	Total No. of Directorships in public Companies	Total No. of Committee memberships	Total no. of Board Chairmanship
Atul Pandit	Director	Executive	9	Yes	0	0	0
Machhar Yogendra	Director	Director/ Executive	9	Yes	0	0	0
Desai I Dharmesh	Director	Director/ Non Executive	9	Yes	0	0	0
Harsh Jitendrakumar Shah	Additio nal Director	Director/ Non Executive	9	Yes	3	0	0
Sujay Jyotindra Mehta	Additio nal Director	Director/ Non Executive	9	Yes	3	1	0
Jayesh Shah	Additio nal Director	Director/ Non Executive	9	Yes	0	0	0

#### 2.4 Details of Directors seeking re-appointment at the ensuing Annual General Meeting

As per the provisions of the Companies Act, 1956, two third of the directors of a company should be retiring directors, of which one third of such directors are required to retire every year and if eligible, they qualify for re-appointment.

Mr. Dharmesh Desai, retire by rotation at the ensuing Annual General Meeting and offer him for re-appointment.

#### Profile of Mr. Dharmesh Desai, Director being appointed u/s 255 of the Companies Act, 1956

Name	Mr. Dharmesh Desai
Date of Birth	04/11/1970
Date of Appointment	19/08/1999
No. of shares held in the company	500

Directorship in other company	Nil
-------------------------------	-----

## 2.5 Details of Directors who are as Chairman and Directors in other Public Companies

None of the Directors on the Board is a member or Chairman of any Committees (as specified in Clause 49 (C) (ii) across all the Companies in which he is a director. The necessary disclosure regarding Directorship and Committee position have been made by the Directors who are on the Board of the Company as on 31<sup>st</sup> March, 2011 and the same is reproduced herein below:

Sr. No.	Name of Director	No of Directorship in other Public Companies	No. of Committees positions held as Chairman on other public Companies	No. of Committees positions held as member in other public Company
1.	Atul Pandit	--	--	--
2.	Yogendra Machhar	--	--	--
3.	Dharmesh Desai	--	--	--
4.	Harsh Jitendrakumar Shah	3	--	--
5.	Sujay Mehta	3	1	--
6.	Jayesh Shah	--	--	--

### 3. COMMITTEE OF BOARD:

The Company had four Board Committees. These are

1. Audit Committee
2. Remuneration Committee
3. Sub-Committee (Quarterly Results Review Committee)
4. Share Transfer & Shareholders/Investor Grievance Committee

Moving with various committees formed and reported in the previous Annual Report and in line with the requirements of SEBI and Stock Exchanges, the Board has formally constituted the following committees of Directors.

#### 3.1 Audit Committee:

The Audit committee constituted by the Board of directors as per the provisions of Clause 49 of the listing Agreements as well as in Section 292A of the Companies Act, 1956, comprises of three members viz. Mr. Sujay Jyotindra Mehta (Non-Executive), Mr. Dharmesh Desai, Member Director (Non-Executive) Mr. Jayesh Shah, Member (Non-Executive) who are aware with finance, accounts, management and corporate affairs. Two members constitute the quorum of the said Audit Committee Meeting.

The Audit Committee of the Board of Directors of the Company, Inter-aila, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

The audit committee while reviewing the Annual Financial Accounts ensures compliance of the Accounting Standard (AS) issued by the Institute of Chartered Accountants of India.

- Review the financial reporting process and disclosure of its financial information
- Review with the management, Annual financial statements before submission to the Board
- Review with the management, statutory Auditors and Internal Auditors and adequacy of internal control systems
- Review the company's accounting and risk management policies
- Review the company's accounting and management reporting systems and updates the same from time to time.
- Recommend the appointment and removal of statutory and Internal Auditors and fixation of fees for the same.
- Review quarterly financial statement
- Review internal investigations made statutory/ Internal Auditors.
- Scope of Statutory/ Internal Audit.
- Review fixed deposits/repayment systems etc.
- Any other applicable functions as described in Corporate Governance.
- Review related party transactions.

The terms and reference of the Audit Committee covers the matters specified as per clause 49 of the Listing Agreement besides other terms as may be referred from time to time by the Board of Directors. The Audit Committee met 4 times during the year.

### **3.2 Remuneration Committee:**

#### **(a) Executive Directors:**

The Company has not set up a Remuneration Committee. The remuneration of Executive Director were fixed by the Board and approved by the Share Holders at the Annual General Meeting. During the year Company has not paid any remuneration to the Directors of the Company during the financial year 2011-2012 because of the no business of the Company.

#### **(b) Non-Executive Directors:**

Non-Executive Directors have not been paid any remuneration, they had paid only Sitting Fees, being a Non Executive director had not paid any Sitting Fees for the financial year.

### **3.3 Sub-Committee (Quarterly Results Review Committee) :**

The Sub-Committee (Quarterly Results Review Committee) comprises as under :

Name	Designation
Atul B. Pandit	Director
Yogendra Machhar	Director

The Committee is responsible for approving quarterly un-audited financial statements and monitoring the performance of the Company. 4 (Four) meetings were held on the following dates:

Financial reporting for the First quarter	Second week of August, 2011
Financial reporting for the Second quarter	Second week of November, 2011
Financial reporting for the Third quarter	Second week of February, 2012.
Financial reporting for the Fourth quarter	Second week of May, 2012

### **3.4 Share Transfer & Shareholders'/Investor Grievance Committee:**

The Share Transfer & Shareholders'/Investor Grievance committee comprises as under:

- 1 Mr. Jayesh Shah
- 2 Mr. Sujay Mehta
- 3 Mr. Dharmesh Desai

The committee is responsible for approving and monitoring transfers, transmission, splitting and consolidation of shares issued by the Company. In addition to that, the committee also monitors redressal of complaints from shareholders relating to transfer of shares, non-receipt of balance sheet etc., No sitting fees is paid to the committee members. The Committee reviewed redressal of investors Grievances pertaining to share transfer, dematerialization of shares, replacement of lost, mutilated and old share certificates, change of address etc. The committee has also taken steps to strengthening investors relations.

The status of shareholders' complaints received so far/number not solved to the satisfaction of shareholders/number of pending share transfer transactions (as on 31<sup>st</sup> March, 2012) is given below:-

Complaints Status: 01.04.2011 to 31.03.2012

- Number of complaints received so far : 13
- Number of complaints solved : 03
- Number of pending complaints : 10

#### **4. DISCLOSURES:**

##### **(a). Materially significant related party transactions:**

The same are not disclosed at on the Significant Accounting Policies and notes on accounts- schedules.

**(b).** During the last three Years, there were no penalties, strictures imposed by either SEBI or stock Exchange or any statutory authority for non- Compliance of any matter related to the capital market.

#### **5. Share Transfer System:**

The Company has an in-house share transfer department and has not appointed any Registrar and Transfer Agent. Valid Share transfer in physical form and complete in all respects were approved and registered within the stipulated period.

#### **6. Dematerialization of shares and liquidity:**

The Company has not registered itself with any agency for dematerialization of Companies securities so far.

- |                                                          |                                                                                                                                                                                       |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>7. Date, Time and venue of Annual General Meeting</b> | : 28 <sup>th</sup> September, 2012 at 12.30 p.m.<br>5 <sup>th</sup> Floor, Nilkanth Palace, B Block,<br>Opp. Seema Hall,<br>100ft. Sanjay Sachin Road,<br>Satellite, Ahmedabad-380015 |
| <b>8. Book Closure Date</b>                              | : 19 <sup>th</sup> September, 2012 to 28 <sup>th</sup> September,<br>2012                                                                                                             |

#### **9. CEO/CFO Certification:**

Atul B. Pabdit & Yogendra Machchhar, Directors issued a certificate to the Board as Prescribed under sub-clause V of clause 49 of the listing agreement

#### **MEANS OF COMMUNICATIONS:**

The half Yearly and quarterly results of the Company were not published in any news paper but regularly forwarded to the Mumbai Stock Exchange where the Company's share are listed. The Company has not considered it necessary to circulate half yearly results at the residence of shareholders as there is no significant up and down in the activities of the company having material impact on the shareholders interest. The Company regularly upload all compliances and update its website [www.tohealpharmachem.com](http://www.tohealpharmachem.com).

Further the Company has not made any presentation to any financial institutional Investors/analysts or banks during the year.



Listing of Equity Shares on Stock Exchanges: Mumbai Annual listing fees for the financial Year upto 31-03-2012 has been paid.

g. Stock Code: BSE 531910, ASE: 61325

h. Demat ISIN number: INE312M01016

I. Market price data: The Company has nothing to report as no trade has been reported to take place.

j. Performance of the Company's shares in comparison with broad based indices as BSE's Sensex: The Company has nothing to report on the matter.

k. Registered and Transfer Agent: The Company has appointed Cameo Services, Mumbai as the common agency both in respect of demat shares. The Company is having in house share transfer set up for the transfer of shares which are still in physical mode.

l. Share Transfer System: All the transfers are received and processed by the Secretarial Department of the Company and approved by share transfer committee. Share Transfer requests received in physical form The Management discussion and analysis forms part of the Annual Report.

**10. Dividend Payment Date** : Not Applicable

**11. Detail of last three Annual General Meeting:**

Meeting	Year	Venue of AGM	Date	Time	Whether Special resolution passed
Annual General Meeting	2009	604, Manas Complex, Near Jodhpur Cross Road, Satellite, Ahmedabd- 380015	30 <sup>th</sup> September, 2009	12.30 P.M.	No
Annual General Meeting	2010	5 <sup>th</sup> Floor, Nilkanth Palace, B Block, Opp. Seema Hall, 100 ft. Sanjay Sachin Road, Satellite, Ahmedabad-380015	30 <sup>th</sup> September, 2010	12.30 P.M.	No
Annual General Meeting	2011	5 <sup>th</sup> Floor, Nilkanth Palace, B Block, Opp. Seema Hall, 100 ft. Sanjay	29 <sup>th</sup> September, 2011	12.30 P.M.	No

		Sachin Road, Satellite, Ahmedabad-380015			
--	--	------------------------------------------------	--	--	--

Details for Special Resolution had passed in last AGM:

**2011: NIL**

**2010: NIL**

**2009: NIL**

12. High / Low of Monthly Market Price of the Companies Equity Shares traded on Bombay Stock Exchange during the financial year 2011-2012 is furnished below:

The trading of equity shares of the Company was suspended during the year and it has received In-Principle Approval letter for suspension of revocation vide letter No. DCS/COMP/OT/TB/414/2011-12 dated 24<sup>th</sup> February, 2012.

**13. Distribution of Shareholding as on March 31, 2012.**

On the basis of shares held

No of Equity shares held	No. of shareholders	Percentage of Total share holders	No. of Shares held	Percentage of total share held
Upto 5000	3055	98.11 %	20,79,290	40.92 %
5001 – 10000	0023	0.74 %	1,87,300	3.69 %
10001 – 20000	0013	0.41 %	1,98,910	3.92 %
20001 -- 30000	0005	0.16 %	1,09,000	2.15 %
30001 --40000	0001	0.03 %	31,000	0.61 %
40001 --50000	0000	0.00 %	0	0.00 %
50001 --100000	0007	0.22 %	5,44,900	10.73 %
Above 100000	0010	0.33 %	19,30,100	37.98 %
<b>Total</b>	<b>3114</b>	<b>100 %</b>	<b>50,80,500</b>	<b>100 %</b>

Shareholding pattern as on 31<sup>st</sup> March, 2012

Category	No. of share held	% of shareholding
a. Promoters and persons who may be deemed to be acting in concert including promoter/directors group		

Companies	15,80,000	31.10%
b. Other bodies corporate	29,700	0.58%
c. Indian public	34,70,800	68.32%
<b>Total</b>	<b>50,80,500</b>	<b>100%</b>

Dematerialization of shares: As on 31-03-12 Demat shares accounted for Nil (Equity Shares) of total equity.

- 14. Listing on Stock Exchanges** : The Stock Exchange – Mumbai  
Phiroze jeejeebhoy Towers, Dalal Street, Mumbai – 400023  
The Stock Exchange – Ahmedabad,  
Kamdhenu Complex, Opp.  
Sahajanand Complex, Panjarapole,  
Ambawadi, Ahmedabad -380015.
- 15. Investor Correspondence** : All enquiries, clarifications and Correspondence should be addressed to the compliance officer at the following address.
- 16. Compliance Officer** : Mr. Atul B. Pandit
- 17. Address for Correspondence** : 5<sup>th</sup> Floor, Nilkanth Palace, B Block, Opp. Seema Hall, 100ft. Sanjay Sachin Road, Satellite, Ahmedabad-380015
- 18. Compliance Certificate of the Auditors:**

The statutory Auditors have certified that the company has complied with the conditions of corporate governance as stipulated in clause 49 of the Listing Agreement with the Stock Exchange and the same is annexed to the Directors Report and Management Discussion and Analysis.

The Certificate from the statutory Auditors will be sent to the listed stock exchange along with the annual return of the Company.

## **DECLARATION**

As provided under clause 49 of the Listing Agreement with the Stock Exchange, all Board members and Senior Manager personnel have affirmed compliance with TOHEAL PHARMACHEM LIMITED Code of Business conduct and ethics for the year ended March 31, 2012

**For And on Behalf of the Company**

**Place : Ahmedabad**

**Date : 30/07/2012**

<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>
<b>Managing Director</b>	<b>Director</b>	<b>Director</b>
<b>(Atul Pandit)</b>	<b>(Harsh Shah)</b>	<b>(Sujay Mehta)</b>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS OVERVIEW**

We at Toheal Pharmachem Limited Understand your individual trading requirements provide total resource to extend your company's capabilities, meet your goals of a timely entry in to the market, use outsourcing as a strategic move in your product life cycle planning, gain a greater economic edge in a highly competitive market, develop new dosage forms and procedures. Our strength is providing total customer satisfaction by delivering superior quality products through cutting edge technology and the best possible services.

We at Toheal Pharmachem Limited assisted in the development and trading of a wide variety of drugs and dosage forms and potency variations for many prestigious pharmaceuticals companies around the world.

### **INDUSTRY STRUCTURE AND DEVELOPMENT**

The pharmaceutical industry in India is currently registering a value growth of 13 percent on retail sales level. This growth in the domestic market is mainly driven by increasing purchasing power and better availability within the country. Consumer spending on healthcare went up from 4 per cent of GDP in 1995 to 7 per cent in 2010. The number is expected to rise to 13 per cent of GDP by 2015. Furthermore, internationally operating Indian Companies have seen healthy growth of their exports into Western markets. The growth also has spurred players in the Indian pharmaceutical industry to explore newer avenues of drug research, discovery and development, promising higher capital investments in the near future. There have been several new collaborations with the aim of research and discovery between Indian and non Indian pharmaceutical Companies, some of which are Mergers and Amalgamation. Many Multinational Companies have increased their spending in India to conduct clinical trials and research, either by establishing own Research and Development units or commissioning Contract Research Organizations (CROs). Pharmaceutical research, manufacturing and outsourcing have received an impetus in the country, creating the image of a land of opportunities in the pharmaceutical space.

### **STRENGTH OF THE COMPANY:**

The long-term goal of the Company is to become a pharmaceutical company driven by research. The company also takes all most care to ensure that a safe formulation of medicine being traded by method and process. Prescribe with international specifications. With the prime focus on customer

satisfaction, continuous efforts are made to offer solutions that give an extra advantage to the customer.

A strong desire for continuous innovation forms the bedrock of the efforts of this dedicated and talented team. Perseverance & Passion for new ideas are the driving forces, which leverage the efforts to develop new product Solutions, Processes and Applications. A strong harmony between R&D, Production and Marketing team aids in fine tuning production processes to make them more efficient and environment friendly.

Globalization is a thrust area at our end which is evident from our continuous efforts to enhance our International Business, which currently accounts for one third of our business.

The international business, which currently forms one third of the Company's business, hold huge potential and is focused for future growth.

Expertise in latest quality movement and in-depth insight into the Indian and international Pharmaceuticals markets, Toheal have made unrivaled progress. Current growth rate of the company has exceeded with noticeable value. Further the Company has assisted in the development and trading of a wide variety of drugs and dosage forms and potency variations for many prestigious pharmaceuticals companies around the world.

Our endeavour to walk an extra milage by providing our customers with alternate solutions, customized products and packaging has resulted in expanding our business horizons and proximity to the lives of people. We remain focused on developing application related derivatives of existing products as well as newer product solutions.

## **OVERALL REVIEW OF COMPANY**

### **OPPORTUNITIES, THREAT, RISKS AND CONCERNS**

The Indian pharmaceutical industry is growing consistently and is expected to do so also in future. Quality of products will improve, as is evident from the recent publication of the new Indian Pharmacopeias and the activities of the Drugs Controller of India against “irrational combinations” and “counterfeits”. We wish that these initiatives, which will lead to a safer healthcare environment for patients, will be followed up in a transparent and rational way.

For the pharmaceutical industry in India the National Pharmaceuticals Policy still represents a major threat. We regard price monitoring as a better

option, balancing affordability and investments into continuous improvements of product quality. Another major concern relates to the recent developments in the post product-patent regime. Unfortunately, for India the patent regime needs to be challenged looking at the limited amounts of patents granted and patents being opposed.

### **FUTURE OUTLOOK:**

As a Pharmaceutical Industry in India the Company wishes to diversify Business Corporation to achieve leadership by exceeding customer expectation in domestic as well as overseas markets. Further to attain financial strength through ever growing profitability to attain excellence while achieving "Supreme customer satisfaction" to attain the global recognition for the corporation and to focus on customer's need and fulfill their expectations. Further the Company will provide services and products of the most superior quality and seek consistent improvement innovation and excellence in our performance. To create working environments this helps committed people to achieve their fullest potential. Provide them ample opportunity to grow.

### **SEGMENT WISE PERFORMANCE**

The Company is operating only in one sector i.e. trading of pharmaceutical drugs and therefore the segment reporting and performance standard is not applicable to the Company.

### **INTERNAL CONTROL**

The Internal Control systems including the policies, procedures and guidelines of the Company are adequate and commensurate to the extent and nature of its operations. The controls are reviewed for effectiveness by the internal auditors and the audit committee too. Any deviations are brought to the notice of the Audit Committee periodically and corrective steps are recommended and implemented.

### **FINANCIAL PERFORMANCE**

The Company is passing through the restructuring process and trying to come out of all difficulties by improving its turnover.

**For And on Behalf of the Company**

**Place : Ahmedabad**

**Date : 30/07/2012**

Sd/-	Sd/-	Sd/-
<b>Managing Director</b>	<b>Director</b>	<b>Director</b>
(Atul Pandit)	(Harsh Shah)	(Sujay Mehta)





## Compliance Certificate

To,  
The Members,  
**TOHEAL PHARMACHEM LIMITED,**  
5<sup>th</sup> Floor, Nilkanth Palace, B Block,  
Opp. Seema Hall, 100ft. Sanjay Sachin Road,  
Satellite, Ahmedabad-380015

We have examined the compliance of Corporate Governance by TOHEAL PHARMACHEM 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 Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate Governance. It is neither an audit nor an expression of to opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance(s) is/ are pending for a period exceeding for one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

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

**For P. Dalal & Company,  
Chartered Accountants**

**Place: Ahmedabad  
Date: 30/07/2012**

**Sd/-  
P. S. Dalal  
(Proprietor)  
M. No. 37983**

## AUDITORS' REPORT

To  
The Shareholders,  
**TOHEAL PHARMACHEM LIMITED**  
AHMEDABAD

1. We have audited the attached Balance Sheet of TOHEAL PHARMACHEM LIMITED, Ahmedabad, as at **31<sup>st</sup> March, 2012** and also Profit & Loss Account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standard require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. 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.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the annexure referred to above, we report that :
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - ii) In our opinion, proper books of Accounts as required by the law have been kept by the Company so far as appears from our examination of those books.
  - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of accounts.
  - iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report, comply with the accounting standard referred to in Section 211 (3C) of the Companies Act, 1956.
  - v) On the basis of written representations from the directors of the company, 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.

vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes 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 Balance Sheet of the State of Affairs of the Company as at 31<sup>st</sup> March, 2012 and
- b) In the case of Profit & Loss Account, of the Loss for the year ended on that date.
- c) In the case of cash flow statement, of the cash flows for the year ended on that date.

**For, M/S. P. DALAL & CO.**  
Chartered Accountants

**Date: 30/07/2012**  
**Place: Ahmedabad**

Sd/-  
**P. S. Dalal**  
(Proprietor)  
**M. No. 37983**

## **ANNEXURE TO THE AUDITORS' REPORT**

Referred to in paragraph 3 our report of even date on the accounts for the year ended 31<sup>st</sup> March, 2012 of TOHEAL PHARMACHEM LIMITED, AHMEDABAD.

- (i) The company has no fixed assets, so item (i) of paragraph 4 of the order is not applicable to the Company.
- (ii) The company has no inventories, so item (ii) of paragraph 4 of the order is not applicable to the Company.
- (iii) According to information and explanations given to us, the company has not taken or granted any secured or unsecured loans from/to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets and for the sale. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) According to information and explanations given to us, 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 so entered.  
  
(b) According to information and explanations given to us, no transactions have been made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of each party.
- (vi) In our opinion, and according to information and explanations given to us, the Company has not accepted any deposits from the public. Under section 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975, during the year.
- (vii) In our opinion, the Company's internal audit system is commensurate with the size and the nature of its business.
- (viii) Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.

- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Income-tax, Wealth Tax, sale-tax, custom duty and any other statutory due applicable to it;
  - (b) According to information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sale-tax, custom duty and excise duty etc. were outstanding as at 31.3.2012, for a period of more than six months from the date they became payable;
  - (c) According to the records of the company, there are no dues of income tax, wealth tax, sale-tax, custom duty and excise duty, which have been deposited on account of any dispute.
- (x) The accumulated losses of the company are not more than fifty per cent of its net worth. The company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year also.
  - (xi) In our opinion and according to information and explanations given to us, the company not defaulted in repayment of dues to financial institution, bank or debenture holders.
  - (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  - (xiii) The company is not a Chit Fund, Nidhi or Mutual Benefit Society. Hence requirement of item (xiii) of paragraph 4 of the order is not applicable to the Company.
  - (xiv) The company is dealing or trading in shares, securities, debenture and other investments. Based on our examination of documents and records, we are of the opinion that proper records have been maintained by the company and timely entries have been made therein. The shares, securities and other investments have been held by the company in its own name.
  - (xv) As informed to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
  - (xvi) As per information and explanations given to us, the company has not taken any fresh term loan during the year.
  - (xvii) According to information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. Similarly, no funds raised on long-term basis have been used for short-term investment.

- (xviii) According to information and explanations given to us, the company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The company has not issued any debenture. Hence requirement of item (xix) of paragraph 4 of the order is not applicable to the Company.
- (xx) The company has not raised any money through public issue. Hence requirement of item (xx) of paragraph 4 of the order is not applicable to the Company.
- (xxi) According to the information and explanations provided to us, a fraud on or by the company has not been noticed or reported during the year.

**For, M/S. P. DALAL & CO.**  
Chartered Accountants

**Date: 30/07/2012**  
**Place: Ahmedabad**

Sd/-  
**P. S. Dalal**  
(Proprietor)  
M. No. 37983

TOHEAL PHARMACHEM LTD.

**Balance Sheet as at 31st March, 2012**

Particulars	Note No	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	36,645,750	36,645,750
(b) Reserves and Surplus	2	(2,863,083)	(1,755,499)
<b>(2) Non-Current Liabilities</b>			
(a) Deferred tax liabilities (Net)	3	-	-
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	4	900,000	259,000
(b) Trade payables	5	-	-
(c) Other current liabilities	6	30,500	10,000
(d) Short-term provisions	7	-	-
<b>Total</b>		<b>34,713,167</b>	<b>35,159,251</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets			
(ii) Capital work-in-progress	8	31,662,185	32,612,185
(b) Non-current investments	9	1,267,736	1,267,736
(c) Long term loans and advances	10	-	-
(d) Other non-current assets	10	-	-
<b>(2) Current assets</b>			
(a) Inventories	11	175,590	175,590
(b) Trade receivables	12	550,000	550,000
(e) Cash and cash equivalents	13	1,057,656	553,740
(f) Short-term loans and advances	14	-	-
(g) Other current assets	15	-	-
<b>Total</b>		<b>34,713,167</b>	<b>35,159,251</b>

**As per our report of even date  
For, P. Dalal & Co.  
Chartered Accountants**

**for and on behalf of the Board  
Toheal Pharmachem Limited**

**Sd/-  
CA Prashant Dalal  
(Proprietor)  
Membership No. 37983**

**Sd/-                      Sd/-                      Sd/-  
Harsh Shah          Atul Pandit          Sujay Mehta  
Director              Managing Director      Director**

**Place : Ahmedabad  
Dated: 30/07/2012**

**Place : Ahmedabad  
Dated: 30/07/2012**



TOHEAL PHARMACHEM LTD.

**Statement of Profit and Loss for the year ended 31st March, 2012**

	Particulars	Note No	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
I.	Revenue from operations	16	1,058,179	599,800
II.	Other Income	17	-	-
III.	<b>Total Revenue (I + II)</b>		<b>1,058,179</b>	<b>599,800</b>
IV.	<b>Expenses:</b>			
	Cost of materials consumed	18	-	-
	Purchase Cost of Stock in Trade	19	-	-
	Changes in inventories of finished goods and Stock-in- Trade	20	-	-
	Employee benefit expense	21	288,000	-
	Financial costs	22	1,523,787	-
	Depreciation and amortization expense			
	Other expenses	23	353,976	385,893
	Bad Debts Written Off			
	<b>Total Expenses</b>		<b>2,165,763</b>	<b>385,893</b>
V.	Profit before tax (III - IV)		<b>(1,107,584)</b>	<b>213,907</b>
VI.	Tax expense:			
	(1) Current tax		-	-
	(2) Short Excess Provision of Earlier years		-	-
	(3) Deferred tax		-	-
VII.	Profit/(Loss) for the period (XI + XIV)		<b>(1,107,584)</b>	<b>213,907</b>
VIII.	Earning per equity share:			
	(1) Basic		-	-
	(2) Diluted		-	-

**As per our report of even date  
For, P. Dalal & Co.  
Chartered Accountants**

**for and on behalf of the Board  
Toheal Pharmachem Limited**

**Sd/-  
CA Prashant Dalal  
(Proprietor)  
Membership No. 37983**

**Sd/-                      Sd/-                      Sd/-  
Harsh Shah          Atul Pandit          Sujay Mehta  
Director              Managing Director      Director**

**Place : Ahmedabad  
Dated: 30/07/2012**

**Place : Ahmedabad  
Dated: 30/07/2012**

TOHEAL PHARMACHEM LIMITED  
5TH FLOOR, 'B' BLOCK NILKANTH PALACE,  
OPP. SEEMA HALL, 100 FT ROAD, SATELLITE, AHMEDABAD-380015

**NOTES FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS ACCOUNT**

Note No	PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
1	<b>Share Capital</b>		
	Equity Share Capital		
	Authorised Share capital (6,00,000 Equity Shares of Rs 10/- each)	60,000,000	60,000,000
	<b>Issued, Subscribed Share Capital</b>		
	50,80,500 Equity Shares of Rs.10/- each (Previous Year : 50,80,000)	50,805,000	50,805,000
	<b>Paid Share Capital</b>		
	36,64,575 Equity Shares of Rs.10/- each (Previous Year : 50,80,000)	36,645,750	36,645,750
	<b>Total</b>	<b>36,645,750</b>	<b>36,645,750</b>
	<b>ii) Reconciliation of the number of shares;</b>		
	No. of Equity shares issued at the beginning of the period	3,664,575	3,664,575
	Add no. of Equity shares issued during the period	-	-
	Less no. of Equity shares bought back during the year	-	-
	No. of Equity shares at the end of the period	3,664,575	3,664,575
	<b>ii) List of Shareholder holding more than 5% of shares</b>	<b>No of Shares</b>	<b>% of holding</b>
	1) Sunita Singh	254,500	5.01%
	2) Bhatt Naresh	381,700	7.51%
		-	0.00%
		-	0.00%
		-	0.00%

Note No	PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
2	<b>Reserves and Surplus</b>		
	Capital Reserves	-	-
	Securities Premium Reserves	-	-
	<b>Profit &amp; Loss account</b>		
	OPENING BALANCE	(1,755,499)	(1,969,406)
	ADDITION DURING THE YEAR	(1,107,584)	213,907
	<b>TRANSFERRED TO RESERVES AND SURPLUS</b>	<b>(2,863,083)</b>	<b>(1,755,499)</b>
	<b>Total</b>	<b>(2,863,083)</b>	<b>(1,755,499)</b>

Note No	PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
3	<b>Deferred Tax Liability</b>		
	Balance as per last year	-	-
	Add: Provided during the year	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

Note No	PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
4	<b>Short-terms borrowings</b>		
	<b>Secured</b>		
	<b>CASH CREDITS/ OVERDRAFTS</b>		
		-	-
		-	-
	<b>Unsecured</b>		
	Business loan from Daxesh Shah	-	259,000
	Pashwa Chemicals	900,000	-
	<b>Total</b>	<b>900,000</b>	<b>259,000</b>

Note No	PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
5	<b>Trade Payables - Current</b> Unsecured and considered good	-	-
<b>Total</b>		-	-

Note No	PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
6	<b>Other current liabilities</b> Other payables Unsecured and considered good	30,500	10,000
<b>Total</b>		<b>30,500</b>	<b>10,000</b>

Note No	PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
7	<b>Short-term provisions</b> Provision for Income Tax Provision for the Expenses Provision for the Service Tax VAT/CST Payable Provison for Tax Deducted at Source	- - - - -	- - - - -
<b>Total</b>		-	-

Note No	PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
8	<b>Capital Work in Progress</b>		
	Gujarat Electricity Board	40,000	40,000
	Telephone Deposits	15,000	15,000
	<b>Fabrication Labour in advance</b>		
	1) Bhuvnashwari Transport	150,000	150,000
	2) Akshay enterprise	22,825	22,825
	3) Ekta Electricals	250,000	400,000
	4) Labhubhai Ratibhai thakkar	196,520	196,520
	5) mohanlal v patel	409,057	409,057
	Advance for Machinery		
	1) Dharmesh P Trivedi	3,971,000	3,971,000
	2) harshad S barot	4,695,000	4,695,000
	3) Nilesh Brambhatt	4,533,000	4,533,000
	4) D I Pharma machinery	8,279,793	8,279,793
	5) Jyoti Corporation	700,000	770,000
	6) jainam Corporation	100,000	180,000
	7) Mirda Engineering	500,000	1,150,000
	8) Muktajivan fabricators	320,000	320,000
	9) S P Pharma Equipments	5,937,500	5,937,500
	10) Vishwa Shakti Machinery	966,000	966,000
	<b>Other Advances</b>		
1) Mehta Integrated Finance Ltd	526,490	526,490	
2) Tibrewal Global finance	50,000	50,000	
	<b>Total</b>	<b>31,662,185</b>	<b>32,612,185</b>
Note No	PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
9	<b>Non-current investments</b>		
	Investments in Equity instruments		
	<b>UNQUOTED</b>	<b>1,267,736</b>	<b>1,267,736</b>
	<b>QUOTED</b>	-	-
		-	-
	<b>Total</b>	<b>1,267,736</b>	<b>1,267,736</b>

Note No	PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
10	<b>Long Term Loans and Advances</b>		
	<b>Unsecured considered good</b>		
	Capital Advances	-	-
	Other loans and advances	-	-
	<b>Long Term Loans and Advances</b>	-	-
	<b>Other Non Current Assets</b>		
	Security Deposits	-	-
	<b>Total</b>	-	-

Note No	PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
11	<b>Inventories</b>		
		175,590	175,590
	<b>Total</b>	<b>175,590</b>	<b>175,590</b>

Note No	PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
12	<b>Trade receivables</b>		
	Unsecured and considered good	550,000	550,000
	Others	-	-
	<b>Total</b>	<b>550,000</b>	<b>550,000</b>

Note No	PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
13	<b>Cash and cash equivalents</b>		
	Cash on Hand	1,042,703	551,418
	Balances with banks	14,953	2,322
	<b>Total</b>	<b>1,057,656</b>	<b>553,740</b>

Note No	PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
14	Short term loans and advances Unsecured Considered Good	- -	- -
<b>Total</b>		<b>-</b>	<b>-</b>

Note No	PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
15	Other Current Assets	- - - - -	- - - - -
<b>Total</b>		<b>-</b>	<b>-</b>

Note No	PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
16	Revenue from Operations Revenue from - Sale of products As per note A Below Other operating revenues	- 1,058,179	- 599,800
<b>Total</b>		<b>1,058,179</b>	<b>599,800</b>

	PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
	(A) : Domestic sales Export sales	- -	- -
<b>Total</b>		<b>-</b>	<b>-</b>



Note No	PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
17	<b>Other Income</b>		
	Dividend income	-	-
	Net gain/ loss on sale of investments/Assets	-	-
	Other non-operating income (net of expenses directly attributable to such income)	-	-
	<b>Total</b>	-	-

Note No	PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
18	<b>Raw Material Consumption</b>		
		-	-
	<b>Total</b>	-	-

Note No	PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
19	<b>Purchase cost of Stock In Trade</b>		
	Purchases	-	-
	<b>Total</b>	-	-

Note No	PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
20	<b>INCREASE/ DECREASE IN STOCK OF FINISHED GOODS and Stock in Trade</b>		
	Opening Stock	-	-
	<b>Total</b>	-	-
	Closing Stock	-	-
	<b>Total</b>	-	-
	<b>Increase or Decrease in Stock</b>	-	-

Note No	PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
21	<b>Employee Benefits Expense</b>		
	Salaries and wages	288,000	-
	Directors Sitting Fees / Remuneration	-	-
	Staff Welfare Exp	-	-
	<b>Total</b>	<b>288,000</b>	<b>-</b>

Note No	PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
22	<b>Finance Costs</b>		
	Total Interest expenses	-	-
	Other borrowing costs	-	-
	BSE Listing Charges	1,516,625	
	Bank Charges	3,370	
	Demand Draft Charges	<u>3,792</u>	
	<b>Total</b>	<b>1,523,787</b>	<b>-</b>

Note No	PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
23	<b>Other Expenses</b>		
	Printing and Stationery	7,219	-
	Repairing	-	-
	Conveyance	42,312	-
	Miscellaneous Expenses	126,795	385,893
	Payment to Auditors	30,000	-
	ROC Filing Exp.	-	-
	Legal Exp. (Advocate Fees)	128750	-
	Website Payment	18900	-
	Listing Fees	-	-
	Sitting fees (Directors)	-	-
	Courier Exp.	-	-
	Bank Charges	-	-
	R & T Fees	-	-
		<b>Total</b>	<b>353,976</b>

Note No		As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
24	<b>Contingent liabilities and commitments (to the extent not provided for)</b> Contingent liabilities Sales Tax Demand (Pending before Sales tax Tribunal for the Financial year 1993-1994)  Income tax Demand (Pending before Income tax Tribunal for the Financial year 2007-2008)	  0   0  0	  0   0  0
	<b>Total</b>	<b>0</b>	<b>0</b>

**TOHEAL PHARMACHEM LTD.**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2012**

Particulars	AMOUNT 2011-2012	AMOUNT 2010-2011
<b>A.CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE INTEREST,TAX AND EXTRAORDINARY ITEMS	-1107584.00	213907.00
Adjustments for		
Depreciation	0.00	0.00
Share/Debenture Issue Expenses written off	0.00	0.00
Preliminary Expenses Written off	0.00	0.00
Excess provision for Taxation/Dividend written back	0.00	0.00
	<b>-1107584.00</b>	<b>213907.00</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		
Adjustments for increase/decrease in :		
Trade and Other Receivables	0.00	-550000.00
Inventories	0.00	0.00
Trade & Other Payables	20500.00	7500.00
<b>CASH GENERATED FROM OPERATIONS</b>	<b>-1087084.00</b>	<b>-328593.00</b>
Interest Paid	0.00	0.00
Direct Taxes Paid (TDS deducted from various income)	0.00	0.00
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>-1087084.00</b>	<b>-328593.00</b>
EXTRAORDINARY ITEMS	0.00	0.00
<b>NET CASH FROM OPERATING ACTIVITES (A)</b>	<b>-1087084.00</b>	<b>-328593.00</b>
<b>B.CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	0.00	0.00
Sales of Fixed Assets	950000.00	0.00
Purchase of Investments/Increase in Investment	0.00	0.00
Sales of Investments/Decrease in Investment in AOP	0.00	0.00
Interest/Dividend Received	0.00	0.00
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>950000.00</b>	<b>0.00</b>
<b>C.CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	5000.00	2000.00
Proceeds from Long Term Borrowings	0.00	0.00
Proceeds from Short Term Borrowings	0.00	0.00
Share/Debenture Issue Expenses/Preliminary Expenses	0.00	0.00
Increase/(Decrease) in Unsecured Loan	641000.00	259000.00
Increase/(Decrease) in Current Liabilities	0.00	0.00
Dividend Paid	0.00	0.00
<b>NET CASH USED IN FINANCING ACITIVITES (C)</b>	<b>646000.00</b>	<b>261000.00</b>

<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>508916.00</b>	<b>-67593.00</b>
<b>(A+B+C)</b>		
CASH AND CASH EQUIVALENTS AS AT 1.4.2011	553740.00	623333.00
CASH AND CASH EQUIVALENTS AS AT 1.4.2012	1062656.00	553740.00
NET INCREASE/DECREASE IN CASH EQUIVALENTS	508916.00	-69593.00

NOTE : FIGURES IN BRACKET SHOWS OUTFLOW

**AUDITORS CERTIFICATE**

We have examined the above Cash Flow Statement of TOHEAL PHARMACHEM LIMITED, AHMEDABAD for the year ended 31st March, 2012. The Statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the company.

**As Per our Attached Report of even date**

**For P. Dalal & Co.  
Chartered Accountants**

**Sd/-  
CA Prashant Dalal  
Proprietor  
M. No.: 37983**

**Place : Ahmedabad  
Date: 30/07/2012**

# TOHEAL PHARMACHEM LIMITED

## Schedule - 25

### Significant Accounting Policies and Notes on Accounts:

#### (1) Significant Accounting Policies:

##### (a) General:

- (i) The Accounts of the Company are prepared under the historical cost convention using the accrual method of accounting and on the accounting principal of going concern basis.
- (ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

##### (b) Fixed Assets:

Fixed assets are stated at cost net of modvat, less depreciation. Interest on borrowing attributable till commencement of commercial production is capitalized.

##### (c) Depreciation:

Depreciation has been provided in the accounts on straight-line method at the rates specified in Schedule XIV of the companies Act, 1956. Depreciation on assets acquired during the year and additions thereto is calculated pro rata from the following month of the addition thereto.

(d) **Investments:** Investments, if any, are stated at cost price.

##### (e) Current assets:

Inventories are valued as under.

Raw Material	:	On FIFO basis.
Stock in process	:	At cost
Finished Goods	:	At lower of cost or net realizable value.

##### (f) Sales:

Sales include excise duty only and net of sales tax, returns and discounts, if any.

**(g) Prior period and extraordinary items:**

Items of income and expenditure pertaining to prior period Items as well as extraordinary items, where material are disclosed separately.

(2) Contingent Liabilities:

Claims against the Company not acknowledged as debts for income tax for as at 31<sup>st</sup> March, 2012 is NIL.

- (3) Retirement benefits, gratuity, leave encashment, etc. has not been provided in the accounts by the Company. They have been dealt with on cash basis. This is not in accordance with Accounting Standard 15 for Accounting for Retirement Benefits in the Financial Statements of Employers issued by the Institute of Chartered Accountants of India.
- (4) In view of the accumulated losses, unabsorbed depreciation and current losses, the Company has not recognized deferred tax assets (net) in accordance with the Accounting Standard 22 issued by the Institute of Chartered Accountants of India by way of prudence.
- (5) Due to continuing losses, the net worth of the Company has been eroded by more than fifty percent thereof; However, it is informed that the Company has been in dialogue with the Bankers and shall propose the restructuring of existing outstanding loans for adequate net worth and working capital funds to be made available in future for continuing the operation. Accordingly, the accounts for the year have been prepared on a going concern basis.
- (6) Balance of creditors, other liabilities, debtors, loans and balances with banks, in current accounts and deposits are subject to confirmation and reconciliation as in the case of banks most of the accounts are showing negative bank balance. In respect of the old debtors, the Auditor has relied on the judgment of the management of the company as to the recoverable in absence of direct confirmation.
- (7) The Company has Capital Work in progress for building for Rs. Nil In respect of which no provision of impairment is required to be made in the opinion of the management of the Company.
- (8) As informed by the management, the Company has not maintained cost records under section 209(1)(d) of the Companies Act, 1956 and rules made there under by the Central Government in this regard.

- (9) The details as to the names of the Small Scale Industrial undertakings to whom the Company owes a sum, and which is outstanding for more than 30 days as on 31<sup>st</sup> March 2012 have not been given in view of information in this regard not made available to us.
- (10) The names of related parties with relationship and transactions with them are disclosed as under: Nil

Salary and perquisites to Mr. Atul B. Pandit                      Rs. Nil  
Salary and perquisites to Mr. Yogendra Machhar                      Rs. Nil

- (11) Profit & Loss account includes Managerial remuneration:

	2011-12	2010-11
Salary and Perquisites	Nil	Nil

- (12) In the opinion of the management of the Company, the Company has only one segment viz. pharmaceutical and drugs, hence no separate disclosure of segment wise information has been made.

Signatures to schedule

As per our report of even date attached

**For P. Dalal & Co.,  
Chartered Accountants,**

**Sd/-  
P.S. Dalal  
Proprietor  
M. No. 37983**

**For, Toheal Pharmachem Limited**

<b>Sd/- Managing Director (Atul Pandit)</b>	<b>Sd/- Director (Harsh Shah)</b>	<b>Sd/- Director (Sujay Mehta)</b>
-----------------------------------------------------	-------------------------------------------	--------------------------------------------

**Date: 30/07/2012  
Place: Ahmedabad**

**Date: 30/07/2012  
Place: Ahmedabad**



**PROXY FORM**

Registered Folio No:

No of Shares held:

I/We \_\_\_\_\_ of \_\_\_\_\_ being Member / Members of Toheal Pharmachem Limited, hereby appoint Shri / Smt. \_\_\_\_\_ of \_\_\_\_\_ or failing him Shri / Smt. \_\_\_\_\_ of \_\_\_\_\_ as my/ our proxy to vote for me/ us and on my/ us behalf at the Annual General Meeting of the Company to be held on 28<sup>th</sup> Day of September, 2012 at 12.30 p.m.

Signed by the said \_\_\_\_\_ day of \_\_\_\_\_ 2012

Signature: \_\_\_\_\_

<b>Affix Rs. 1 Revenue Stamp</b>
------------------------------------------

Applicable to the members holding shares in electronic form.

**NOTE:**

The proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

**ATTENDANCE SLIP**

Please complete this Attendance slip and hand it over at the entrance of the Meeting Hall. It helps us to make proper arrangements. Failures to bring this Attendance Slip create unnecessary inconvenience to you. Please write below

Reg. Folio No:

I hereby record my presence at the Annual General Meeting of the Company held at 5<sup>th</sup> Floor, Nilkanth Palace, B Block, Opp. Seema Hall, 100ft. Sanjay Sachin Road, Satellite, Ahmedabad-380015 on the 28<sup>th</sup> Day of September, 2012 at 12.30 p.m.

Full Name of the Members/Proxy \_\_\_\_\_  
(In Block Letters, to be filled in if the proxy attends instead of the Member)

\_\_\_\_\_  
Members/ Proxy Signature

Application to the members holding shares in electronic form.

**NOTES:**

1. Members/ Proxy holders are requested to bring their copy of the Notice with them at the Meeting.
2. Please carry with you this Attendance Slip and hand over the same duly completed, stamped signed at the space provided, at the entrance of the Meeting Hall.
3. Shareholders / Proxy holders should bring their copy of the Annual Report for the meeting.