

**33rd ANNUAL REPORT
2013-2014**



GUJARAT THEMIS BIOSYN LIMITED

BOARD OF DIRECTORS

DR. DINESH S. PATEL

Chairman

MR. A. B SHAH

(Nominee of GIC - Upto 06-08-2014)

DR. SACHIN D. PATEL

MR. VIJAY AGARWAL

MS. DHARMISHTA N RAVAL

MR. J. H CHOI

MR. S. S. LEE

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, DIST. VALSAD

GUJARAT, INDIA

CIN : L24230GJ1981PLC004878

E-mail : gtblmumbai@gtbl.in / accounts@gtbl.co.in

Website : www.gtbl.in

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 33rd Annual General Meeting of Gujarat Themis Biosyn Limited will be held on Monday 29th September, 2014, at 12 Noon., 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, 2014 and the Statement of Profit and Loss Account for the year ended on that date together with reports of the Auditors' and Directors thereon.
2. To appoint a Director in place of Dr. Sachin D. Patel, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Statutory Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

Special Business

4. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150 & 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made there under (including any statutory modification(s) or re-enhancement thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Mr. Vijay Agarwal (DIN 00058548), Independent Director of the Company whose period of the office was liable to be determined by retirement of directors by rotation, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for re-appointment be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years commencing from 29th September, 2014."

Registered Office

69/C, GIDC Industrial Estate, Vapi - 396195,
Dist. Valsad, Gujarat

CIN : L24230GJ1981PLC004878

Place : Mumbai
Date : 06-08-2014

By order of the Board

Dr. Dinesh S. Patel
Chairman

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided such person shall not act as a proxy for any other person or shareholder.
3. The Proxy to be effective must be deposited at the Registered Office of the Company not later than forty eight hours before the time appointed for holding of the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday September 23rd, 2014 to Monday September 29th, 2014 (both days inclusive).
5. Members are requested to notify immediately changes in their addresses, if any, to the Company / Registrar & Share Transfer Agents quoting reference of the Registered Folio Number.
6. Members are requested to quote their Folio Numbers in their correspondence with the Company / Registrar & Share Transfer Agent.
7. Company shares are listed at BSE Limited, Mumbai. The Company has paid listing fees for the year 2014-15 to the above Stock Exchange.
8. Members holding shares in physical form are requested to register their e-mail address with the Company / Registrar and Share Transfer Agent and also notify the changes in their addresses, if any, at the earliest. Members holding shares in dematerialized form are requested to notify change in their addresses to their Depository Participants.
9. The Members, whose names appear in the Register of Members/list of Beneficial Owners as received from Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) on 22nd August, 2014 are entitled to vote by Ballot Paper attending Annual General Meeting in person(s) on the resolutions set forth in this Notice.

10. Details of Directors seeking appointment / re-appointment in the 33rd Annual General Meeting, in pursuance of clause 49 of the Listing Agreement.

Name of Director	Dr. Sachin D. Patel	Mr. Vijay Agarwal
Date of Birth	18-01-1975	29-06-1957
Date of appointment	25-10-2008	31-03-2006
Expertise in specific functional areas	Business Development	Taxation & Corporate Advisory
Qualifications	Ph.D.Chem.University of Cambridge (UK)	B. Com, FCA
List of companies (excluding foreign and private Ltd. companies in which outside Directorships held as on 31 st March, 2014)	Themis Medicare Ltd. Artemis Biotech Ltd.	Themis Medicare Ltd. Tips Industries Ltd. Compuage Infocom Ltd.
Chairman/ Member of the Committees of the Board of the companies on which he is a director as on 31 st March, 2014	Chairman of Share Transfer & Investors Grievances Committee of Themis Medicare Ltd.	Member of Audit Committee - Themis Medicare Ltd., Tips Industries Ltd. Compuage Infocom Ltd.

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

The voting period begins on Wednesday 17th September, 2014 (9:00 a.m.) and ends on Friday 19th September, 2014 (6:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (i) Log on to the e-voting website **www.evotingindia.com**
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is RAHUL with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant GUJARAT THEMIS BIOSYN LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xviii) Mr. Hitesh A. Patel (Membership No.FCA 121283 and CP No. 138905W), Patel Purohit & Associates, Practicing Chartered Accountants, Vapi, has been appointed as the Scrutinizer to scrutinize the e-voting process.
- (xix) The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the E-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xx) The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.gtbl.in and on the website of CDSL within two (2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the BSE Limited.

In case of members receiving the physical copy:

- (A) The Ballot Form will be provided for the benefit of shareholders, who do not have access to E-voting facility.
- (B) Pursuant to Clause 35B of the Listing Agreement, members who do not have access to E-voting facility, may exercise their right to vote on business to be transacted at the Annual General Meeting of the Company by submitting the Ballot Form.
- (C) The voting period begins on Wednesday 17th September, 2014 (9:00 a.m.) and ends on Fridays 19th September, 2014 (6:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an e-mail to helpdesk.evoting@cdslindia.com

EXPLANATORY STATEMENT TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING

ITEM NO: 4

Mr. Vijay Agarwal is a Non-Executive Independent Director of the Company from March, 2006, whose tenure of office was liable to be determined by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. However, as per requirements of provisions of the Companies Act, 2013 and rules made there under, the Independent Directors are not liable to retire by rotation and are required to be appointed by Shareholders. Therefore it is proposed to appoint Mr. Vijay Agarwal as an Independent Director for a term of five consecutive years from the conclusion of this AGM dated 29th September, 2014.

Mr. Vijay Agarwal is a veteran Chartered Accountant, practicing in the fields of taxation and finance. The Board of the Company has benefited from his expertise in the fields of finance, taxation and accountancy during his association with the Company. The Board has proposed to re-appoint him as an Independent Director of the Company for the period of five consecutive years from the conclusion of this Annual General Meeting dated 29th September, 2014.

Except for Mr. Vijay Agarwal no other director is concerned or interested in this resolution.

The Board recommends the re-appointment of Mr. Vijay Agarwal as a director to the members.

Registered Office

69/C, GIDC Industrial Estate, Vapi - 396195,
Dist. Valsad, Gujarat

CIN : L24230GJ1981PLC004878

Place : Mumbai

Date : 06-08-2014

By order of the Board

Dr. Dinesh S. Patel
Chairman

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting herewith the 33rd Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2014.

This report has been prepared on the basis of the legal requirements under the Companies Act, 1956. As per General Circular No.08/2014 issued by the Ministry of Corporate Affairs (MCA) dated 04/04/2014, the provisions of the Companies Act, 2013 will become applicable for all disclosures required under the Act for the year 2014-15 and subsequent years.

FINANCIAL RESULTS:

The results for the year ended 31st March, 2014 are summarized below:

PARTICULARS	(₹ in Lakhs)	
	Year ended 31.03.2014	Year ended 31.03.2013
Total Income	3039.05	2862.85
Operating Profit / (Loss)	668.29	396.03
Finance Cost	(71.48)	(77.85)
Profit / (Loss) before depreciation, prior period adjustments & tax	596.81	318.18
Depreciation and amortization expenses	(146.25)	(205.15)
Prior period adjustment	2.04	(6.05)
Profit after depreciation, exceptional item and prior period adjustments	452.60	106.98
Net Profit after tax	452.60	106.98
Surplus/(Deficit) brought forward	(1945.11)	(2632.09)
Adjustment against Equity Share Capital Reduction	-	580.00
Surplus / (Deficit) carried forward to Balance Sheet	(1492.51)	(1945.11)

OPERATIONS:

Your Company's performance during the year was much better than the previous year resulting in four fold increase in the Net Profit of the Company. The production capacity was utilized to the maximum level. Your Company has generated cash profit during the year under review as well as in the previous year.

Your Company's major operations were from Job Work. Conversion charges recorded at ₹ 3022.99 Lacs (previous year ₹ 2475.09 Lacs). The operating Profit for the year is ₹ 668.29 Lacs as compared to operating Profit of ₹ 396.03 Lacs for the previous year. The Net Profit recorded by the Company for the year is ₹ 452.60 Lacs as compared to net profit of ₹ 106.98 Lacs in the previous year.

The Company proposes to carry the profit after tax of ₹ 452.60 Lacs for adjustment brought forward losses.

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

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

BIFR

Your Company was referred to BIFR under Sick Industrial Companies (Special Provisions) Act, 1985 on 2nd June, 2008 and Registered under Case No. 67/2007. The Scheme of Rehabilitation was approved by BIFR on 12th January, 2012.

In compliance with the SEBI requirement for Minimum Public Shareholding (MPS) of 25% in the Company as well as orders passed by BIFR / SEBI, one of the promoters of the Company M/s.Pharmaceutical Business Group (India) Ltd. has agreed to offer for sale (OFS) 14,23,000 equity shares (9.79%) of ₹ 5/- each fully paid up to Public through Stock Exchange Mechanism on 7th August, 2014. On completion of this process, MPS requirement shall stands complied with.

In compliance with BIFR order dated 12th January, 2012 Company has paid ₹ 31.00 Lacs (Rupees Thirty One Lakhs) to Gujarat Industrial Investment Corporation Ltd. (GIIC Ltd.) comprising of ₹ 26.00 Lacs towards repayment of unsecured loan as well as ₹ 5.00 Lacs paid as compensation.

Except for MPS requirement as stated above, all other requirements as per BIFR order dated 12th January, 2012 stands complied with.

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. Thus the Company has restricted its activities to Job Work.

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 improve its bottom line.

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 accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Dr. Sachin D. Patel, director of the Company will retire by rotation at the forthcoming Annual General Meeting who being eligible, offers himself for re-appointment.

The Board recommends to the members the re-appointment of Dr. Sachin D. Patel as a Director liable to retirement by rotation.

Mr. Vijay Agarwal is a Non-Executive Independent Director of the Company from March, 2006, whose tenure of office was liable to be determined by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. However, as per requirements of provisions of the Companies Act, 2013 and rules made thereunder, the Independent Directors are not liable to retire by rotation and are required to be appointed by Shareholders. Therefore it is proposed to appoint Mr. Vijay Agarwal as an Independent Director for a term of five consecutive years from the conclusion of this AGM dated 29th September, 2014.

The Board recommends to the members appointment of Mr. Vijay Agarwal as Independent Director.

In line with the BIFR order dated 12th January, 2012, the constitution of the Board was realigned. Consequently Mr. S.C Kim and Mr. J.K Cha representatives of Yuhan Corporation on the Company's Board, resigned as Directors w.e.f 12-08-2013. The Board places on record its appreciation for the services rendered by them during their tenure as Directors of the Company.

In view of the settlement of GIIC Ltd's Unsecured Loan by the Company, Mr. A. B. Shah, Nominee Director of Gujarat Industrial Investment Corporation Ltd. (GIIC Ltd.) resigned from the Board. His resignation was accepted by the Board on 6th August, 2014. The Board places on record its appreciation for the services rendered by Mr. A.B. Shah during his tenure as a Director of the Company.

DIVIDEND:

Due to inadequacy of profits earned as well as carry forward losses, your Directors do not recommend any dividend for the year under consideration.

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.

STOCK EXCHANGE

The Company's shares are listed on BSE Limited. The shares were also listed on Ahmedabad Stock Exchange Ltd. However, as per the approval given by the members on 27th September, 2013, the Company had voluntarily delisted its equity shares from Ahmedabad Stock Exchange Ltd. w.e.f 22nd January, 2014.

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 on 12th January, 2012 had approved the Rehabilitation Scheme considering the viability of the Unit. The Company at present is utilizing its production capacity to the maximum level. The Company has made profit in the current and previous financial years. 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 Company does not foresee any major impact on the accounts of the Company due to non receipt of balance confirmation from the parties as stated in the auditor's report.

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 2014-15.

COST AUDITORS

As the Company is carrying on Job Work activity, as per the opinion obtained the provisions of Section 233B of the Companies Act, 1956 for conducting Cost Audit does not apply to the Company.

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 and support extended to the Company by Financial Institutions, Union Bank of India, all the Employees, Yuhan Corporation, GIIC Ltd., 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 : 06-08-2014

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>2013-2014</u>	<u>2012-2013</u>
1. Electricity :		
a) Purchase :		
Units	16086353	14428640
Total Amount	105200664	99466365
Rate/Unit (₹)	6.54	6.89
b) Own Generation :		
Through diesel / LDO Generators (KwH)	129600	136400
Diesel / LDO Consumed (Liters)	64620	55173
Units / Liter of Diesel /LDO (KwH)	2.01	2.47
Total Amount (₹)	3586014	2672463
Cost / Unit (₹ / KwH)	27.67	19.59
2. Furnace Oil :		
Quantity (Liters)	170370	261596
Total Amount (₹)	7006412	10382408
Average Rate (₹/Liter)	41.12	39.69
3. Coal / Lignite :		
Quantity (Kgs)	5568000	6692360
Total Amount (₹)	29787111	38418419
Rate / Kgs (₹)	5.35	5.74

B. CONSUMPTION PER MT OF FINISHED GOODS PRODUCED

	2013-2014	2012-2013
Electricity per MT (₹)	7354042	900421
Furnace Oil Per MT (₹)	48954	93987
Diesel /LDO Per MT (₹)	25056	24193
Coal / Lignite Per MT (₹)	208124	347783

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:

(₹ 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 present activities of the Company are on job work basis, hence there are no sales / export activities.

Total foreign exchange used and earned

(₹ in Lakhs)

- Total foreign exchange earned	NIL
- Total foreign exchange spent	3.26

For and on behalf of the Board of Directors

Place : Mumbai
Date : 06-08-2014

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, 2014.

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 of Directors in accordance with the provision of the listing agreement on Corporate Governance. The Company also has 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	2	-	1
Dr. Sachin Dinesh Patel	Non executive & Promoter Director	2	1	-
Mr. A. B Shah (Nominee of GIIC)	Non executive & Independent	6	-	3
Mr Vijay Agarwal	Non executive & Independent	3	-	3
Ms. Dharmishta N Raval	Non executive & Independent	2	-	-
Mr Hinesh Doshi	Alternate Director to Mr. S. S. Lee	-	-	-
Mr J. H. Choi	Non executive Representative of Yuhan Corpn.	-	-	-
Mr. S.S. Lee	Non executive Representative of Yuhan Corpn.	-	-	-

(B) Details of attendance of the directors at the Board Meetings held in Financial Year 2013-14 and at the last Annual General Meeting.

Name of the Director	Number of Board Meetings held during F.Y. 2013-14 while holding the Office	Number of Board Meetings attended while holding the Office	Attendance at last Annual General Meeting
Dr. Dinesh S. Patel	4	4	-
Dr. Sachin Dinesh Patel	4	4	-
Mr. A.B Shah (Nominee of GIIC)	4	1	-
Mr. Vijay Agarwal	4	2	-
Ms. Dharmishta N. Raval	4	3	-
Mr. J. H. Choi	4	-	-
Mr. Hinesh Doshi (Alternate to Mr.S.S Lee w.e.f 15-5-2013)	4	4	-
Mr. J. K. Cha (upto 12/08/2013)	1	-	-
M. S.C Kim (upto 12/08/2013)	1	-	-

The Board meetings are generally held in Mumbai. During the financial year 2013-14, Four meetings of the Board of Directors were held on 15th May, 2013, 12th August, 2013, 11th November, 2013 & 10th February, 2014.

(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. The Senior Executives of the Company are invited to attend the Board meeting and provide clarifications as and when required.

AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of the clause 49 of the Listing Agreement entered into with the Stock Exchanges read with Section 292A of the Companies Act, 1956 ("the Act").

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 inter-alia review the Companies Financial Reporting process, Accounting and Financial Policies, Internal Audit System with Internal Auditors Report, recommending to the Board Appointment, reappointment, if required the replacement or removal of Statutory Auditors and Internal Auditors and fixation of their remuneration.

The Audit 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 2013-14. The dates of Audit Committee meetings held during Financial Year 2013-14 are 15th May, 2013, 12th August, 2013, 11th November, 2013 & 10th February, 2014 and most of the members were present at all the meetings.

REMUNERATION COMMITTEE

The Remuneration Committee consists of Dr. Sachin D. Patel, Ms. Dharmishta N. Rawal and Mr. A. B. Shah as the Members of the Committee.

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 2013-14.

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 Committee are Dr. Sachin Dinesh Patel – Chairman, Mr. Vijay Agarwal & Dr.Dinesh S. Patel as the Members of the Committee.

The Committee met 3 times during the Financial Year 2013-14. 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 2013-14 have been approved. During the year 2013-14, Company has received complaints from Shareholders and all the complaints were resolved and no complaint is pending as on 31st March, 2014.

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
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.
2012-13	69/C, GIDC Indl. Estate, Vapi 396 195, Dist. Valsad, Gujarat.	27-09-2013	11.00 A. M.

Disclosures

Details of the related parties transactions of the Company with such related parties during the financial year 2013–14 are furnished in Note 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, 2014.

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 : 29th September, 2014 at 12 Noon
 Venue : 69/C, GIDC Indl. Estate, Vapi 396 195, Dist. Valsad, Gujarat.

B) Tentative Financial Calendar (Subject to change) for the financial Year 2014-15

1st Quarterly Results : By 14th August, 2014
 Half Yearly Results : By 14th November, 2014
 3rd Quarterly Results : By 14th February, 2015
 Annual Results : By 30th May, 2015

C) Dates of Book Closure

23rd September, 2014 to 29th September, 2014 (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 BSE Limited. The Company has paid listing fee for the year 2014-15.

F) Stock Code

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.

H) Stock Price Data and Stock Performance

Month	BSE Sensex		Share Price	
	High	Low	High (₹)	Low (₹)
April, 2013	19,622.68	18,144.22	12.00	7.46
May, 2013	20,443.62	19,451.26	14.20	11.45
June, 2013	19,860.19	18,467.16	-	-
July, 2013	20,351.06	19,126.82	-	-
August, 2013	19,569.20	17,448.71	-	-
September, 2013	20,739.69	18,166.17	-	-
October, 2013	21,205.44	19,264.72	-	-
November, 2013	21,321.53	20,137.67	12.17	8.21
December, 2013	21,483.74	20,568.70	12.25	8.33
January, 2014	21,409.66	20,343.78	14.20	11.41
February, 2014	21,140.51	19,963.12	12.86	11.05
March, 2014	22,467.21	20,920.98	12.07	9.30

There was no trading for the period from June 2013 to October, 2013.

I) 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.

J) 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 Website : www.gtbl.in

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

K) 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.

L) 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 2014, a total of **10303344** Equity Shares of the Company forming 70.92% 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**.

M) Shareholding pattern

Distribution of shareholding as on 31st March, 2014 was as under:

Range	No. of shareholders	% of Total shareholders	No. of shares held	% of shareholding
1 to 500	5397	90.58	660885	4.55
501 to 1000	314	5.27	267979	1.84
1001 to 2000	107	1.80	165130	1.14
2001 to 3000	39	0.65	99749	0.69
3001 to 4000	25	0.42	93168	0.64
4001 to 5000	22	0.37	106538	0.73
5001 to 10000	29	0.49	190134	1.31
10001 & above	25	0.42	12945119	89.10
TOTAL	5958	100	14528702	100

The categories of shareholding as on 31st March, 2014 was as under:

Category	No of shares held	% of shareholding
Promoters	12318745	84.79
Institutional Investors	4900	0.03
NRIs / OCBs	81888	0.56
Others and General Public	2123169	14.62
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 from 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 2013-14 is annexed to this report.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 06-08-2014

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 Gujarat Themis Biosyn Limited for the year ended on 31st March, 2014 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, 2014.

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

SANDHYA BORASE
Company Secretary
ACS 8353
C P 4563

Date : 6th August, 2014
Place : Mumbai

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, 2014, 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") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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

- Financial Statements have been prepared on going concern basis in spite of brought forward losses of ₹ 19,45,11,078/-, which has resulted in negative net worth of ₹ 5,33,99,635/- as at March 31, 2014. 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 January 12, 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.*
- The outstanding balances as at March 31, 2014 in respect of certain balances, of trade receivables, deposits, loans & advances, 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 effect 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, 2014;
- 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(b) 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 sub-section (3C) of section 211 of the Act read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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

Place : Mumbai
Date : May 14, 2014

Membership No.048725

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, 2014. 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 are informed that no cost records are required to be maintained by the Company under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956;
- ix) a) *Undisputed Statutory Dues including Gujarat Value Added Tax (GVAT), Tax Deducted at Source (TDS), Notified Area Tax, Drainage cess charges, Employees' State Insurance (ESIC), ESIC dues in respect of contractors, Service Tax, Excise duty, Provident Fund have generally been regularly deposited with the appropriate authorities however delay have been observed in some cases. According to the information and explanations given to us, there were no undisputed statutory dues which have remained outstanding as at March 31, 2014 for the period of more than six months from the date they became payable.*
- b) According to the information and explanation given to us, there are no dues of Sales Tax, Service Tax, Income Tax, Customs Duty, Wealth tax, Excise duty and Cess, which have not been deposited on account of any dispute, except the following:

Name of the Statute	Nature of the Dues	Amount (₹)	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	Income Tax Appellate Tribunal, Ahmedabad
Income Tax Act, 1961	Demand u/s 156	32,34,870/-	A.Y. 2011-2012	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 and in the immediately preceding 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 ₹ 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 sub-ordinated 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 para 12.9 of Order dated January 12, 2012, the Hon'ble BIFR directed Gujarat Industrial Investment Corporation Ltd. (GIIC Ltd.) to accept principal amount of unsecured loan of ₹ 26,00,000/- in three equal yearly installments commencing from April 01, 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. Upto 31st March 2013, as the GIIC had not communicated for repayment in three equal annual instalments, the same was treated as non-current borrowing. During the year, as per the

communication received from GIIC Ltd., the Company has paid an amount of ₹ 31,00,000/- to GIIC Ltd. as full and final settlement payment towards their unsecured loan of ₹ 26,00,000/- & ₹ 5,00,000/- paid as compensation. [Refer note no. 25]

- 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	
Upto 30 days	54,83,438	27,47,747	12,45,573	12,01,225	In respect of Indian Rupee Term Loan, Principal and Interest amount of ₹ 6,03,438 and ₹ 2,53,798 respectively is outstanding as on March 31, 2014.
31 to 60 days	12,20,000	6,19,529	3,55,002	21,56,551	
61 to 90 days	12,20,000	6,09,309	-	21,01,995	
91 to 120 days	-	2,319	-	-	
121 to 150 days	-	2,566	-	-	

- 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) *In our opinion and according to the information & explanations given to us and on an overall examination of the balance sheet of the company, we report that short term funds amounting to ₹ 11,68,58,845/- have been used for long term purposes primarily for losses of the Company;*
- 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

Place : Mumbai
Date : May 14, 2014

Membership No.048725

BALANCE SHEET AS AT 31ST MARCH, 2014

	Notes	As at 31-03-2014 ₹	As at 31-03-2013 ₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	72,639,510	72,639,510
Reserves and Surplus	3	(126,039,145)	(171,298,655)
		(53,399,635)	(98,659,145)
Non-Current Liabilities			
Long-Term Borrowings	4	60,161,568	70,081,568
Deferred Tax Liabilities (Net)	5	-	-
Long-Term Provisions	6	3,326,150	3,174,059
Other long term liabilities		-	-
		63,487,718	73,255,627
Current Liabilities			
Short-Term Borrowings	7	19,997,029	36,100,000
Trade Payables	8	51,290,138	59,447,987
Other Current Liabilities	8	78,628,511	110,073,631
Short-Term Provisions	6	384,976	430,142
		150,300,654	206,051,760
TOTAL		160,388,736	180,648,242
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	9	110,518,609	124,222,389
Intangible Assets		-	-
Capital Work-In-Progress		1,293,611	-
Intangible Assets Under Development		-	-
Non-Current Investments	10	56,000	56,000
Long-Term Loans And Advances	11	13,057,190	17,368,507
Trade Receivables	12	-	-
Other Non-Current Assets	13	2,021,518	-
		126,946,928	141,646,896
Current Assets			
Current investments	10	-	-
Inventories	14	4,543,609	2,301,956
Trade Receivables	12	12,398,127	28,747,944
Cash and Bank Balances	15	8,957,637	2,642,489
Short-Term Loans And Advances	11	7,161,013	4,873,260
Other Current Assets	13	381,422	435,696
		33,441,809	39,001,345
TOTAL		160,388,736	180,648,242
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financials 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 14, 2014

Dr. Dinesh S. Patel
Chairman

Dr. Sachin D. Patel
Director

Rajneesh Anand
President & CEO

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Note No.	For the year ended 31-03-2014 ₹	For the year ended 31-03-2013 ₹
INCOME			
Revenue from operations (gross)	16	302,303,355	287,614,065
Less : Excise Duty		-	3,948,271
Revenue from operations (net)		302,303,355	283,665,794
Other income	17	1,601,603	2,619,517
Total Income		303,904,958	286,285,311
EXPENDITURE			
Material Consumed / Sold	18	2,887,719	8,187,296
Purchase of traded goods		-	3,810,366
(Increase) / Decrease in inventories of finished goods, WIP and Traded goods	19	-	2,520,382
Employee benefit expenses	20	38,550,445	36,074,262
Other expenses	21	195,638,316	196,090,236
Finance costs	22	7,148,251	7,785,167
Depreciation and amortization expenses	9	14,624,525	14,246,199
Impairment charge on plant & machinery		-	6,268,579
Total Expenses		258,849,256	274,982,487
Profit / (Loss) before exceptional item and prior period adjustments and tax		45,055,702	11,302,823
Prior Period Adjustments (Net)	23	(203,807)	605,105
Profit / (Loss) before extraordinary items and tax		45,259,509	10,697,718
Extraordinary items		-	-
Profit / (Loss) before tax		45,259,509	10,697,718
Tax Expenses			
Income Tax for earlier years		-	-
Total Tax Expenses		-	-
Profit / (Loss) for the Year		45,259,509	10,697,718
Earnings per equity share	24		
Basic (₹)		3.12	0.75
Diluted (₹)		3.12	0.75
Summary of significant accounting policies	1		

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

As per our report of even date annexed

For KHANDELWAL JAIN & CO.

Chartered Accountants

Narendra Jain

Partner

Membership No.048725

Place : Mumbai

Date : May 14, 2014

Dr. Dinesh S. Patel

Chairman

Dr. Sachin D. Patel

Director

For and on behalf of the Board of Directors

Rajneesh Anand

President & CEO

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-14 ₹	2012-13 ₹
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit /(Loss) before tax	45,259,509	10,697,718
Adjustment for :		
Depreciation and amortization expense	14,624,525	14,246,199
Impairment charge on plant & machinery	-	6,268,579
Prior Period Adjustments (Net)	(203,807)	605,105
Excess provision / Sundry Credit Balance written back	(59,424)	(485,065)
Sundry Debit Balance written off	-	200,000
Sundry credit balance written back	(6,456)	-
Capital Work in progress written off	-	350,551
Excess Provision for doubtful receivables written back	(829)	-
Finance Cost	7,148,251	7,785,167
(Profit) / Loss on sale of fixed assets	-	(1,011,386)
Interest received	(776,753)	(832,539)
Operating Profit before working capital adjustments	65,985,016	37,824,330
Adjustment for :		
Trade and Other receivables	19,336,315	(163,423)
Inventories	(2,241,653)	4,914,865
Trade Payables & Other Current Liabilities	(39,392,586)	(31,967,668)
Cash generated from operations for the year	43,687,092	10,608,104
Prior Period Adjustments (Net)	203,807	(605,105)
Cash generated from operations	43,890,899	10,002,999
Direct Taxes Refund (Net of Paid)	(930,934)	(5,385,120)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES (A)	42,959,965	4,617,879
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (including Capital Work in Progress & Capital Advances)	(2,124,116)	(30,640,212)
Sale Proceeds of Fixed Assets	-	1,100,000
Investment in Bank Deposits	(1,979,406)	(71,836)
Interest received	758,230	809,183
NET CASH FROM / (USED IN) INVESTING ACTIVITIES (B)	(3,345,292)	(28,802,864)
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)	(23,429,533)	(35,725,691)
Proceeds / (Repayment) from / of Unsecured Borrowings (Net)	(2,600,000)	35,000,000
Finance Cost Paid	(7,300,677)	(8,825,559)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES (C)	(33,330,210)	19,735,770
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A + B + C)	6,284,463	(4,449,216)
Cash and Cash equivalents at the beginning of the year	1,221,053	5,670,269
Cash and Cash equivalents at the end of the year	7,505,516	1,221,053
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	6,284,463	(4,449,216)

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 Section 211(3C) (which continues to be applicable in terms of General circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013) and the other 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 14, 2014

For and on behalf of the Board of Directors

Dr. Dinesh S. Patel

Chairman

Dr. Sachin D. Patel

Director

Rajneesh Anand

President & CEO

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014
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 in all material aspects with the accounting standards notified under Section 211(3C) (which continues to be applicable in terms of General circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013) and the other relevant provisions of the Companies Act, 1956.

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) Monetary items denominated in foreign currency at the year end are translated at the exchange rates prevailing on the date of Balance Sheet.
 - iii) Any income or expense on account of exchange difference between the date of transaction and settlement or translation is recognised in the statement of profit and loss as income or expense.
- 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, 2014	31 st March, 2013
	Amount (₹)	Amount (₹)
Authorised Shares		
2,72,00,000 Equity Shares of ₹ 5/- each (P.Y. 2,72,00,000 Equity Shares of ₹ 5/- each)	136,000,000	136,000,000
30,000 (P.Y. 30,000) Preference Shares of ₹ 100/- each	3,000,000	3,000,000
2,22,00,000 Unclassified share of ₹ 5/- each (P.Y. 2,22,00,000 Unclassified share of ₹ 5/- each)	111,000,000	111,000,000
	250,000,000	250,000,000
Issued		
1,45,28,702 Equity Shares of ₹ 5/- each (P.Y. 1,45,28,702 Equity Shares of ₹ 5/- each)	72,643,510	72,643,510
	72,643,510	72,643,510
Subscribed and Paid up shares		
1,45,28,702 Equity Shares of ₹ 5/- each (P.Y. 1,45,28,702 Equity Shares of ₹ 5/- each)	72,643,510	72,643,510
Less: Calls Unpaid (Other than Directors)	4,000	4,000
	72,639,510	72,639,510

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

	31 st March, 2014		31 st March, 2013	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
At the beginning of the period	14,528,702	72,639,510	11,600,000	115,996,000
Reduction during the year	-	-	-	*(5,80,00,000)
Issued during the Year	-	-	2,928,702	**1,46,43,510
Outstanding at the end of the period	14,528,702	72,639,510	14,528,702	72,639,510

* 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, during the previous financial year, 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 was reduced to 1,16,00,000 Equity Shares of ₹ 5/- each fully paid up by way of reduction in paid up value of each share by ₹ 5/- each aggregating to ₹ 5,80,00,000/- by adjusting against accumulated losses of the Company to that extent.

** 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, during the previous financial year, on 15th May 2012, the Company had issued and allotted 29,28,702 equity shares of ₹ 5/- each fully paid up amounting to ₹ 1,46,43,510/- at a premium of ₹ 5/- per share amounting to ₹ 1,46,43,510/- aggregating to ₹ 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 ₹ 2,20,00,000/- and against advances of ₹ 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.

b. Term / Right attached to equity Share

The Company has only one class of equity shares having a par value of ₹ 5/- per share (P.Y. ₹ 5/- 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.

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

	31 st March, 2014		31 st March, 2013	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of ₹ 5/- (P.Y. ₹ 5/-) each fully paid				
Pharmaceutical Business Group India Ltd	5,005,000	34.45	5,005,000	34.45
Yuhan Corporation	3,850,000	26.50	3,850,000	26.50
Themis Medicare Limited	3,369,605	23.19	3,369,605	23.19

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

3. Reserves & Surplus	31 st March, 2014 ₹	31 st March, 2013 ₹
Capital Reserves		
Cash subsidy from Government of Gujarat	1,568,913	1,568,913
Share Premium		
Balance as per last financial statements	21,643,510	7,000,000
Add: Premium on issue of equity shares	-	14,643,510
Closing balance	21,643,510	21,643,510
Surplus/(Deficit) in the statement of profit and loss		
Balance as per last financial statements	(194,511,078)	(263,208,796)
Profit/(Loss) for the Year	45,259,509	10,697,718
Adjustment against Equity Share Capital Reduction	-	58,000,000
Net Deficit in the statement of profit and loss	(149,251,568)	(194,511,078)
Total reserves and surplus	(126,039,145)	(171,298,655)

4. Long Term Borrowings

	Non current		Current	
	31 st March, 2014 ₹	31 st March, 2013 ₹	31 st March, 2014 ₹	31 st March, 2013 ₹
Term Loans				
Indian rupee loan from bank (secured)	25,161,568	32,481,568	7,923,438	7,930,000
	25,161,568	32,481,568	7,923,438	7,930,000
Other Loans and Advances (Unsecured)				
Loan from Gujarat Industrial Investment Corporation Limited (GIIC)	-	2,600,000	-	-
Loan from Themis Medicare Limited (TML)	35,000,000	35,000,000	-	-
	35,000,000	37,600,000	-	-
Total	60,161,568	70,081,568	7,923,438	7,930,000
The above amount includes				
Secured borrowings	25,161,568	32,481,568	7,923,438	7,930,000
Unsecured borrowings	35,000,000	37,600,000	-	-
Amount disclosed under the head "other current liabilities" (Note 8)	-	-	(7,923,438)	(7,930,000)
Total	60,161,568	70,081,568	-	-

- a) Indian Rupee Loan from banks (secured) carries interest at base rate presently 10.25 % p.a. (previous year 10.25 % 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 ₹13,33,000/- each and balance 6 instalments were to be of ₹ 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 ₹ 5.12 crores is to be repaid in 84 equal monthly instalments beginning from 1st November, 2011 i.e. ₹ 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, personal guarantee of one of the Director and the Corporate Guarantee by Pharmaceutical Business Group (India) Ltd to Company's Banker to secure the loan is pending.

- b) Pursuant to para 12.9 of Order dated January 12, 2012, the Hon'ble BIFR directed Gujarat Industrial Investment Corporation Ltd. (GIIC Ltd.) to accept principal amount of unsecured loan of ₹ 26,00,000/- in three equal yearly installments commencing from April 01, 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 upto 31st March 2013, as the GIIC had not communicated for repayment in three equal annual instalments, the same was treated as non-current borrowing. During the year, as per the communication received from GIIC Ltd., the Company has paid an amount of ₹ 31,00,000/- to GIIC Ltd. as full and final settlement payment towards their unsecured loan of ₹ 26,00,000/- & ₹ 5,00,000/- paid as compensation, in compliance with the BIFR order dated 12th January, 2012 and the same is shown as "Compensation paid to GIIC towards settlement of Loan" under the head "Finance Cost".
- 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 ₹ 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, 2014 in respect of repayment of principal amount of Indian rupee term loan from Bank is ₹ 6,03,438/- (Previous year ₹ 6,10,000/-) outstanding since less than 30 days.
- (ii) Amount of continuing default as on 31st March, 2014 in respect of payment of interest amount of Indian rupee term loan from Bank is ₹ 2,53,798/- outstanding since less than 30 days [Previous year ₹ 3,11,478/- outstanding since less than 30 days]. The above outstanding interest amounts are included in Interest accrued and due on borrowings under Note 8 on "Other Current Liabilities".

5. Deferred Tax Liability (Net)

	31 st March, 2014 ₹	31 st March, 2013 ₹
Deferred Tax Liability		
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	13,678,734	15,363,112
Gross Deferred Tax Liability	13,678,734	15,363,112
Deferred Tax Asset		
Provision for doubtful debts	12,310,030	14,110,100
Provision for Leave encashment, Gratuity, Bonus and Unpaid Liability u/s 43B	1,368,704	1,253,012
Gross Deferred Tax Assets	13,678,734	15,363,112
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, 2014 ₹	31 st March, 2013 ₹	31 st March, 2014 ₹	31 st March, 2013 ₹
Provision For Employee Benefits				
Provision for Gratuity	2,320,237	2,198,024	75,781	154,065
Provision For Leave Encashment	1,005,913	976,035	309,195	276,077
Total	3,326,150	3,174,059	384,976	430,142

7. Short Term Borrowings

	31st March, 2014	31 st March, 2013
	₹	₹
Cash Credit from Bank (Secured)	19,997,029	20,000,000
Loan from Lupin Limited (Secured)	-	16,100,000
Total	19,997,029	36,100,000
The above amount includes		
Secured Borrowings	19,997,029	36,100,000
Unsecured Borrowings	-	-
	19,997,029	36,100,000

- a) Cash Credit from Bank (Secured) are repayable on demand and carries interest at base rate + 1% presently @ 11.25 % p.a. (Previous year 11.25% 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, personal guarantee of one of the Director and the Corporate Guarantee by Pharmaceutical Business Group (India) Ltd to Company's Banker to secure the loan is pending.
- b) Outstanding balance as at 31st March, 2013 in respect of 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 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) Amount of continuing default as on 31st March, 2014 in respect of payment of interest amount of Cash Credit from Bank is ₹ Nil/- [Previous year ₹ 1,61,920/- outstanding since less than 30 days]. 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

	31st March, 2014	31 st March, 2013
	₹	₹
Trade Payables (refer note below)	51,290,138	59,447,987
	51,290,138	59,447,987
Other Liabilities		
Liability for expenses (Refer note below)	8,282,089	7,753,142
Creditor for Capital expenditure (Refer note below)	471,682	349,442
Current maturities of long-term borrowing	7,923,438	7,930,000
Interest accrued and due on borrowings	253,798	473,399
Interest accrued but not due on borrowings	110,675	43,500
Statutory Dues	671,338	1,132,345
Central Excise duty payable	-	3,667,669
Advances from customers	60,915,491	88,724,134
	78,628,511	110,073,631
Total	129,918,649	169,521,618

- a) The name of the Micro, Small & Medium Enterprises suppliers defined under "The Micro Small & Medium Enterprises Development Act, 2006 could not be identified, as the necessary evidence is not in the possession of the Company.

(Amount in ₹)

9. FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION / AMORTISATION / IMPAIRMENT				NET BLOCK			
	As at 01-Apr-13	Addition During the Year	Deduction During the Year	As at 31-Mar-14	As at 01-Apr-13	For the Year	Impairment	Deduction/ Adjustment	As at 31-Mar-14	As at 31-Mar-13	
Tangible Assets											
LAND *	1,117,526	-	-	1,117,526	378,177	13,628	-	-	391,805	725,721	739,349
BUILDINGS	24,250,811	-	-	24,250,811	17,333,200	809,977	-	-	18,143,177	6,107,634	6,917,611
STAFF QUARTERS	67,541	-	-	67,541	43,955	1,179	-	-	45,134	22,407	23,586
PLANT & MACHINERY	386,412,509	793,874	-	387,206,383	271,324,743	13,418,242	-	-	284,742,985	102,463,398	115,087,766
FURNITURE & FIXTURES	5,297,588	24,921	-	5,322,509	5,078,648	46,347	-	-	5,124,995	197,514	218,939
COMPUTER	3,277,583	27,900	-	3,305,483	2,884,028	168,490	-	-	3,052,518	252,965	393,555
ERECTION & OFFICE EQUIPMENT	2,753,328	74,050	-	2,827,378	2,285,677	69,851	-	-	2,355,528	471,850	467,651
VEHICLES	1,795,394	-	-	1,795,394	1,421,463	96,811	-	-	1,518,274	277,121	373,932
TOTAL (A)	424,972,281	920,745	-	425,893,025	300,749,891	14,624,525	-	-	315,374,416	110,518,609	124,222,389
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-
TOTAL (B)	-	-	-	-	-	-	-	-	-	-	-
Total (A+B)	424,972,281	920,745	-	425,893,025	300,749,891	14,624,525	-	-	315,374,416	110,518,609	124,222,389
PREVIOUS YEAR	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	124,222,389	-

* AMOUNT AMORTISED AGAINST LEASEHOLD LAND

- Notes :-**
- (a) 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.
- (b) 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.
- (c) Additions to plant & machinery includes capital cost of ₹ 9,57,216/- towards "open power access cabin" for meter reading of power consumption. However, as the same amount is recoverable from its customer the addition has been shown as net of recovery of ₹ 9,57,216/-.

10. Investments

	Non-Current		Current	
	31 st March, 2014	31 st March, 2013	31 st March, 2014	31 st March, 2013
	₹	₹	₹	₹
National Savings Certificate [Out of above NSC lying with Excise department ₹ 50,000/- (Previous year ₹ 50,000/-) and NSC Lying with District Magistrate of ₹ 6,000/- (Previous Year ₹ 6,000/-)]	56,000	56,000	-	-
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, 2014	31 st March, 2013	31 st March, 2014	31 st March, 2013
	₹	₹	₹	₹
Capital Advances				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	32,000	-	-	-
	32,000	-	-	-
Advances recoverable in cash or in kind				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	-	1,600,477	801,483
Considered doubtful	-	-	2,009,199	2,009,431
	-	-	3,609,676	2,810,914
Provision for doubtful advances	-	-	2,009,199	2,009,431
	-	-	1,600,477	801,483
Loans and Advances to Employees				
Unsecured, Considered good	-	-	397,242	185,350
Considered doubtful	81,348	81,945	-	-
	81,348	81,945	397,242	185,350
Less : Provision for doubtful advances	81,348	81,945	-	-
	-	-	397,242	185,350
Pre-paid expenses	254,096	144,643	1,374,995	1,749,092
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	-	-	2,703,672	1,037,342
Deposit with Excise Authorities	-	-	885	885
Advance Income Tax (Net of Provisions)	10,046,218	9,115,284	-	-
VAT / CST Credit Availed	-	-	1,083,742	1,099,108
Sundry Deposits	2,724,876	8,108,580	-	-
Total	13,057,190	17,368,507	7,161,013	4,873,260

	Non-Current		Current	
	31 st March, 2014 ₹	31 st March, 2013 ₹	31 st March, 2014 ₹	31 st March, 2013 ₹
Loans to employee include				
Dues from Directors	-	-	-	-
Dues from Officers	-	-	390,242	180,350
Dues from Workers	-	-	7,000	5,000
Total	-	-	397,242	185,350
12. Trade Receivables				
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	-	-	12,398,127	28,747,944
	-	-	12,398,127	28,747,944
Total	-	-	12,398,127	28,747,944
13. Other Assets				
Unsecured, Considered good (unless stated otherwise)				
Interest accrued on deposit with DGVCL	-	-	361,444	399,294
Interest accrued on deposit with Excise Authorities	3,521	-	-	9,232
Interest accrued on investments	-	-	3,481	1,620
Interest accrued on Margin Money deposit	69,277	-	16,497	25,550
Non current bank balances (Note - 15)	1,948,721	-	-	-
Total	2,021,518	-	381,422	435,696

14. Inventories

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

	31st March, 2014	31 st March, 2013
	₹	₹
Raw Materials (inclusive of stock in trade)	2,040	2,040
Steam Coal	127,378	-
Diesel Oil	181,073	-
Furnace oil	1,531,610	-
Store and spares	2,700,982	2,298,126
Packing Material	526	1,790
Total	4,543,609	2,301,956

15. Cash and bank balances

	Non-Current		Current	
	31st March, 2014	31 st March, 2013	31st March, 2014	31 st March, 2013
	₹	₹	₹	₹
Cash and cash equivalents				
Balances with banks:				
On current accounts	-	-	7,267,964	1,121,486
Cash on hand	-	-	237,552	99,567
	-	-	7,505,516	1,221,053
Other bank balances				
Deposits with original maturity for more than 12 months (Deposit lying with UP Sales Tax,)	73,721	-	-	60,703
Margin money deposits with original maturity for more than 12 months (Margin money to secure Bank Guarantee)	1,875,000	-	-	-
Margin Money deposit with original maturity for more than 3 months but less than 12 months	-	-	1,452,122	1,360,734
	1,948,721	-	1,452,122	1,421,437
Amount disclosed under non-current assets (Note - 13)	1,948,721	-	-	-
	-	-	8,957,637	2,642,489

Margin money deposits given as security / Bank Guarantee:

Margin money deposits with a carrying amount of ₹ 14,52,122/- (Previous year ₹ 13,60,734/-) are to secure non-fund based inland letter of credit and Margin money deposit with a carrying amount of ₹ 18,75,000/- (Previous year ₹ Nil/-) are to secure Bank Guarantee.

	For the year ended 31 st March, 2014 ₹	For the year ended 31 st March, 2013 ₹
16. Revenue from operations		
Sales of products		
Finished Goods	-	35,892,218
Traded Goods	4,200	3,810,366
Operating Revenue		
Conversion / Job Work Charges Received	302,299,155	247,508,770
Other Operating Revenue		
Scrap sales	-	402,711
Revenue from operations (gross)	302,303,355	287,614,065
Less : Excise Duty #	-	3,948,271
Revenue from operations(net)	302,303,355	283,665,794

Excise duty on sales amounting to ₹Nil/- (31st March, 2013 : ₹39,48,271/-) has been reduced from sales in statement of profit & loss and excise duty on (increase) / decrease in stock amounting to ₹Nil/- (31st March, 2013 : (₹43,151/-)) has been considered as (income) / expense in note 21 of financial statements.

Details of Products Sold

Finished Goods Sold

Sales Rifamycin - B	-	35,892,218
	-	35,892,218

Traded goods sold

Raw Material	4,200	3,810,366
	4,200	3,810,366
	4,200	39,702,584

Operating Revenue

Conversion / Job Work Charges for following products;

Rifamycin-S	302,299,155	247,508,770
	302,299,155	247,508,770

	For the year ended 31 st March, 2014 ₹	For the year ended 31 st March, 2014 ₹
17. Other Income		
Interest income on		
Deposits including margin money	183,559	100,933
Deposits with DGVCL	400,915	443,661
Income Tax Refund	-	283,593
Investment	4,673	4,352
Security deposit	187,606	-
Total (A)	<u>776,753</u>	<u>832,539</u>
Net Gain /Loss on sale of Fixed Assets	-	1,011,386
Other Non -Operating income		
-Excess Provision Written back	59,424	485,065
-Excess Provision for doubtful receivables/advances written back	829	-
-Sundry credit balance written back	6,456	-
-Inurance claim received	152,000	-
-Notice Pay recovery	302,291	161,139
-Scarp Sale	303,330	43,429
-Other	520	85,959
Total (B)	<u>824,850</u>	<u>1,786,978</u>
Total (A + B)	<u>1,601,603</u>	<u>2,619,517</u>
18. Cost of Raw materials and components consumed		
Inventory at the beginning of the year	3,830	2,304,556
Add: Purchases	2,886,455	5,886,570
	<u>2,890,285</u>	<u>8,191,126</u>
Less: Inventory at the end of the year	2,566	3,830
Cost of raw material and components consumed	<u>2,887,719</u>	<u>8,187,296</u>
Details of raw material and components consumed		
RIFA-S	-	6,402,452
Laboratory Consumables and Chemicals	2,392,696	1,032,219
CST Raw Material	-	23,889
Freight on Raw Materials	458,995	707,243
Packing Material Consumed	36,028	21,493
	<u>2,887,719</u>	<u>8,187,296</u>
Raw Materials & Components		
Lova Boronate	2,040	2,040
RIFA-S	-	-
Total	<u>2,040</u>	<u>2,040</u>

	For the year ended 31 st March, 2014 ₹	For the year ended 31 st March, 2013 ₹
19. Increase / (Decrease) in Inventories		
Inventories at the end of the year		
Work in Process	-	-
Finished Goods	-	-
	-	-
Inventories at the beginning of the year		
Work in Process	-	2,128,110
Finished Goods	-	392,272
	-	2,520,382
(Increase)/Decrease in Inventories	-	2,520,382
Details of Purchase of Traded Goods		
Raw Material	-	3,810,366
Packing Material	-	-
	-	3,810,366
Details of Inventory		
Work-in-progress		
RIFA-S	-	-
	-	-
Finished goods		
RIFA-S	-	-
	-	-
20. Employee benefit expenses		
Salary, Wages & Bonus	35,029,961	32,301,714
Company's contribution to Provident and other Funds	1,596,407	1,548,009
Gratuity	366,688	547,292
Staff Welfare Expenses	1,557,389	1,677,247
	38,550,445	36,074,262

Employee benefits expense for the year ended 31st March, 2014 includes amount of ₹ 1,00,000/- towards full & final settlement to two ex-workers who had left the organization long back.

	For the year ended 31 st March, 2014 ₹	For the year ended 31 st March, 2013 ₹
21. Other expenses		
Power charges	105,271,944	99,521,671
Fuel charges	43,767,034	51,480,369
Water charges	4,073,793	3,825,922
Consumption of stores and spare parts	16,599,068	17,752,357
Insurance	1,451,892	1,719,589
Rates and Taxes	1,034,392	952,707
Excise Duty Expense	-	(43,151)
Excise Duty not claimed	-	-
Donation	-	156,000
Legal & Professional Charges	1,875,786	2,382,201
<u>Repairs and Maintenance :</u>		
Building	1,654,990	1,164,926
Plant & Machinery	3,550,586	6,877,500
Others	55,148	183,685
Disposal Charges for removal of waste material *	6,273,353	872,063
Central Effluent Treatment Charges	2,262,531	1,790,544
Drainage Cess Charges	429,703	493,121
Vehicle Expenses	382,140	383,578
Auditor's Remuneration (Refer details below)	446,685	440,000
Job Work charges	-	-
Security Charges	1,328,566	1,245,352
Testing and Analytical Charges	149,828	187,330
Printing & Stationary Expenses	355,537	373,346
Travelling & Conveyance	140,454	126,695
Hire Charges	1,663,695	962,644
Postage & Telegram Charges	66,894	100,705
Telephone & Telex Charges	191,437	204,043
Sundry balances written off	-	200,000
Capital Work in progress written off	-	350,551
Miscellaneous Expenses	2,612,860	2,197,368
Share Issue / reduction expenses	-	189,120
	195,638,316	196,090,236

Note: Hitherto, disposal charges for removal of waste material was being accounted as and when the material was removed from the factory premises however during the year the same is accounted when the said waste material arises during the conversion process. As a result there is an increase in disposal charges by ₹ 23,71,542/- however as the said charges are recovered from the Lupin Limited as conversion charges towards overhead recovery therefore there is no impact on the statement of profit and loss.

	For the year ended 31 st March, 2014 ₹	For the year ended 31 st March, 2013 ₹
Auditor's Remuneration includes		
As Auditor:		
Audit Fee	250,000	250,000
Tax Audit Fee	75,000	75,000
Limited Review	105,000	105,000
Other Services	16,685	10,000
	446,685	440,000
22. Finance costs		
Interest Expense		
Term Loans	3,733,442	4,667,397
Cash Credit	2,367,964	2,797,763
Bank Charges & Other Finance Cost		
- Compensation paid to GIIC towards settlement of Loan*	500,000	-
- Other Finance Cost	249,266	167,545
- Bank Charges	297,579	152,462
	7,148,251	7,785,167
* Refer Note 25		
23. Prior Period Adjustments (Net)		
Income		
Miscellaneous Income	6,490	14,719
Conversion Charges	281,250	-
Employee benefit expenses	41,800	-
Total	329,540	14,719
Expenses		
Central Effluent Treatment Charges	-	491,435
Legal and Professional Charges	70,363	76,615
Job Work Charges	-	31,567
Recruitment Expenses	10,450	-
Repairs & Maintenance Charges	-	1,250
Other Expenses	44,920	18,957
Total	125,733	619,824
Net Balance	(203,807)	605,105

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

24 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:

Particulars	For the year ended	For the year ended
	31 st March, 2014	31 st March, 2013
	₹	₹

The following reflects the profit/(loss) and share data used in the basic and diluted EPS computations :

Net profit / (loss) attributable to Shareholders (₹)	45,259,509	10,697,718
Weighted average number of equity shares issued (Nos.) for basic EPS	14,528,702	14,175,653
Basic earnings per share of ₹5/- each (Previous year ₹5/- each) (in ₹)	3.12	0.75

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

- 25 Pursuant to para 12.9 of Order dated January 12, 2012, the Hon'ble BIFR directed Gujarat Industrial Investment Corporation Ltd. (GIIC Ltd.) to accept principal amount of unsecured loan of ₹26,00,000/- in three equal yearly installments commencing from April 01, 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 upto 31st March 2013, as the GIIC had not communicated for repayment in three equal annual instalments, the same was treated as non-current borrowing. During the year, as per the communication received from GIIC Ltd., the Company has paid an amount of ₹31,00,000/- to GIIC Ltd. as full and final settlement payment towards their unsecured loan of ₹26,00,000/- & ₹5,00,000/- paid as compensation and the same is shown as "Compensation paid to GIIC towards settlement of Loan" under the head "finance cost".

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 ₹15,96,407/- (Previous Year ₹15,48,009/-) 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.

Particulars	31 st March, 2014 In ₹	31 st March, 2013 In ₹
Net Periodic Cost debited to Profit & Loss Account	432,678	509,071
Liability recognised in the Balance Sheet	1,315,108	1,252,112

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, 2014	31 st March, 2013
Discount Rate	9.31%	8.25%
Salary Escalation	5.00%	5.00%
Attrition Rate	2.00%	2.00%

II Table Showing Change in Benefit Obligation

Particulars	Gratuity	
	31 st March, 2014	31 st March, 2013
Projected Benefit Obligations (PBO) at the beginning of the year	2,352,089	1,910,634
Interest Cost	194,047	167,180
Service Cost	292,302	182,451
Benefits paid	(322,759)	(105,837)
Actuarial (gain) / loss on Obligations	(119,661)	197,661
Projected Benefit Obligations (PBO) at the end of the Year	2,396,018	2,352,089

III Table of Recognition of actuarial gains/ losses

Actuarial (gains)/ losses on obligation for the period	(119,661)	197,661
Actuarial (gains) / losses on asset for the period	-	-
Subtotal	(119,661)	197,661
Actuarial (gains) /losses recognised in income & expenses statement	(119,661)	197,661

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

Fair value of Plan Assets		
Present Value of Obligation	(2,396,018)	(2,352,089)
Funded Status	(2,396,018)	(2,352,089)
Unrecognised Actuarial gains (losses)	-	-
Unrecognised Transitional Liability	-	-
Assets / (Liability) Recognised in Balance Sheet	(2,396,018)	(2,352,089)

V Net Periodic Cost

Current Service Cost	292,302	182,451
Interest Cost	194,047	167,180
Expected Return on Plan Assets	-	-
Net Actuarial (gain) loss recognised in the year	(119,661)	197,661
Expenses Recognised in the Income Statement	366,688	547,292

VI Movements in the liability recognised in the Balance Sheet

Opening Net Liability	2,352,089	1,910,634
Expense as above	366,688	547,292
Contributions paid	(322,759)	(105,837)
Closing Net Liability	2,396,018	2,352,089

VII Experience Adjustment

On Plan Liability (Gains) / Losses	83,222	109,813
On Plan Liability (Losses) / Gains	-	-
	83,222	109,813

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. Vividhargi 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, 2014.

Nature of Transactions	Name of Party	Associates/ Enterprises over which directors and/or their relatives has significant influence		Key Management Personnel	
		2013-14	2012-13	2013-14	2012-13
Transactions during the year					
Expense Incurred on behalf of investing party	M/s. Pharmaceutical Business Group (India) Limited	8,900	-	-	-
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 ₹ 5/- each	M/s. Themis Medicare Limited	-	14,643,510	-	-
Share premium of ₹ 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	200,000	20,374,397	-	-
Advance received from customer refunded	M/s. Themis Medicare Limited	23,000,000	13,735,480	-	-
Expense paid / incurred on behalf of M/s. Themis Medicare Limited	M/s. Themis Medicare Limited	7,707,199	935,437	-	-
Job work charges (included under the head prior period adjustments)	M/s. Themis Medicare Limited	-	10,027	-	-
Remuneration (including reimbursement)	Mr. Rajneesh Anand	-	-	2,696,496	2,696,496
Outstanding Balances		31st March, 2014	31 st March, 2013	31st March, 2014	31 st March, 2013
Advance from customers	M/s. Themis Medicare Limited	60,838,775	88,652,418	-	-
Unsecured Loans	M/s. Themis Medicare Limited	35,000,000	35,000,000	-	-
Expense Incurred on behalf of investing party	M/s. Pharmaceutical Business Group (India) Limited	18,500	18,500	-	-
Remuneration payable	Mr. Rajneesh Anand	-	-	170,862	1,368,250

28 Contingent Liabilities

		31 st March, 2014 in ₹	31 st March, 2013 in ₹
Contingent liabilities not provided for in respect of:			
i)	Letter of credit in respect of purchases, outstanding at the year-end	-	325,710
ii)	Income tax under dispute	12,463,599	9,228,729
iii)	Fringe benefit tax under dispute	201,972	201,972
iv)	Disputed Labour Dues	61,028,138	53,773,056
v)	Claim of interest on unsecured Loan from Gujarat Industrial Investment Corporation (GIIC)	-	11,729,277
vi)	Claim against the Company not acknowledged as debts	5,484,301	6,235,519
vii)	Bank Guarantee given by UBI to DGVCL	12,500,000	-

29 Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for ₹2,48,788/- (Previous year ₹ Nil/-).

30 The outstanding balance as at 31st March, 2014, in respect of certain balances of trade receivables, deposits, loans & advances, 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 ₹ 19,45,11,078/- which has resulted in negative net worth of ₹ 5,33,99,635/- as at 31st March, 2014. 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 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 During the year, the Company has made an overhead recovery in respect of job work done in earlier year amounting to ₹ 22,50,000/- which has been included in net sales/income from operations.

35 The Company's 1,45,28,702 Equity Shares of ₹ 5/- each listed on Ahmedabad Stock Exchange Limited (ASEL) are delisted with effect from January 22, 2014.

36 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.

37 Currently, the Company has 15.21% Public shareholding. Hon'ble BIFR vide its order dated November 20, 2013 has allowed the extension of time by 270 days from the date of this order i.e. upto August 17, 2014, subject to "no objection" of SEBI. "Securities and Exchange Board of India" (SEBI) also vide its letter dated April 1, 2014 has extended the time limit of increasing the Company's public shareholding to the minimum 25% as stipulated under rule 19A of the "Securities Contracts (Regulation) Rules, 1957" (SCRR) till August 19, 2014.

38 CIF value of Imports:

Class of Goods	31 st March, 2014 In ₹	31 st March, 2013 In ₹
Material	-	-
Capital Goods	3,26,100	13,99,985
Stores and Spares	-	-
Total	3,26,100	13,99,985

39 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 14, 2014

For and on behalf of the Board of Directors

Dr. Dinesh S. Patel

Chairman

Dr. Sachin D. Patel

Director

Rajneesh Anand

President & CEO

GUJARAT THEMIS BIOSYN LIMITED

CIN : L24230GJ1981PLC004878

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

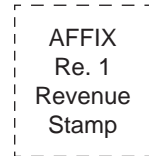
FORM OF PROXY

I/We _____ of _____ being a member / members of GUJARAT THEMIS BIOSYN LIMITED hereby appoint _____ of _____ or failing him/her _____ as my/our proxy to vote for me/us on my/our behalf at the **33rd Annual General Meeting** of the Company scheduled to be held on Monday, the 29th September, 2014 at 12.00 Noon 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 _____ 2014



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

CIN : L24230GJ1981PLC004878

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 **33rd Annual General Meeting** of the Company on Monday, the 29th September, 2014 at 12.00 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 :

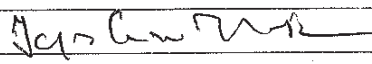


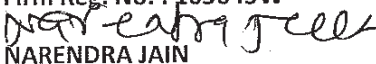



GUJARAT THEMIS BIOSYN LIMITED

69/C, GIDC Industrial Estate,

Vapi-396 195, District-Valsad.

Gujarat State.

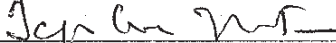

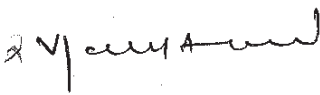

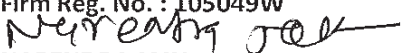
Submission under circular no. CIR/CFD/DIL/7/2012 dated 13th August 2012

1	Name of Company	GUJARAT THEMIS BIOSYN LTD.
2	Annual financial statements for the year ended	31 st March, 2014
3	Type of Audit observation	<p><u>Matter of Emphasis</u></p> <p><i>We draw attention to Note No. 9(b) 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. (Refer Emphasis of Matter in Independent Auditors' Report on Page no. 17 of Annual Report and Note No. 9(b) of the Financial Statements on Page 30 of Annual Report).</i></p> <p>Management Response to qualification in the directors report</p> <p>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 will be carried-out shortly. (Refer Page no. 7 of Annual Report).</p>
4	Frequency of observation	Repetitive since 2008
5	Signed by	
	TAPAS GUHA (Chief Executive Officer)	
	VIJAY AGARWAL (Audit Committee Chairman)	
	<u>Statutory Auditors' of the Company</u> For KHANDELWAL JAIN & CO. Chartered Accountants Firm Reg. No. : 105049W  NARENDRA JAIN (Partner) Membership No. 048725	  

Submission under circular no. CIR/CFD/DIL/7/2012 dated 13th August 2012

1	Name of Company	GUJARAT THEMIS BIOSYN LTD.
2	Annual financial statements for the year ended	31 st March, 2014
3	Type of Audit qualification	Qualified Opinion
4	Frequency of qualification	Point No. 1 Repetitive since 2007 Point No. 2 Repetitive since 2006
5	Draw attention to relevant notes in the Annual Financial Statements and management response to the qualification in the directors report:	<p>Qualification</p> <p><i>Point No.1 : Financial Statements have been prepared on going concern basis in spite of brought forward losses of Rs. 19,45,11,078/-, which has resulted in negative net worth of Rs. 5,33,99,635/- as at March 31, 2014. 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 January 12, 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. Consequential impact thereof on the financial statements is not ascertainable.</i></p> <p><i>(Refer Basis for Qualified Opinion paragraph in Independent Auditors' Report on Page no.16 of Annual Report and Note No. 31 of the Financial Statements on Page 42 of Annual Report).</i></p> <p>Management Response to qualification in the directors report</p> <p>Point No.1: The Board for Industrial and Financial Reconstruction (BIFR) in the hearing held on 12th January, 2012 had approved the Rehabilitation Scheme considering the viability of the Unit. The Company at present is utilizing its production capacity to the maximum level. The company has made profit in the current and previous financial years. 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. (Refer Page no. 7 of Annual Report).</p>



		<p>Qualification</p> <p><i>Point No.2 : The outstanding balances as at March 31, 2014 in respect of certain balances, of trade receivables, deposits, loans & advances, 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. Consequential impact thereof on the financial statements is not ascertainable. (Refer Basis for Qualified Opinion paragraph in Independent Auditors' Report on Page no. 16 of Annual Report and Note No. 30 of the Financial Statements on Page 42 of Annual Report).</i></p> <p>Management Response to qualification in the directors report</p> <p>Point No.2: The company does not foresee any major impact on the accounts of the Company due to non receipt of balance confirmation from the parties as stated in the auditor's report. (Refer Page no. 7 of Annual Report).</p>
6	Additional comments from the board/audit committee chair:	
7	Signed by	 
	TAPAS GUHA (Chief Executive Officer)	
	VIJAY AGARWAL (Audit Committee Chairman)	 
	<p>Statutory Auditors' of the Company For KHANDELWAL JAIN & CO. Chartered Accountants Firm Reg. No. : 105049W  NARENDER JAIN (Partner) Membership No. 048725</p>	