

32nd

**Annual Report
2012-2013**



**GUJARAT THEMIS
BIOSYN LIMITED**

BOARD OF DIRECTORS

DR. DINESH PATEL

Chairman

MR. A. B SHAH
(Nominee of GIC)

DR. SACHIN D. PATEL

MR. VIJAY AGARWAL

MR. S.C KIM

MR. J.K CHA

MR. S. S. LEE

MR. J.H CHOI

MS. DHARMISHTA N RAVAL

MR. HINESH DOSHI
(Alternate to Mr. S.S. Lee w.e.f. 15-05-2013)

AUDITORS

M/s. KHANDELWAL JAIN & CO.
Chartered Accountants, Mumbai

COST AUDITORS

M/s. B.J.D. NANABHOY & CO.,
Cost Accountants, Mumbai

BANKERS

UNION BANK OF INDIA

REGISTERED OFFICE AND WORKS

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

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 32nd Annual General Meeting of Gujarat Themis Biosyn Limited will be held on Friday 27th September, 2013, at 11 a.m., at 69/C, GIDC Industrial Estate, Vapi-396 195, Dist. Valsad, Gujarat, to transact the following business :-

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and Profit and Loss Account for the year ended on that date together with reports of the Auditors' and Directors thereon.
2. To appoint a Director in place of Mr. S. S Lee, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. J.H Choi, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Ms. Dharmishta N Raval, who retires by rotation and being eligible, offers herself for reappointment.
5. To appoint Auditors and to fix their remuneration.

Special Business

6. To delist the shares of the Company from Ahmedabad Stock Exchange Limited. In this connection, to consider and if thought fit, to pass with or without modification, the following as a **Special Resolution**
"RESOLVED THAT Equity Shares of the Company be delisted from Ahmedabad Stock Exchange Limited"
7. To consider and if thought fit, to pass, with or without modification(s), the following as a **Special Resolution** for issuing fresh equity shares to Public to maintain the minimum Public shareholding of 25%.
"RESOLVED THAT notwithstanding the provisions of Section 81(1)(a) and other applicable provisions of the Companies Act, 1956 and applicable provisions of any other statute for the time being in force as well as applicable provisions of the Article of Association of the Company, upto 1896500 fresh Equity Shares be issued and allotted to public / institutions through public offer or private placement as may be deemed fit and proper, at a price as may be approved by the BIFR and any other statutory authority as required, to bring the public shareholding to a minimum level of 25% of the total paid up capital as per SEBI's guidelines in accordance with the terms of Scheme of Rehabilitation as approved by the Board for Industrial and Financial Reconstruction (BIFR) on 12th January, 2012 as well as the fresh approval as may be granted by BIFR in this connection"

Registered Office

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

Place : Mumbai

Date : 15-05-2013

By order of the Board

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 21st September, 2013 to 27th September, 2013 (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 25th September, 2013 which will enable the Company to furnish the replies at the Annual General Meeting.

5. Details of Directors seeking appointment/re-appointment in the 32nd Annual General Meeting, in pursuance of clause 49 of the Listing Agreements.

Name of Director	Mr. S. S Lee	Mr.J.H Choi	Ms. Dharmishta N Raval
Date of Birth	03-11-1961	18-04-1958	12-01-1956
Date of appointment	19-01-2008	10.06.2003	30-10-2009
Expertise in specific functional areas	Product Development, Overseas Business	Planning & Co-ordination, Overseas Business	Company Law, Labour Laws, Service Law, Income Tax & Excise matters, Sick Industries Companies Act etc.,
Qualifications	B. Science	M. B. A.	BSc, L.L.M
List of companies (excluding foreign and private Ltd. companies in which outside Directorships held as on 31 st March, 2013)	None	None	Ace Derivatives & Commodity Exchange Ltd.
Chairman/ Member of the Committees of the Board of the companies on which he is a director as on 31 st March, 2013	None	None	None

EXPLANATORY STATEMENT PURSUANT SECTIN 173 (2) OF THE COMPANIES ACT, 1956

Note No. 6

Presently the Company's shares are listed on Ahmedabad Stock Exchange Ltd. & Bombay Stock Exchange Ltd.

The shares of the Company listed on Ahmedabad Stock Exchange Ltd are not traded and therefore no useful purpose is served in continuing the listing with this Stock Exchange. Thus, the Board of Directors of the Company proposes that the shares of the Company needs to be delisted from Ahmedabad Stock Exchange in accordance with the guidelines prescribed by the Securities & Exchange Board of India (SEBI) in respect of voluntary delisting of securities.

Further the Company's shares will continue to remain listed in Bombay Stock Exchange Ltd., which is a nationwide reach and the interest of the investors would not be jeopardized.

None of the directors are to be treated as concerned or interested in this resolution except for and to the extent of their shareholding in the company, if any.

The Members are recommended to approve the above resolution.

Note No. 7

As per BIFR order dated 12th January, 2012, the Company is required to allot 1471250 equity shares under public category so as to comply with the SEBI regulation of minimum public shareholding of 25% in listed Company. However, the above number needs to be modified to comply with the minimum shareholding of 25%. Hence, 1896500 equity shares are required to be issued and allotted under Public Category at such price as may be approved by BIFR in line with SEBI's pricing guidelines.

The Company is making an application to BIFR for its approval for issuing additional 425250 equity shares under public category (i.e. difference between approval being sought from BIFR for 1896500 equity shares now less 1471250 equity shares as already approved by BIFR) . The Company is also making an application to BIFR to allow the pricing of fresh equity shares to be allotted under Public category as per SEBI pricing guidelines.

The present sluggish economic conditions prevailing in India has impacted stock markets investments and more particularly the primary market investment by the general public. Hence it is also proposed to request BIFR for considering issue of shares to any private group / institution through public offer or private placement so that subscription to the shares under public category can be ensured and public issue expenses can also be minimized.

None of the directors are to be treated as concerned or interested in this resolution except for and to the extent of their shareholding in the company, if any.

The Members are recommended to approve the above resolution.

Registered Office

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

Place : Mumbai

Date : 15-05-2013

By order of the Board

Dr. Dinesh S. Patel
Chairman

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting herewith the 32nd Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2013

FINANCIAL RESULTS

	(Rs. in Lakhs)	
	Year ended 31.03.2013	Year ended 31.03.2012
Total Income	2862.85	914.05
Operating Profit / (Loss)	396.03	(185.48)
Finance Cost	(77.85)	(113.07)
Profit / (Loss) before depreciation, prior period adjustments & tax	318.18	(298.56)
Depreciation and amortization expenses	(205.15)	(110.29)
Exceptional item	-	568.36
Prior period adjustment	(6.05)	(0.83)
Profit / (Loss) after depreciation, exceptional item and prior period adjustments	106.98	158.68
Net Profit/(Loss) after tax	106.98	158.68
Surplus/(Deficit) brought forward	(2632.09)	(2790.77)
Adjustment against Equity Share Capital Reduction	580.00	-
Surplus / (Deficit) carried forward to Balance Sheet	(1945.11)	(2632.09)

OPERATIONS

Your Company's performance during the year under review has improved substantially. Plant operations have been normal throughout the year and the production capacity of the plant is being fully utilized to achieve the maximum production. The Company produced Rifa-S on Job work basis and your Company performed well after many years.

Your Company recorded sale of Rs. 397.03 Lacs for the current financial year ended 31st March, 2013 (previous year Rs.731.76 Lacs) and conversion charges recorded at Rs.2475.09 Lacs (previous year Rs.188.96 Lacs). The operating Profit for the year is Rs.396.03 Lacs as compared to operating Loss of Rs. 185.48 Lacs for the previous year. The net profit recorded by the Company for the year is Rs.106.98 Lacs as compared to net profit of Rs.158.68 Lacs in the previous year.

The Company proposes to carry the profit after tax of Rs.106.98 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 ORDER

Your Company was referred to Board for Industrial and Financial Reconstruction (BIFR) under Sick Industrial Companies (Special Provisions) Act, 1985 on 2nd June, 2008. The Scheme of Rehabilitation of the Company was approved by the Hon'ble BIFR on 12th January, 2012, which is now under implementation.

In line with the BIFR order, the Company has implemented the following:

1. Reduced the Authorized and Paid up value of each share from Rs.10/- per equity share to Rs. 5/- per equity share.
2. The reduced value of equity shares has been adjusted against the accumulated losses of the Company.
3. The Authorized share capital of the Company is kept same at Rs.25,00,00,000/- (Twenty Five Crores only) divided into 2,72,00,000 Equity Share of Rs. 5/- each, 2,22,00,000 Unclassified shares of Rs.5/- each and 30,000 Preference Shares of Rs. 100/- each.
4. The subscribed and paid-up Equity Capital of the Company stands reduced from Rs.11,60,00,000/- (Rupees Eleven Crores Sixty Lakhs only) to Rs.7,26,43,510/- (Rupees Seven Crores Twenty Six lakhs Forty three thousand Five hundred Ten only) consisting of 1,45,28,702 Equity shares of face value of Rs. 5/- each.
5. Introduced Themis Medicare Ltd. as New Promoter of the Company and issued / allotted 29,28,702 Equity Shares of Rs. 5/- each fully paid up at a premium of Rs. 5/- each on 15th May, 2012 for supply of capital equipment / cash equivalent against the amount already invested for supply of Capital equipments and against advance with a lock in period of 3 years.

6. The Bombay Stock Exchange has granted approval for listing of 14528702 equity shares of Rs. 5/- each bearing distinctive Nos. 1 to 14528702 on 8th August, 2012. Trading permission given by BSE on 21st August, 2012 and trading commenced from 23rd August, 2012. Similar approval was given by Ahmedabad Stock Exchange for trading from 31st August, 2012.
7. Repayment of WCTL outstanding amount has rescheduled by Union Bank of India (OA) for further period of 84 equal monthly instalments and accordingly the monthly instalments reduced from Rs.13.33 Lacs to Rs. 6.10 Lacs.
8. Union Bank of India is appointed as Monitoring Agency (MA)
9. Appointed M/s. R.P Sardar & Company, Chartered Accountant as Concurrent Auditor.
10. Management Committee formed as per BIFR order to review the operations of the Company and also for closely monitoring the implementation of the Revival Scheme.

Items pending for implementation

1. Issue of new equity shares to public to bring up the Public shareholding to a minimum level of 25% of the total paid-up capital by F.Y 2013-14. The Company will implement it by 31st March, 2014 as directed by BIFR.
2. The post increase in Public share holding by F.Y 2014, the shareholding of Yuhan Corporation will be maintained at 26% by acquiring shares from the existing promoters at a price to be determined in accordance with then applicable laws.
3. As per the sanctioned scheme, 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 would be decreed by the court will be payable by the end of the scheme in 2018. No decision has been taken yet by GIIC.

MANAGEMENT DISCUSSIONS AND ANALYSIS

1. Industry Structure & Developments

India has been developing very well in the field of Bulk Drugs. Majority of the Bulk Drugs required by the Indian Consumers are manufactured in India. Indian Bulk Drug Industry also happens to be a major exporter on the global scene. Indian Bulk drug Industry not only exports to the third world countries but some of the drugs are now being actually consumed in the European as well as US market.

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. 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. S.S. Lee, Mr. J.H Choi and Ms. Dharmishta N. Raval retires by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Mr. Subhash C Kaushik resigned as Director w.e.f 12th November, 2012. The Board places on record their appreciation for the services rendered by him during his tenure as Director of the Company.

Mr. Hinesh Doshi resigned as Independent Director on 15th May, 2013. Further he was appointed as Alternate Director to Mr. S.S. Lee w.e.f 15th May, 2013.

INDUSTRIAL RELATIONS

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

AUDITORS

M/s. 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

Following are the explanations for the statutory auditor's remarks in the Audit report.

Point No.1 Regarding preparation of financial statement on going concern basis.

The Board for Industrial and Financial Reconstruction (BIFR) in the hearing held 12th January, 2012 had approved the Rehabilitation Scheme considering the viability of the Unit. The Company has taken an initiative to improve the productions and developing new products. Accordingly the company has made profit in the current and previous financial year. In the opinion of the Board there is no doubt about the Company's ability to continue as a going concern, hence these accounts are prepared on a going concern basis.

Point No.2 Regarding confirmation of balances.-

The Board does not foresee any material variation wherever the balance confirmations are not obtained.

Point No.3 Regarding maintaining of fixed assets records.-

In view of 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. However the physical verification exercise will be carried-out shortly.

INTERNAL AUDITOR

The Company has appointed M/s. R.P Sardar & Co. Chartered Accountants as Internal Auditors of the Company for the financial year 2013-14.

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 31st March, 2013.

PARTICULARS OF EMPLOYEES

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

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

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

CORPORATE GOVERNANCE

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

DIRECTORS' RESPONSIBILITY

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

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

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 : 15-05-2013

Dr. Sachin D Patel
Director

Dr. Dinesh S Patel
Chairman

'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 rationalization 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

	<u>2012-2013</u>	<u>2011-2012</u>
1. Electricity :		
a) Purchase :		
Units	14428640	3026520
Total Amount	99466365	24502347
Rate/Unit (Rs.)	6.89	8.10
b) Own Generation :		
Through diesel / LDO Generators (KwH)	136400	16472
Diesel / LDO Consumed (Liters)	55173	9600
Units / Liter of Diesel /LDO (KwH)	2.47	1.72
Total Amount (Rs.)	2672463	439092
Cost / Unit (Rs. / KwH)	19.59	26.66
2. Furnace Oil :		
Quantity (Liters)	261596	10000
Total Amount (Rs)	10382408	379628
Average Rate (Rs./Liter)	39.69	37.96
3. Coal / Lignite :		
Quantity (Kgs)	6692360	2052130
Total Amount (Rs.)	38418419	12222432
Rate / Kgs (Rs.)	5.74	5.96

B. CONSUMPTION PER MT OF FINISHED GOODS PRODUCED

	<u>2012-2013</u>	<u>2011-2012</u>
Electricity per MT (Rs)	900421	527471
Furnace Oil Per MT (Rs)	93987	8172
Diesel /LDO Per MT (Rs)	24193	9452
Coal / Lignite Per MT (Rs)	347783	263117

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:**

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.

(d) Expenditure on R & D:

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

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:

Since the Company is working on job work manufacturing, it has no sales activity.

Total foreign exchange used and earned	(Rs. In lakhs)
- Total foreign exchange earned	NIL
- Total foreign exchange spent	14.00

For and on behalf of the Board of Directors

Place : Mumbai
Date : 15-05-2013

Dr. Sachin D Patel
Director

Dr. Dinesh S Patel
Chairman

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

To,
The Members,

The Directors of the Company are pleased to present report on Corporate Governance for the financial year ended 31st March, 2013.

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.

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	6	–	2
Mr Vijay Agarwal	Non executive & Independent	3	–	2
Ms. Dharmishta N Raval	Non executive & Independent	1	–	–
Mr Hinesh Doshi	Non executive & Independent	–	–	–
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. Subhash C Kaushik (upto 12/11/2012)	Non executive & Promoter Director	–	–	–

(B) Details of attendance of the directors at the Board Meetings held in Financial Year 2012-13 and at the last Annual General Meeting.

Name of the Director	Number of Board Meetings held during F.Y. 2012-13 while holding the Office.	Number of Board Meetings attended while holding the Office.	Attendance at last Annual General Meeting.
Dr. Dinesh Patel	4	4	–
Dr. Sachin Dinesh Patel	4	4	–
Mr. A.B Shah (Nominee of GILC)	4	2	–
Mr. Vijay Agarwal	4	–	–
Ms. Dharmishta N. Raval	4	2	–
Mr. Hinesh Doshi	4	2	–
Mr. J. K. Cha	4	–	–
Mr. S.S Lee	4	–	–
Mr. J. H. Choi	4	–	–
M. S.C Kim	4	–	–
Mr. Subhash C Kaushik (upto 12/11/2012)	3	1	–

The Board meetings are generally held in Mumbai. During the financial year 2012-13, Four meetings of the Board of Directors were held on 15th May, 2012, 14th August, 2012, 12th November, 2012 & 8th February, 2013.

(C) Role of Independent Directors

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

(D) Board Meetings

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

The last Annual General Meeting of the Company was held on 28th September, 2012.

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. Subhash C Kaushik as the members. Due to resignation of Mr. Subhash C Kaushik the Committee was reconstituted on 8th February, 2013 and from that day the committee consists of Mr. Vijay Agarwal – Chairman, Dr. Sachin D Patel and Ms. Dharmishta N Raval as the Members.

The Committee met four times during the Financial Year 2012-13. The dates of Audit Committee meetings held during Financial Year 2012-13 are 15th May, 2012, 14th August, 2012, 12th November, 2012 & 8th February, 2013 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 Rawal as Members. Due to resignation of Mr. Subhash C Kaushik the Committee was reconstituted on 8th February, 2013 and from that day the committee consists of Dr. Sachin D Patel, Mr. A.B Shah and Ms. Dharmishta N Raval as the Members.

Remuneration of Directors

The Board of Directors takes all the decisions regarding appointment and payment of remuneration to the Directors as per the recommendation of the Remuneration Committee.

The Company has neither paid sitting fees nor any remuneration to Board Members for the financial year 2012-13.

Further the Company has not paid any commission to any Board Members.

DIRECTORS SHAREHOLDING

Dr.Dinesh S Patel is holding 4701 shares (0.032%) and Dr. Sachin D. Patel is holding 7100 shares (0.049%)

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. The members of Share Transfer & Investors Grievance Committees are Dr. Sachin Dinesh Patel – Chairman, Mr.Vijay Agarwal & Dr. Dinesh S Patel.

The committee met 8 times during the Financial Year 2012-13. 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 2012-13 have been approved. During the year 2012-13, Company has received complaints from Shareholders and all the complaints were resolved and no complaint is pending as on 31st March, 2013.

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
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.
2011-12	69/C, GIDC Indl. Estate, Vapi 396 195, Dist. Valsad, Gujarat.	28-09-2012	11.00 A. M.

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

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

Disclosures

Details of the related parties and transactions of the Company with such related parties during the financial year 2012-13 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 31st March, 2013.

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 : 27th September, 2013 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 2013-14

1st Quarterly Results : 14th August, 2013
 Half Yearly Results : 14th November, 2013
 3rd Quarterly Results : 14th February, 2014
 Annual Results : 30th May, 2014

C) Dates of Book Closure

21st September, 2013 to 27th September, 2013 (both days inclusive).

D) Dividend Payment Date

The Company has not declared any dividend.

E) Listing on Stock Exchanges

The Company's Equity Shares are listed on Ahmedabad Stock Exchange Ltd. and Bombay Stock Exchange Ltd. The Company has paid listing fee for the year 2013-14.

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, 2012	17664.10	17010.16	9.21	6.22
May, 2012	17432.33	15809.71	10.30	8.49
June, 2012	17448.48	15748.98	9.84	8.92
July, 2012	17631.19	16598.48	18.14	10.89
August, 2012 **	17972.54	17026.97	15.00	10.51
September, 2012	18869.94	17250.8	12.97	9.25
October, 2012	19137.29	18393.42	13.00	10.00
November, 2012	19372.70	18255.69	14.25	9.81
December, 2012	19612.18	19149.03	12.04	9.31
January, 2013	20203.66	19508.93	11.47	7.99
February, 2013	19966.69	18793.97	9.21	6.22
March, 2013	19754.66	18568.43	10.30	8.49

** From August, 2013 the face value of equity share has reduced from Rs.10/- per share to Rs.5/- per share as per BIFR order dated 12th January, 2012.

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 : rnt.helpdesk@linkintime.co.in
For any other matter and unresolved complaints	: 69/C GIDC Industrial Estate, Vapi – 396 195, Dist. Valsad, Gujarat Phone : 0260 - 2430027 Fax : 0260 - 2400639 E-mail : gtblmumbai@gtbl.in / accounts@gtbl.co.in

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

J) Share Transfer System

The Company's Registrar, M/s. Link Intime India Pvt. Ltd. has adequate infrastructure to process the share transfers. The Applications for transfer of shares received by the Company in physical form are processed and registered within 30 days of receipt of the documents valid in all respects. After such processing, the option of simultaneous dematerialisation of the shares is provided to the shareholders. Shares under objection are returned within a week's time. The share transfer committee meets on a need basis 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 31st March 2013, a total of **10301694** Equity Shares of the Company forming **70.91%** 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 31st March, 2013 was as under:

Range	No of shareholders	% of Total shareholders	No of shares held	% of shareholding
1 to 500	5473	90.54	671400	4.62
501 to 1000	323	5.34	276790	1.90
1001 to 2000	109	1.80	169848	1.17
2001 to 3000	41	0.68	104265	0.72
3001 to 4000	24	0.40	89497	0.62
4001 to 5000	23	0.38	111999	0.77
5001 to 10000	27	0.45	176749	1.22
10001 & above	25	0.41	12928154	88.98
TOTAL	6045	100	14528702	100

The categories of shareholding as on 31st March, 2013 was as under:

Category	No of shares held	% of shareholding
Promoters	12318745	84.79
Institutional Investors	Nil	0.00
NRIs / OCBs	82688	0.57
Others and General Public	2127269	14.64
TOTAL	14528702	100

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 2012-13 is annexed to this report.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 15-05-2013

Dr. Sachin D Patel
Director

Dr. Dinesh S Patel
Chairman

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Gujarat Themis Biosyn Limited

I have examined the compliance of conditions of Corporate Governance by the Gujarat Themis Biosyn Limited for the year ended on 31st March, 2013 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 31st March, 2013.

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

Date : 15th May, 2013
Place : Mumbai

SANDHYA BORASE
Company Secretary
ACS 8353
C P 4563

INDEPENDENT AUDITORS' REPORT

To
The Members
GUJARAT THEMIS BIOSYN LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Gujarat Themis Biosyn Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

- 1. Financial Statements have been prepared on going concern basis in spite of brought forward losses of Rs.26,32,08,796/-, which has resulted in negative net worth of Rs.9,86,59,145/- as at March 31, 2013. 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 had been sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) in the hearing held 12th 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. 31). Consequential impact thereof on the financial statements is not ascertainable.*
- 2. The outstanding balances as at March 31, 2013 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.*

Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph; consequential cumulative impact thereof is not ascertainable*, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 9(iii) 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. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) 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;
 - (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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Place : Mumbai
Date : May 15, 2013

Annexure to the Independent Auditors' Report

Annexure referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of Independent Auditors' Report to the members of Gujarat Themis Biosyn Limited ("the Company") for the year ended March 31, 2013. We report 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 ii (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, Profession Tax, Employees' State Insurance (ESIC), ESIC dues in respect of contractors, Service Tax, Central Excise Duty, Gujarat Value Added Tax (GVAT), Tax Deducted at Source (TDS), Notified Area Tax, Drainage cess charges and Provident Fund 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 March 31, 2013 for the period of more than six months from the date they became payable except in respect of ESIC dues in respect of contractors amounting to Rs.31,602.*
- 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 Act, 1961	Demand u/s 143 (3)	10,79,703/-	A.Y. 2001-2002	Hon. High Court, Gujarat
Income Tax Act, 1961	Demand u/s 156	48,88,257/-	A.Y. 1996-1997	Commissioner of Income-tax (Appeals), Valsad

- x) *The accumulated losses of the company are more than fifty percent of its net worth. The company has, without considering the effect of the matter described in the Basis for Qualified Opinion paragraph and Emphasis of Matter paragraph in the main report, has not incurred cash losses during the financial year covered by our audit. However, it had incurred cash losses in the immediately preceding financial year, 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 12th 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 1st 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(b)]

- (b) In case of Indian rupee 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		Cash Credit	Devolved Letter of Credit	Remarks
	Principal	Interest	Interest	Principal	
Less than 30 days	30,50,000	17,97,720	12,90,279	-	In respect of Indian Rupee Term Loan, Principal and Interest amount of Rs.6,10,000 and Rs.3,11,478 respectively is outstanding as on March 31, 2013 In respect of Cash Credit Loan Interest amount of Rs.1,61,920 is outstanding as on March 31, 2013
31 to 60 days	6,10,000	-	3,93,034	-	
61 to 90 days	12,20,000	21,01,579	2,24,450	-	
91 to 120 days	17,65,060	13,46,169	-	92,45,142	
121 to 150 days	3,84,000	1,82,984	-	-	
151 to 180 days	-	39,463	-	-	
More than 180 days	-	58,044	-	-	

- 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. 16,70,50,415/- 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 Registration No. 105049W

(NARENDRA JAIN)
PARTNER
Membership No.048725

Place : Mumbai
Date : May 15, 2013

Balance Sheet as at 31st March, 2013

	Notes	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	72,639,510	115,996,000
Reserves and Surplus	3	(171,298,655)	(254,639,883)
		(98,659,145)	(138,643,883)
Non-Current Liabilities			
Long-Term Borrowings	4	70,081,568	42,401,568
Deferred Tax Liabilities (Net)	5	—	—
Long-Term Provisions	6	3,174,059	2,647,731
Other long term liabilities		—	—
		73,255,627	45,049,299
Current Liabilities			
Short-Term Borrowings	7	36,100,000	64,731,691
Trade Payables	8	59,447,987	60,401,871
Other Current Liabilities	8	110,073,631	143,180,043
Short-Term Provisions	6	430,142	158,762
		206,051,760	268,472,367
TOTAL		180,648,242	174,877,783
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	9	124,222,390	108,975,178
Intangible Assets		—	—
Capital Work-In-Progress		—	5,087,636
Intangible Assets Under Development		—	—
Non-Current Investments	10	56,000	56,000
Long-Term Loans And Advances	11	17,368,507	12,372,714
Trade Receivables	12	—	—
Other Non-Current Assets	13	—	67,248
		141,646,897	126,558,776
Current Assets			
Current investments	10	—	—
Inventories	14	2,301,956	7,216,821
Trade Receivables	12	28,747,944	25,968,757
Cash And Cash Equivalents	15	2,642,489	6,959,167
Short-Term Loans And Advances	11	4,873,260	7,568,468
Other Current Assets	13	435,696	605,795
		39,001,345	48,319,007
Total		180,648,242	174,877,783
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 : May 15, 2013

Dr. Dinesh Patel

Chairman

Dr. Sachin D Patel

Director

Rajneesh Anand

President & CEO

Statement of Profit and Loss for the Year Ended 31st March, 2013

	Note No.	For the year ended 31-03-2013 Rs.	For the year ended 31-03-2012 Rs.
Income			
Revenue from operations (gross)	16	287,614,065	94,784,925
Less : Excise Duty		3,948,271	7,689,849
Revenue from operations (net)		283,665,794	87,095,076
Other income	17	2,619,517	4,310,175
Total Income		286,285,311	91,405,251
EXPENDITURE			
Material Consumer /Sold	18	8,187,296	26,324,783
Purchase of traded goods		3,810,366	71,341
(Increase) / Decrease in inventories of finished goods, WIP and Traded goods	19	2,520,382	3,498,394
Employee benefit expenses	20	36,074,262	25,428,096
Other expenses	21	196,090,236	54,630,729
Finance costs	22	7,785,167	11,306,984
Depreciation and amortization expense	9	14,246,199	11,029,738
Impairment charge on plant & machinery	9	6,268,579	—
Total Expenses		274,982,488	132,290,065
Profit / (Loss) before exceptional item and prior period adjustments and tax		11,302,823	(40,884,814)
Prior Period Adjustments (Net)	23	605,105	83,270
Exceptional Item	24	—	56,836,145
Profit / (Loss) before extraordinary items and tax		10,697,718	15,868,061
Extraordinary items		—	—
Profit / (Loss) before tax		10,697,718	15,868,061
Tax Expenses			
Income Tax for earlier years		—	—
Total Tax Expenses		—	—
Profit / (Loss) for the Year		10,697,718	15,868,061
Earnings per equity share	25		
Basic (Rs.)		0.75	1.37
Diluted (Rs.)		0.75	1.37
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 : May 15, 2013

Dr. Dinesh Patel

Chairman

Dr. Sachin D Patel

Director

Rajneesh Anand

President & CEO

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-13 Rs.	2011-12 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	10,697,718	15,868,061
Adjustment for :		
Depreciation and amortization expense	14,246,199	11,029,738
Impairment charge on plant & machinery	6,268,579	-
Prior Period Adjustments (Net)	605,105	83,270
Excess provision / Sundry Credit Balance written back	(485,065)	(38,373)
Sundry Debit Balance written off	200,000	-
Capital Work in progress written off	350,551	-
Excess Provision for doubtful receivables written back	-	(1,180,719)
Finance Cost	7,785,167	11,306,984
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	(1,011,386)	(1,655,891)
Interest received	(832,539)	(714,335)
Operating Profit before working capital adjustments	37,824,329	(15,626,180)
Adjustment for :		
Trade and Other receivables	(163,423)	(23,991,895)
Inventories	4,914,865	1,037,454
Trade Payables & Other Current Liabilities	(31,967,668)	54,381,274
Cash generated from operations for the year	10,608,103	15,800,653
Prior Period Adjustments (Net)	(605,105)	(83,270)
Cash generated from operations	10,002,998	15,717,383
Direct Taxes Refund (Net of Paid)	(5,385,120)	2,900,555
NET CASH FROM / (USED IN) OPERATING ACTIVITIES (A)	4,617,878	18,617,938
B CASH FLOW FROM INVESTING ACTIVITIES		
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)	(30,640,212)	(38,838,736)
Sale Proceeds of Fixed Assets	1,100,000	1,655,891
Investment in Bank Deposits	(71,836)	773,263
Interest received	809,183	786,056
NET CASH FROM / (USED IN) INVESTING ACTIVITIES (B)	(28,802,864)	(35,672,027)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Equity Shares (incl Securities Premium)	29,287,020	-
Proceeds / (Repayment) from / of Secured Borrowings (Net)	(35,725,691)	22,532,684
Proceeds / (Repayment) from / of Unsecured Borrowings (Net)	35,000,000	(3,489,395)
Finance Cost Paid	(8,825,559)	(370,218)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES (C)	19,735,770	18,673,071
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A + B + C)	(4,449,216)	1,618,982
Cash and Cash equivalents at the beginning of the year	5,670,269	4,051,287
Cash and Cash equivalents at the end of the year	1,221,053	5,670,269
Net increase / (decrease) in Cash and Cash Equivalent	(4,449,216)	1,618,982

NOTES :

- Above statement has been prepared by the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement as notified under Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.
- 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 : May 15, 2013

For and on behalf of the Board of Directors

Dr. Dinesh Patel

Chairman

Dr. Sachin D Patel

Director

Rajneesh Anand

President & CEO

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013
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 Statement of Profit & Loss.
-

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.

v) 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 Statement of Profit & Loss 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

	31st March, 2013	31 st March, 2012
	Amount (Rs.)	Amount (Rs.)
Authorised Shares		
2,72,00,000 Equity Shares of Rs.5/- each (P.Y. 1,36,00,000 Equity Shares of Rs.10/- each)	136,000,000	136,000,000
30,000 (P.Y. 30,000) Preference Shares of Rs.100/- each	3,000,000	3,000,000
2,22,00,000 Unclassified share of Rs.5/- each (P.Y. 1,11,00,000 Unclassified share of Rs.10/- each)	111,000,000	111,000,000
	250,000,000	250,000,000
Issued		
1,45,28,702 Equity Shares of Rs.5/- each (P.Y. 1,16,00,000 Equity Shares of Rs.10/- each)	72,643,510	116,000,000
	72,643,510	116,000,000
Subscribed and Paid up shares		
1,45,28,702 Equity Shares of Rs.5/- each (P.Y. 1,16,00,000 Equity Shares of Rs.10/- each)	72,643,510	116,000,000
Less: Calls Unpaid (Other than Directors)	4,000	4,000
	72,639,510	115,996,000

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

Equity Shares

	31st March, 2013		31 st March, 2012	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
At the beginning of the period	11,600,000	115,996,000	11,600,000	115,996,000
Reduction during the year [refer para c (ii) below]	-	(58,000,000)	-	-
Issued during the Year	2,928,702	14,643,510	-	-
Outstanding at the end of the period	14,528,702	72,639,510	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.5/- per share (P.Y. 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 12th January 2012, the following transactions have effected:

- i) W.e.f. 6th 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. 6th 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 15th 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 12th January 2012 and resolution passed at extra-ordinary general meeting on 6th 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 8th 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 8th August, 2012.

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

	31 st March, 2013		31 st March, 2012	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of Rs.5/- (P.Y. Rs.10/-) each fully paid				
Pharmaceutical Business Group India Ltd	5,005,000	34.45	5,005,000	43.15
Yuhan Corporation	3,850,000	26.50	3,850,000	33.19
Themis Medicare Limited	3,369,605	23.19	440,903	3.80

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 st March, 2013	31 st March, 2012
	Rs.	Rs.
Capital Reserves		
Cash subsidy from Government of Gujarat	1,568,913	1,568,913
Share Premium		
Balance as per last financial statements	7,000,000	7,000,000
Add: Premium on issue of equity shares	14,643,510	–
Closing balance	21,643,510	7,000,000
Surplus/(Deficit) in the statement of profit and loss		
Balance as per last financial statements	(263,208,796)	(279,076,856)
Profit/(Loss) for the Year	10,697,718	15,868,061
Adjustment against Equity Share Capital Reduction [refer note 2(c)(ii)]	58,000,000	–
Net Deficit in the statement of profit and loss	(194,511,078)	(263,208,796)
Total reserves and surplus	(171,298,655)	(254,639,883)

4. Long Term Borrowings

	Non current		Current	
	31 st March, 2013 Rs.	31 st March, 2012 Rs.	31 st March, 2013 Rs.	31 st March, 2012 Rs.
Term Loans				
Indian rupee loan from bank (secured)	32,481,568	39,801,568	7,930,000	7,704,000
	32,481,568	39,801,568	7,930,000	7,704,000
Other Loans and Advances (Unsecured)				
Loan from Gujarat Industrial Investment Corporation Limited (GIIC)	2,600,000	2,600,000	-	-
Loan from Themis Medicare Limited (TML)	35,000,000	-	-	-
	37,600,000	2,600,000	-	-
Total	70,081,568	42,401,568	7,930,000	7,704,000
The above amount includes				
Secured borrowings	32,481,568	39,801,568	7,930,000	7,704,000
Unsecured borrowings	37,600,000	2,600,000	-	-
Amount disclosed under the head "other current liabilities" (Note 8)	-	-	(7,930,000)	(7,704,000)
Total	70,081,568	42,401,568	-	-

- a) Indian Rupee Loan from banks (secured) carries interest at base rate presently 10.25 % p.a. (previous year 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 12th January 2012, the outstanding amount of loan of Rs.5.12 crores is to be repaid in 84 equal monthly instalments beginning from 1st November, 2011 i.e. Rs. 6,10,000 per month. 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) 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 31st March 2013 is Rs.1,17,29,277/-. 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 12th 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 1st 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.
- 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 12th January 2012, Themis Medicare Limited (TML) - Promoters / Co-promoters has brought funds to meet the cost of the scheme in the form of non-interest bearing unsecured loan to the extent of Rs.3,50,00,000 irrespective of the provisions of Companies Act, 1956 or any other guidelines. Since, Themis Medicare Limited (TML) has been introduced as Promoters / Co-promoters & pursuant to rehabilitation scheme for revival of the company, these funds are of long term nature and accordingly the same are shown as non-current borrowing.

- d) (i) Amount of continuing default as on 31st March, 2013 in respect of repayment of principal amount of Indian rupee term loan from Bank is Rs. 6,10,000/- (Previous year Rs.3,84,000/-) outstanding since less than 30 days.
- (ii) Amount of continuing default as on 31st March, 2013 in respect of payment of interest amount of Indian rupee term loan from Bank is Rs. 3,11,478/- outstanding since less than 30 days [Previous year 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]. 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 st March, 2013 Rs.	31 st March, 2012 Rs.
Deferred Tax Liability		
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	15,363,112	14,786,355
Gross Deferred Tax Liability	15,363,112	14,786,355
Deferred Tax Asset		
Provision for doubtful debts	14,110,100	13,919,149
Provision for Leave encashment, Gratuity, Bonus and Unpaid Liability u/s 43B	1,253,012	867,206
Gross Deferred Tax Assets	15,363,112	14,786,355
Deferred Tax Liability (Net)	-	-

Note: In accordance with the Accounting Standard (AS) -22 "Accounting for Taxes on Income" notified under Companies (Accounting Standard) Rules, 2006. (as amended), 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

	Non Current		Current	
	31 st March, 2013 Rs.	31 st March, 2012 Rs.	31 st March, 2013 Rs.	31 st March, 2012 Rs.
Provision For Employee Benefits				
Provision for Gratuity	2,198,024	1,849,613	154,065	61,021
Provision For Leave Encashment	976,035	798,118	276,077	97,741
	3,174,059	2,647,731	430,142	158,762

7. Short Term Borrowings

	31 st March, 2013 Rs.	31 st March, 2012 Rs.
Cash Credit from Bank (Secured)	20,000,000	17,986,549
Loan from Lupin Limited (Secured)	16,100,000	37,500,000
Devolved Letter of Credit from Bank (Secured)	-	9,245,142
	36,100,000	64,731,691
The above amount includes		
Secured Borrowings	36,100,000	64,731,691
Unsecured Borrowings	-	-
	36,100,000	64,731,691

- a) Cash Credit from Bank (Secured) are repayable on demand and carries interest at base rate + 1% presently @ 11.25 % p.a. (previous year 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 is secured against hypothecation of the equipments purchased availing the loan as and by way of first charge to Lupin Ltd and 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) outstanding as at the end of previous year 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% i.e. rate for previous year 11.65 % p.a.. These were 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 31st March, 2013 in respect of repayment of principal amount of Devolved Letter of Credit from Bank is Rs. Nil [Previous year Rs.92,45,142/- outstanding since 61-90 days].
- (ii) Amount of continuing default as on 31st March, 2013 in respect of payment of interest amount of Cash Credit from Bank is Rs. 1,61,920/- outstanding since less than 30 days [Previous year Rs.Nil]. The above outstanding interest amounts are included in Interest accrued and due on borrowings under Note 8 on "Other Current Liabilities".

8. Other Current Liabilities

	31 st March, 2013 Rs.	31 st March, 2012 Rs.
Trade Payables	59,447,987	60,401,871
	59,447,987	60,401,871
Other Liabilities		
Liability for expenses	7,753,142	7,063,533
Creditor for Capital expenditure	349,442	344,904
Current maturities of long-term borrowing	7,930,000	7,704,000
Interest accrued and due on borrowings	473,399	1,557,291
Interest accrued but not due on borrowings	43,500	-
Statutory Dues	1,132,345	630,909
Central Excise duty payable	3,667,669	-
Advances from customers	88,724,134	125,879,406
	110,073,631	143,180,043
	169,521,618	203,581,914

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 / AMORTISATION / IMPAIRMENT				NET BLOCK			
	As at 01-Apr-12	Addition During the Year	Deduction During the Year	As at 31-Mar-13	As at 01-Apr-12	For the Period	Impairment	Deduction/ Adjustment	As at 31-Mar-13	As at 31-Mar-12	
Tangible Assets											
LAND *	1,117,526	-	-	1,117,526	364,549	13,628	-	-	378,177	739,349	752,977
BUILDINGS	25,302,199	-	1,051,388	24,250,811	17,471,364	824,609	-	962,773	17,333,200	6,917,611	7,830,835
STAFF QUARTERS	67,541	-	-	67,541	42,714	1,241	-	-	43,955	23,586	24,827
PLANT & MACHINERY	353,950,892	35,277,866	2,816,249	386,412,509	254,894,404	12,978,009	6,268,579	2,816,249	271,324,743	115,087,766	99,056,489
FURNITURE & FIXTURES	5,252,679	44,909	-	5,297,588	4,985,801	92,847	-	-	5,078,648	218,940	266,878
COMPUTER	2,965,766	311,817	-	3,277,583	2,753,243	130,784	-	-	2,884,027	393,556	212,523
ERECTION & OFFICE EQUIPMENT	2,537,314	216,015	-	2,753,329	2,211,227	74,450	-	-	2,285,677	467,652	326,087
VEHICLES	1,795,394	-	-	1,795,394	1,290,832	130,631	-	-	1,421,463	373,931	504,562
TOTAL (A)	392,989,311	35,850,607	3,867,637	424,972,281	284,014,134	14,246,199	6,268,579	3,779,022	300,749,891	124,222,390	108,975,178
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-
TOTAL (B)	-	-	-	-	-	-	-	-	-	-	-
Total (A+B)	392,989,311	35,850,607	3,867,637	424,972,281	284,014,134	14,246,199	6,268,579	3,779,022	300,749,891	124,222,390	108,975,178
PREVIOUS YEAR	377,130,456	35,082,661	19,223,806	392,989,311	290,979,461	11,029,738	-	17,995,065	284,014,134	108,975,178	86,150,995

* AMOUNT AMORTISED AGAINST LEASEHOLD LAND

- Notes :-**
- Depreciation for the year include Rs. Nil [Previous Year: Rs.48,436/-] reversal of excess depreciation charged in earlier year.
 - The company has reviewed its fixed assets for impairment loss as required by Accounting Standard 28 "Impairment of Assets". In the opinion of the management no provision for impairment loss is considered necessary.
 - 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 st March, 2013	31 st March, 2012	31 st March, 2013	31 st March, 2012
	Rs.	Rs.	Rs.	Rs.
National Savings Certificate	56,000	56,000	-	-
[Out of above NSC lying with Excise department Rs.50,000/- (Previous year Rs.50,000/-) and NSC Lying with District Magistrate of Rs.6,000/- (Previous Year Rs.6,000/-)]				
Total	56,000	56,000	-	-
Aggregate amount of Unquoted investments	56,000	56,000	-	-
Aggregate provision for diminution in value of investments	-	-	-	-

11. Loans and Advances

	Non-Current		Current	
	31 st March, 2013	31 st March, 2012	31 st March, 2013	31 st March, 2012
	Rs.	Rs.	Rs.	Rs.
Capital Advances				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	468,771	-	-
	-	468,771	-	-
Advances recoverable in cash or in kind				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	-	801,483	1,386,034
Considered doubtful	-	-	2,009,431	2,009,431
	-	-	2,810,914	3,395,465
Provision for doubtful advances	-	-	2,009,431	2,009,431
	-	-	801,483	1,386,034
Loans and Advances to Employees				
Unsecured, Considered good	-	61,250	185,350	251,200
Considered doubtful	81,945	81,945	-	-
	81,945	143,195	185,350	251,200
Less : Provision for doubtful advances	81,945	81,945	-	-
	-	61,250	185,350	251,200
Pre-paid expenses	144,643	3,949	1,749,092	1,336,025
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	-	-	1,037,342	4,594,324
Deposit with Excise Authorities	-	-	885	885
Advance Income Tax (Net of Provisions)	9,115,284	3,730,164	-	-
VAT / CST Credit Availed	-	-	1,099,108	-
Sundry Deposits	8,108,580	8,108,580	-	-
Total	17,368,507	12,372,714	4,873,260	7,568,468

	Non-Current		Current	
	31 st March, 2013 Rs.	31 st March, 2012 Rs.	31 st March, 2013 Rs.	31 st March, 2012 Rs.
Loans to employee include				
Dues from Directors	-	-	-	-
Dues from Officers	-	61,250	180,350	234,200
Dues from Workers	-	-	5,000	17,000
Total	-	61,250	185,350	251,200

12. Trade Receivables

	Non-Current		Current	
	31 st March, 2013 Rs.	31 st March, 2012 Rs.	31 st March, 2013 Rs.	31 st March, 2012 Rs.
Unsecured, Considered good (unless stated otherwise)				
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	-	-	-
Considered, Doubtful			54,280,092	54,280,092
	-	-	54,280,092	54,280,092
Provision for doubtful receivables	-	-	54,280,092	54,280,092
	-	-	-	-
Other Receivables				
Secured, Considered good			-	
Unsecured, Considered good			28,747,944	25,968,757
	-	-	28,747,944	25,968,757
Total	-	-	28,747,944	25,968,757

13. Other Assets

	Non-Current		Current	
	31 st March, 2013 Rs.	31 st March, 2012 Rs.	31 st March, 2013 Rs.	31 st March, 2012 Rs.
Unsecured, Considered good (unless stated otherwise)				
Interest accrued on deposit with DGVCL	-	-	399,294	399,294
Interest accrued on deposit with Excise Authorities	-	-	9,232	5,541
Interest accrued on investments	-	-	1,620	960
Interest accrued on Fixed Deposits	-	6,545	11,045	-
Interest accrued on Margin Money deposit	-	-	14,505	-
Interest charges credit receivable from Bank	-	-	-	200,000
Non current bank balances (note - 15)	-	60,703	-	-
Total	-	67,248	435,696	605,795

14. Inventories

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

	31st March, 2013	31 st March, 2012
	Rs.	Rs.
Raw Materials (inclusive of stock in trade)	2,040	2,299,280
Work-in-progress	-	2,128,110
Finished goods (inclusive of stock in trade)	-	392,272
Store and spares	2,298,126	2,391,883
Packing Material	1,790	5,276
	2,301,956	7,216,821

15. Cash and bank balances

	Non-Current		Current	
	31st March, 2013	31 st March, 2012	31st March, 2013	31 st March, 2012
	Rs.	Rs.	Rs.	Rs.
Cash and cash equivalents				
Balances with banks:				
On current accounts			1,121,486	5,573,518
Cash on hand			99,567	96,751
	-	-	1,221,053	5,670,269
Other bank balances				
Deposits with original maturity for more than 12 months (Deposit lying with UP Sales Tax,)	-	60,703	60,703	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	-	-
Margin Money deposit	-	-	1,360,734	1,288,898
	-	60,703	1,421,437	1,288,898
	-	-	-	-
Amount disclosed under non-current assets (Note - 13)	-	60,703		
	-	-	2,642,489	6,959,167

Margin money deposits given as security :

Margin money deposits with a carrying amount of Rs. 13,60,734/- (Previous year Rs.12,88,898/-) are to secure non-fund based inland letter of credit.

16. Revenue from operations

	31 st March, 2013 Rs.	31 st March, 2012 Rs.
Sales of products		
Finished Goods	35,892,218	73,104,534
Traded Goods	3,810,366	71,341
Operating Revenue		
Conversion / Job Work Charges Received	247,508,770	18,896,132
Other Operating Revenue		
Scrap sales	402,711	2,712,918
Revenue from operations (gross)	287,614,065	94,784,925
Less : Excise Duty #	3,948,271	7,689,849
Revenue from operations(net)	283,665,794	87,095,076

Excise duty on sales amounting to Rs.39,48,271/- (March 31, 2012 : Rs.76,89,849/-) has been reduced from sales in statement of profit & loss and excise duty on (increase) / decrease in stock amounting to Rs. (43,151/-) (March 31, 2012 : Rs.43,151/-) has been considered as (income) / expense in note 21 of financial statements.

Details of Products Sold

	31 st March, 2013 Rs.	31 st March, 2012 Rs.
Finished Goods Sold		
Sales Lova Boronate	-	12,218,870
Sales Rifamycin - B	35,892,218	60,334,790
Sales R/m for Rifa-S	-	-
Sales Lova Crude	-	550,874
	35,892,218	73,104,534
Traded goods sold		
Raw Material	3,810,366	71,341
	3,810,366	71,341
	39,702,584	73,175,875
Operating Revenue		
Conversion / Job Work Charges for following products;	31 st March, 2013 Rs.	31 st March, 2012 Rs.
Rifamycin-S	247,508,770	-
Lova Boronate	-	18,634,262
Other Bulk Drugs	-	261,870
	247,508,770	18,896,132

17. Other Income

	31 st March, 2013 Rs.	31 st March, 2012 Rs.
Interest income on		
Deposits including margin money	100,933	84,799
Deposits with DGVCL	443,661	443,661
Income Tax Refund	283,593	184,514
Investment	661	1,361
Others	3,691	15,165
	832,539	729,500
Net Gain /Loss on sale of Fixed Assets	1,011,386	1,655,891
Other Non -Operating income		
- Excess Provision Written back	485,065	38,373
- Excess Provision for doubtful receivables/advances written back	-	1,180,719
- Recovery of TDS paid on behalf of party in earlier year	-	433,327
- Notice Pay recovery	161,139	235,817
- Other	129,388	36,548
	2,619,517	4,310,175

18. Cost of Raw materials and components consumed

	31 st March, 2013 Rs.	31 st March, 2012 Rs.
Inventory at the beginning of the year	2,304,556	4,747
Add: Purchases	5,886,570	28,624,592
	8,191,126	28,629,339
Less: Inventory at the end of the year	3,830	2,304,556
Cost of raw material and components consumed	8,187,296	26,324,783

Details of raw material and components consumed

	31 st March, 2013 Rs.	31 st March, 2012 Rs.
Lova Boronate	-	10,471,605
RIFA-S	6,402,452	15,050,104
Laboratory Consumables and Chemicals	1,032,219	619,901
CST Raw Material	23,889	-
Freight Raw Materials	707,243	-
Other raw material	-	146,891
Packing Material Consumed	21,493	36,282
	8,187,296	26,324,783
	Rs.	Rs.
Raw Materials & Components		
Lova Boronate	2,040	2,040
RIFA-S	-	2,297,240
	2,040	2,299,280

19. Increase / (Decrease) in Inventories

	31st March, 2013	31 st March, 2012
	Rs.	Rs.
Inventories at the end of the year		
Work in Process	–	2,128,110
Finished Goods	–	392,272
	–	2,520,382
Inventories at the beginning of the year		
Work in Process	2,128,110	6,018,776
Finished Goods	392,272	–
	2,520,382	6,018,776
(Increase)/Decrease in Inventories	2,520,382	3,498,394

Details of Purchase of Traded Goods

	31st March, 2013	31 st March, 2012
	Rs.	Rs.
Raw Material	3,810,366	63,703
Packing Material	–	7,638
	3,810,366	71,341

Details of Inventory

	31st March, 2013	31 st March, 2012
	Rs.	Rs.
Work-in-progress		
RIFA - S	–	2,128,110
	–	2,128,110
Finished goods		
RIFA - S	–	392,272
	–	392,272

20. Employee benefit expenses

	31st March, 2013	31 st March, 2012
	Rs.	Rs.
Salary, Wages & Bonus	32,301,714	22,964,816
Company's contribution to Provident and other Funds	1,548,009	1,008,726
Gratuity	547,292	408,768
Staff Welfare Expenses	1,677,247	1,045,786
	36,074,262	25,428,096

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

21. Other expenses

	31 st March, 2013 Rs.	31 st March, 2012 Rs.
Power charges	99,521,671	24,508,197
Fuel charges	51,480,369	13,041,152
Water charges	3,825,922	1,784,887
Consumption of stores and spare parts	17,752,357	3,739,975
Insurance	1,719,589	1,171,059
Rates and Taxes	952,707	1,108,046
Excise Duty Expense	(43,151)	43,151
Excise Duty not claimed	-	297,403
Donation	156,000	54,500
Legal & Professional Charges	2,382,201	2,343,251
<u>Repairs and Maintenance :</u>		
Building	1,164,926	641,938
Plant & Machinery	6,877,500	1,186,168
Others	3,339,413	838,557
Vehicle Expenses	383,578	399,865
Auditor's Remuneration (Refer details below)	440,000	290,000
Job Work charges	-	213,550
Security Charges	1,245,352	1,100,410
Testing and Analytical Charges	187,330	77,430
Printing & Stationary Expenses	373,346	174,539
Travelling & Conveyance	126,695	241,299
Hire Charges	962,644	118,842
Postage & Telegram Charges	100,705	86,224
Telephone & Telex Charges	204,043	186,387
Sundry balances written off	200,000	-
Capital Work in progress written off	350,551	-
Miscellaneous Expenses	2,197,368	983,899
Share Issue / reduction expenses	189,120	-
	196,090,236	54,630,729

Auditor's Remuneration includes

	31 st March, 2013 Rs.	31 st March, 2012 Rs.
As Auditor:		
Audit Fee	250,000	180,000
Tax Audit Fee	75,000	50,000
Limited Review	105,000	60,000
Other Service (filling fee)	10,000	-
	440,000	290,000

22. Finance costs

	31 st March, 2013 Rs.	31 st March, 2012 Rs.
Interest Expense		
Term Loans	4,667,397	6,313,240
Cash Credit	2,797,763	2,869,774
Bank Charges & Other Finance Cost		
Other Finance Cost	167,545	1,155,518
Bank Charges	152,462	968,452
	7,785,167	11,306,984

23. Prior Period Adjustments (Net)

	31 st March, 2013 Rs.	31 st March, 2012 Rs.
Income		
Miscellaneous Income	14,719	
	14,719	-
Expenses		
Central Effluent Treatment Charges	491,435	-
Legal and Professional Charges	76,615	-
Job Work Charges	31,567	
Electric and Winging Works	-	40,653
Repairs & Maintenance Charges	1,250	17,495
Other Expenses	18,957	25,122
	619,824	83,270
Total	605,105	83,270

24. Exceptional Item (refer notes below)

	31 st March, 2013 Rs.	31 st March, 2012 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 financial year 2011-12, the Company had 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 12th January, 2012 & consent for waiver by promoter company "Yuhan Corporation".
- (ii) During the financial year 2011-12, Company had received insurance claim of Rs.73,86,230 in respect of a fire broke out on 9th December, 2010 out at the Vapi factory premises of the Company damaging one of the plant and equipment in the factory.
- (iii) During the financial year 2011-12, for the relief of interest amounting to Rs.1,20,43,280 was given by the operating Agency, Union Bank of India on account of reduction in interest rate from 1st October, 2008, the cut-off date from which the Company is declared as sick unit, to 31st 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 12th January, 2012.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**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 st March, 2013 In Rs	31 st March, 2012 In Rs
The following reflects the profit/(loss) and share data used in the basic and diluted EPS computations :		
Net profit / (loss) attributable to Shareholders (Rs.)	10,697,718	15,868,061
Weighted average number of equity shares issued (Nos.) for basic EPS	14,175,653	11,600,000
Basic earnings per share of Rs. 5/- each (previous year Rs. 10/- each) [in Rs.]	0.75	1.37

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.15,48,009/- (Previous Year Rs. 10,08,726/-) 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.

	31 st March, 2013 In Rs	31 st March, 2012 In Rs
Net Periodic Cost debited to Profit & Loss Account	509,071	271,777
Liability recognised in the Balance Sheet	1,252,112	895,859

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 st March, 2013	31 st March, 2012
Discount Rate	8.25%	8.75%
Salary Escalation	5.00%	5.00%
Attrition Rate	2.00%	2.00%

II Table Showing Change in Benefit Obligation

Particulars	Gratuity	
	31 st March, 2013	31 st March, 2012
Projected Benefit Obligations (PBO) at the beginning of the year	1,910,634	1,642,362
Interest Cost	167,180	135,495
Service Cost	182,451	137,709
Benefits paid	(105,837)	(140,496)
Actuarial (gain) / loss on Obligations	197,661	135,564
Projected Benefit Obligations (PBO) at the end of the Year	2,352,089	1,910,634

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

Particulars	Gratuity	
	31 st March, 2013	31 st March, 2012
Fair value of Plan Assets		–
Present Value of Obligation	(2,352,089)	(1,910,634)
Funded Status	(2,352,089)	(1,910,634)
Unrecognised Actuarial gains (losses)	–	–
Unrecognised Transitional Liability	–	–
Assets / (Liability) Recognised in Balance Sheet	(2,352,089)	(1,910,634)

IV Net Periodic Cost

Particulars	Gratuity	
	31 st March, 2013	31 st March, 2012
Current Service Cost	182,451	137,709
Interest Cost	167,180	135,495
Expected Return on Plan Assets	–	–
Net Actuarial (gain) loss recognised in the year	197,661	135,564
Expenses Recognised in the Income Statement	547,292	408,768

V Movements in the liability recognised in the Balance Sheet

Particulars	Gratuity	
	31 st March, 2013	31 st March, 2012
Opening Net Liability	1,910,634	1,642,362
Expense as above	547,292	408,768
Contributions paid	(105,837)	(140,496)
Closing Net Liability	2,352,089	1,910,634

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. Themis Medicare Limited	Investing party of which the company is an Associate (with effect from 15 th May, 2012)
M/s. Vividhmargi Investment Pvt. Ltd.	Holding Company of M/s. Pharmaceutical Business Group (India) Limited
M/s. Yuhan Corporation	Venturer in Joint Venture
Mr. Rajneesh Anand	Key Management Personnel (President & CEO of the Company)

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 31st March, 2013.

Nature of Transactions	Name of Party	Associates/ Enterprises over which directors and/or their relatives has significant influence		Key Management Personnel	
		2012-13	2011-12	2012-13	2011-12
Transactions during the year					
Expense Incurred on behalf of investing party	M/s. Pharmaceutical Business Group (India) Limited	–	1,500	–	–
Unsecured Loan taken	M/s. Themis Medicare Limited	35,000,000	–	–	–
Purchase of fixed assets (including VAT)	M/s. Themis Medicare Limited	23,458,220	–	–	–
Issue of equity shares of Rs.5/- each	M/s. Themis Medicare Limited	14,643,510	–	–	–
Share premium @ Rs.5/- each per equity share on above shares	M/s. Themis Medicare Limited	14,643,510			
Advance received from customer	M/s. Themis Medicare Limited	20,374,397			
Advance received from customer refunded	M/s. Themis Medicare Limited	13,735,480			
Expenses paid / incurred on behalf of M/s. Themis Medicare Limited	M/s. Themis Medicare Limited	935,437			
Job work charges (included under the head prior period adjustments)	M/s. Themis Medicare Limited	10,027			
Remuneration	Mr. Rajneesh Anand	–	–	2,696,496	899,124
Outstanding Balances		As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Advance from customers	M/s. Themis Medicare Limited	88,652,418	–	–	–
Unsecured Loans	M/s. Themis Medicare Limited	35,000,000	–	–	–
Corporate Guarantee given by PBG to Company's Bankers	M/s. Pharmaceutical Business Group (India) Limited	78,400,000	78,400,000	–	–
Expense Incurred on behalf of investing party	M/s. Pharmaceutical Business Group (India) Limited	18,500	18,500	–	–
Remuneration payable	Mr. Rajneesh Anand	–	–	1,368,250	674,124

28 Contingent Liabilities

	31 st March, 2013 In Rs	31 st March, 2012 In Rs
Contingent liabilities not provided for in respect of:		
i) Letter of credit in respect of purchases, outstanding at the year-end	325,710	106,047
ii) Income tax under dispute	9,228,729	1,220,952
iii) Fringe benefit tax under dispute	201,972	201,972
iv) Disputed Labour Dues	53,773,056	44,638,168
v) Claim of interest on unsecured Loan from Gujarat Industrial Investment Corporation (GIIC)	11,729,277	11,261,277
vi) Claims against the company not acknowledged as debts	6,235,519	6,589,780

- 29 Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for Rs. Nil (Previous year Rs.1,04,829/-).
- 30 The outstanding balance as at 31st March, 2013, 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 The Company has brought forward losses of Rs.26,32,08,796 which has resulted in negative net worth of Rs.9,86,59,145 as at 31st March, 2013. 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 (I) of the said Act. The Company has been registered with the Board for Industrial & Financial Reconstruction (BIFR). Further the Rehabilitation Scheme had been sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) in the hearing held 12th 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. The Company has made a profit in current year and also in previous year. Accordingly, these accounts have been prepared on a going concern basis.
- 32 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" by as notified by Companies (Accounting Standards) Rules 2006.
- 33 In view of carry forward losses / unabsorbed depreciation of earlier years, no provision for the Income Tax has been made on profit of the current year.
- 34 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.
- 35 Previous year figures are regrouped and reclassified where ever necessary.
-

As per our Report of even date

For KHANDELWAL JAIN & CO.

Chartered Accountants

Narendra Jain

Partner

Membership No.048725

Place : Mumbai

Date : May 15, 2013

For and on behalf of the Board of Directors

Dr. Dinesh Patel

Chairman

Dr. Sachin D Patel

Director

Rajneesh Anand

President & CEO



GUJARAT THEMIS BIOSYN LTD.

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

E-mail : gtblmumbai@gtbl.in / 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

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

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

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

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

Yours faithfully

For GUJARAT THEMIS BIOSYN LTD.

Sd/-

Dr. Dinesh S. Patel

Chairman

Place : Mumbai

Date : 12th August, 2013

REGISTRATION OF E-MAIL ADDRESS FORM

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

(For Shares in Physical Mode)

LINK INTIME INDIA PRIVATE LIMITED

C-13, Pannalal Silk Mill Compound,
L.B.S. Marg, Bhandup – West,
Mumbai-400 078.

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

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

Folio No Folio No.	
Name of 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, Dist. Valsad, Gujarat, India

FORM OF PROXY

I/We _____ of _____ being a member / members of GUJARAT THEMIS BIOSYN LIMITED hereby appoint _____ of _____ or failing him/her _____ of _____ as my/our proxy to vote for me/us on my/our behalf at the **32nd Annual General Meeting** of the Company scheduled to be held on Friday, the 27th September, 2013 at 11.00 A.M at 69/C GIDC Industrial Este, Vapi – 396 195, Dist. Valsad, Gujarat and at any adjournment thereof.

Ledger Folio No. / Client ID No. _____

No. of Shares _____

Signed this _____ day of _____ 2013

AFFIX
Re. 1
Revenue
Stamp

Signature

Affix revenue stamp
of requisite form

IMPORTANT

1. This form duly completed and signed across the stamp as per the specimen signature registered with the Company should be deposited at the registered office of the Company not less than 48 hrs before the time fixed for the commencement of the meeting.
2. The meeting is for member of the Company only. Members are requested not to bring non members or children.
3. Copies of the Annual Report will not be distributed at the meeting. Members are requested to bring their own copies.

GUJARAT THEMIS BIOSYN LIMITED

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

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the meeting hall. Joint shareholders may obtain additional attendance slip on request.

Name _____

Reg. Folio No. / Client ID No. _____

No. of Shares held _____

I hereby record my presence at the **32nd Annual General Meeting** of the Company on Friday, the 27th September, 2013 at 11.00 A.M at 69/C GIDC Industrial Este, Vapi – 396 195, Dist. Valsad, Gujarat.

Signature of Shareholder / Proxy

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.