

# Notice to Members

**NOTICE** is hereby given that the 40th Annual General Meeting of the Members of **THEMIS MEDICARE LTD.** will be held at Plot no. 69-A, GIDC Industrial Estate, Vapi-396 195, Dist. Valsad, Gujarat on **Friday, 25th June, 2010** at 10.00 a.m. to transact the following business :

## **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2010 and the Profit & Loss Account for the year ended 31st March 2010 and the Auditors' Report and Directors' Report thereon.
2. To appoint a Director in place of Shri Vijay Agarwal who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Humayun Dhanrajgir who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Shantibhai D. Patel who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint 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.
6. To appoint Branch Auditors in respect of Hyderabad Division operations of the Company 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.
7. To declare a Dividend.

## **SPECIAL BUSINESS:**

8. To consider, and if thought fit, to pass with or without modification, the following resolution as a Special Resolution.:

**“RESOLVED THAT** pursuant to Sections 198, 269, 309, and all other applicable provisions, if any, of the Companies Act, 1956 (the Act), including any statutory modifications or re-enactments thereof, read with Schedule XIII of the said Act, the consent of the Company be and is hereby accorded to the re-appointment of Dr. Dinesh S. Patel as Managing Director & CEO of the Company for a period of 5 years with effect from 29th June, 2010 on a revised remuneration in the range of Rs. 4 lakhs to Rs 8 lakhs per month and on such other terms, conditions and stipulations, as contained in the Agreement entered into between the Company and Dr. Dinesh S. Patel, a copy whereof is placed before the meeting, duly initialed by the Chairman for the purpose of identification.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial years during the period of 5 years from 29th June 2010, the aforesaid remuneration by way of salary, benefits and perquisites as contained in the aforesaid agreement shall be treated as minimum remuneration payable to Dr. Dinesh S. Patel as required under Schedule XIII to the Act.

**RESOLVED FURTHER THAT** consent of the Company be and is hereby also accorded for commission payable to Dr. Dinesh Patel for each financial year as contained in the aforesaid agreement and determined by the Board from time to time and as approved by Remuneration Committee of the Company, as per the limits prescribed under the Act.

**RESOLVED FURTHER THAT** the Board of Directors be and it is hereby authorized to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto.”

9. To consider, and if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

**“RESOLVED THAT** pursuant to Sections 198, 269, 309, and all other applicable provisions, if any, of the Companies Act, 1956 (the Act), including any statutory modifications or re-enactments thereof, read with Schedule XIII of the said Act, the consent of the Company be and is hereby accorded to the re-appointment of Dr. Sachin D. Patel as Deputy Managing Director of the Company for a period of 5 years with effect from 29th June, 2010 on a revised remuneration in the range of Rs 3 lakhs to Rs 6 lakhs and on such other terms, conditions and stipulations, as contained in the Agreement entered into between the Company and Dr. Sachin D. Patel, a copy whereof is placed before the meeting, duly initialed by the Chairman for the purpose of identification.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial years during the period of 5 years from 29th June 2010, the aforesaid remuneration by way of salary, benefits and perquisites as contained in the aforesaid agreement shall be treated as minimum remuneration payable to Dr. Sachin D. Patel as required under Schedule XIII to the Act.

**RESOLVED FURTHER THAT** consent of the Company be and is hereby also accorded for commission payable to Dr. Sachin Patel for each financial year as contained in the aforesaid agreement and determined by the Board from time to time and as approved by Remuneration Committee of the Company, as per the limits prescribed under the Act.

**RESOLVED FURTHER THAT** the Board of Directors be and it is hereby authorized to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto.”

10. To consider, and if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

**“RESOLVED THAT** pursuant to Sections 198, 269, 309, and all other applicable provisions, if any, of the Companies Act, 1956 (the Act), including any statutory modifications or re-enactments thereof, read with Schedule XIII of the said Act, the consent of the Company be and is hereby accorded to the re-appointment of Mrs. Jayshree D. Patel as Whole Time Director of the Company for a period of 5 years with effect from 29th June, 2010 on a revised remuneration of Rs 2 lakhs to Rs 5 lakhs on such other terms, conditions and stipulations, as contained in the Agreement entered into between the Company and Mrs. Jayshree D. Patel, a copy whereof is placed before the meeting, duly initialed by the Chairman for the purpose of identification.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial years during the period of 5 years from 29th June, 2010, the aforesaid remuneration by way of salary, benefits and perquisites as contained in the aforesaid agreement shall be treated as minimum remuneration payable to Mrs. Jayshree D. Patel as required under Schedule XIII to the Act.

**RESOLVED FURTHER THAT** the Board of Directors be and it is hereby authorized to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto.”

By order of the Board of Directors

Mumbai : 27th April 2010  
Regd. Office : Plot no. 69-A, GIDC Industrial Estate,  
Vapi-396 195, Dist. Valsad, (Gujarat)

**Prakash D. Naringrekar**  
CFO & Company Secretary

## 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. 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 18th June, 2010 to 25th June, 2010 (both days inclusive).
4. Dividend if declared at the meeting will be paid to the eligible members whose names appear on the Register of Members on 25th June, 2010 or after that date.
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 Bombay Stock Exchange Limited, Mumbai, and National Stock Exchange of India Limited, Mumbai. The Company has paid listing fees for the year 2010-11 to the above Stock Exchanges.
8. The eligible members of the Company (except members whose shares are forfeited) are hereby informed that unclaimed interim dividend for the Company's accounting year 2002-2003 will be credited to the Central Government's Investors' Education and Protection Fund at appropriate time during the calendar year 2010. Hence, no claim, if any, will be entertained for unclaimed dividend thereafter.

By order of the Board of Directors

Mumbai : 27th April 2010  
Regd. Office : Plot no. 69-A, GIDC Industrial Estate,  
Vapi-396 195, Dist. Valsad, (Gujarat)

**Prakash D. Naringrekar**  
CFO & Company Secretary

# Explanatory Statement Pursuant to Section 173 (2) Of The Companies Act, 1956.

Following are the material facts relating to Item nos. 8 to 10 of the accompanying Notice.

## **Item no. 8**

At the 37th Annual General Meeting of the Company held on 22nd September, 2007, a Special Resolution was passed approving appointment on revised remuneration payable to Dr. Dinesh S. Patel as Managing Director & CEO with effect from 29th June, 2007 for a period of 3 years.

Under the leadership of Dr. Dinesh S. Patel, the Company had recorded considerable growth as well as stability and improvements in the domestic and international markets. The Company has in line with global requirements, developed new research based products and cost-effective processes for both Synthetic as well as Biotech APIs which are well accepted in the market.

The terms of contract of Dr. Dinesh Patel will expire on 28th June, 2010. Hence the Remuneration Committee as well as the Board of Directors of the Company at their meetings held on 27th April, 2010 have passed resolutions for reappointment and revising the remuneration payable to Dr. Dinesh S. Patel.

## **Following is the extract of the terms of contract and revised remuneration payable to Dr. Dinesh S. Patel effective from 29th June 2010 for a period of 5 years :**

1. Salary in the range of Rs. 4 lakhs to Rs 8 lakhs per month.
2. House Rent Allowance calculated @ 60% of his salary or if unfurnished accommodation is provided the same will be subject to the ceiling of 60% of salary over and above 10% payable by him. In case the accommodation is owned by the Company 10% of his salary shall be deducted.
3. Reimbursement of Gas, Electricity, Water and Furnishings as evaluated as per the Income Tax Act and shall be subject to a ceiling of 10% of his salary.
4. Medical Reimbursement :  
Medical Reimbursement for Dr. Dinesh S. Patel and his family subject to the maximum of one month salary in a year or three months salary over a period of 5 years.
5. Leave Travel Concession:  
For self and his family as per the rules of the Company.
6. Reimbursement of Club Fees :  
Subject to a maximum of two clubs.
7. Personal Accident Insurance Premium :  
Not exceeding Rs. 4,000/- p.a.  
"Family means his spouse, dependant children and dependant parents."
8. Encashment of leave at the end of the tenure.

In addition to above, he shall be entitled to the following perquisites :

1. Contribution to Provident Fund, Superannuation Fund or Annuity Fund, if any, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
2. Contribution to Gratuity Trust not exceeding half months salary for each completed years of service.
3. Provision of Car for use on Company's business.
4. Reimbursement of Telephone expenses.

Commission payable as per the provisions of the Companies Act, 1956 and as determined by the Remuneration Committee of the Company.

Dr. Dinesh Patel is interested in the proposed Resolution. None of the Directors except Shri Shantibhai D. Patel, Mrs. Jayshree D. Patel and Dr. Sachin D. Patel, being relatives of Dr. Dinesh S. Patel be treated as concerned or interested in the above resolution.

The disclosure as required u/s 302 of the Companies Act, 1956 is already sent to the members of the Company.

The members are recommended to pass the above resolution.

#### **Item no. 9**

At the Board Meeting of the Company held on 22nd September, 2007, Dr. Sachin D. Patel was appointed as Additional Director of the Company u/s 260 of the Companies Act, 1956. Further he was also appointed as Whole Time Director designated as Director – Business Development.

Dr Sachin Patel is a Bachelor of Science with First Class (Hons.) from University of Sunderland, UK. He is also conferred with Ph.D. degree by the Board of Graduate Studies, University of Cambridge, U.K.

During his tenure, he has made major contribution in development of Company's research, co-marketing and domestic Formulation sales in India as well as development of International market for Active Pharmaceutical Ingredients (API) and formulations. The Company has made reasonable progress by entering its foothold in global markets due to efforts of Dr.Sachin D.Patel.

The terms of contract of Dr.Sachin Patel will expire on 28th June, 2010.Hence, the Remuneration Committee as well as the Board of Directors of the Company at their meetings held on 27th April, 2010 have passed resolutions for appointment on revised remuneration payable to Dr. Sachin D. Patel and also redesignating him as Deputy Managing Director.

#### **Following is the extract of the terms of contract and remuneration payable to Dr. Sachin D Patel effective from 29th June 2010 for a period of 5 years**

1. Salary in the range of Rs. 3 lakhs to Rs 6 lakhs per month.
2. House Rent Allowance calculated @ 60% of his salary or if unfurnished accommodation is provided the same will be subject to the ceiling of 60% of salary over and above 10% payable by him. In case the accommodation is owned by the Company 10% of his salary shall be deducted.
3. Reimbursement of Gas, Electricity, Water and Furnishings as evaluated as per the Income Tax Act and shall be subject to a ceiling of 10% of his salary.
4. Medical Reimbursement :  
Medical Reimbursement for Dr. Sachin D. Patel and his family subject to the maximum of one month salary in a year or three months salary over a period of 5 years.
5. Leave Travel Concession for self and his family as per the rules of the Company.
6. Reimbursement of Club Fees : Subject to a maximum of two clubs.
7. Personal Accident Insurance Premium: Not exceeding Rs. 4,000/- p.a.  
"Family means his spouse, dependant children and dependant parents."
8. Encashment of leave at the end of the tenure.

In addition to above, he shall be entitled to the following perquisites:

1. Contribution to Provident Fund, Superannuation Fund or Annuity Fund, if any, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
2. Contribution to Gratuity Trust not exceeding half months salary for each completed years of service.
3. Provision of Car for use on Company's business.

Commission payable as per the provisions of the Companies Act, 1956 and as determined by the Remuneration Committee of the Company.

Dr. Sachin Patel is interested in the proposed Resolution. None of the Directors except Shri Shantibhai D. Patel, Dr. Dinesh S. Patel and Mrs. Jayshree D. Patel, being relatives of Dr. Sachin D. Patel be treated as concerned or interested in the above resolution.

The disclosure as required u/s 302 of the Companies Act, 1956 is already sent to the members of the Company.

The members are recommended to pass the above resolution.

**Item no. 10**

Mrs. Jayshree D. Patel was appointed as Whole Time Director for a period of 3 years which was approved by the members at the Annual General Meeting held on 22nd September, 2007.

During the tenure of Mrs. Jayshree D. Patel, the Company was able to control its financial liquidity in reasonable and feasible manner. She has made a valuable contribution to regulate the financial affairs of the company.

The terms of contract of Mrs. Jayshree D. Patel will expire on 28th June, 2010. Hence, looking at the efforts made by her, the Remuneration Committee as well as the Board of Directors of the Company at their meetings held on 27th April, 2010 have passed resolution for reappointment of and revision in remuneration payable to Mrs. Jayshree D. Patel.

**Following is the extract of the terms of contract and remuneration payable to Mrs. Jayshree D. Patel effective from 29th June 2010 for a period of 5 years**

1. Salary in the range of Rs 2 lakhs to Rs 5 lakhs per month.
2. House Rent Allowance calculated @ 60% of her salary or if unfurnished accommodation is provided the same will be subject to the ceiling of 60% of salary over and above 10% payable by her. In case the accommodation is owned by the Company 10% of her salary shall be deducted.
3. Reimbursement of Gas, Electricity, Water and Furnishings as evaluated as per the Income Tax Act and shall be subject to a ceiling of 10% of her salary.
4. Medical Reimbursement :  
Medical Reimbursement for Mrs. Jayshree D. Patel and her family subject to the maximum of one month salary in a year or three months salary over a period of 5 years.
5. Leave Travel Concession for self and her family as per the rules of the Company.
6. Reimbursement of Club Fees : Subject to a maximum of two clubs.
7. Personal Accident Insurance Premium : Not exceeding Rs. 4,000/- p.a.  
"Family means her spouse, dependant children and dependant parents."
8. Encashment of leave at the end of the tenure.

In addition to above, she shall be entitled to the following perquisites :

1. Contribution to Provident Fund, Superannuation Fund or Annuity Fund, if any, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
2. Contribution to Gratuity Trust not exceeding half months salary for each completed years of service.
3. Provision of Car for use on Company's business.
4. Reimbursement of Telephone expenses.

Mrs. Jayshree Patel is interested in the proposed Resolution. None of the Directors except Shri Shantibhai D. Patel, Dr. Dinesh S. Patel and Dr. Sachin D. Patel, being relatives of Mrs. Jayshree D. Patel be treated as concerned or interested in the above resolution.

The disclosure as required u/s 302 of the Companies Act, 1956 is already sent to the members of the Company.

The members are recommended to pass the above resolution.



**A Statement as required to be given to the shareholders in terms of Schedule XIII to the Companies Act, 1956 for the purpose of Special Business of the Notice under item nos. 8,9 and 10 is given below :**

**I. GENERAL INFORMATION**

- (1) Nature of industry : Pharmaceuticals
- (2) Date or expected date of commencement of production commercial production. : The Company is already in commercial production
- (3) In case of new Companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. : N. A.

- (4) Financial performance based on given indicators:

(Rs. in lacs)

|                          | 2007-08  | 2008-09   | 2009-10  |
|--------------------------|----------|-----------|----------|
| <b>Total Income</b>      | 22216.56 | 20594.46  | 21672.57 |
| <b>Profit before Tax</b> | 1170.30  | (937.31)  | 1789.42  |
| <b>Profit after Tax</b>  | 1095.89  | (1038.37) | 1866.50  |

- (5) Export performance and net foreign exchange collaborations :

(Rs. in lacs)

|                            | 2007-08 | 2008-09 | 2009-10 |
|----------------------------|---------|---------|---------|
| <b>FOB Value of Export</b> | 8817.13 | 7373.99 | 7318.86 |

- (6) Foreign investments or collaborations if any - N.A.

**I. INFORMATION ABOUT THE APPOINTEE**

|                       | <b>Dr. Dinesh S. Patel</b>  | <b>Dr. Sachin D. Patel</b>   | <b>Mrs. Jayshree D. Patel</b>  |
|-----------------------|---|--|--|
| 1. Background details | Doctorate in Medicinal Chemistry, more than 35 years experience in Medicinal and pharmaceutical research, Fermentation Technology & exploitation of new molecules Associated with the Company as Managing / Whole Time Director for last more than 20 years | Conferred with Ph.D. degree in Chemistry by the Board of Graduate Studies, University of Cambridge, U. K. in the year 2000. Already associated with Company as Whole Time Director designated as Director- Business Development since last 3 years and prior to that held senior managerial position in the Company. | B.A. (Hons.) with Psychology. Actively associated with the day to day affairs of the Group for past 26 years. Managing Director of erstwhile Artemis Biotech Ltd. for 7 years which is now merged with the Company. Prior to that more than 15 years Managing Director of two group private limited Companies. |
| 2. Past remuneration  | Salary Rs. 4,00,000/- per month plus HRA @ 60% of Salary. Other perquisites & benefits in accordance with Schedule XIII to the Companies Act,1956   | Salary Rs. 2,50,000/- per month plus HRA @ 60% of Salary. Other perquisites & benefits in accordance with Schedule XIII to the Companies Act,1956  | Salary Rs. 2,00,000/- per month plus HRA @ 60% of Salary. Other perquisites & benefits in accordance with Schedule XIII to the Companies Act, 1956.  |

|   | <b>Dr. Dinesh S. Patel</b>  | <b>Dr. Sachin D. Patel</b>   | <b>Mrs. Jayshree D. Patel</b>   |
|---|---|--|---|
| 3. Recognition or awards  | Past President of Indian Drug Manufacturers Association (IDMA), Past Executive Committee Member of Indian Merchant Chamber, Advisor to Central Drug Research Institute.   | The Royal Society of Chemistry Price in Analytical Chemistry in the year 1995.<br>-Glaxo Wellcome Price in Organic Chemistry in the year 1995. Nehru Hinduja Fellowship in the year 2000.  | NIL   |
| 4. Job profile and its suitability  | At present Managing Director & CEO of the Company. Has also held the position of Chief Executive / Executive Director in the Company since 1983. Responsible for overall management of the Company.   | To oversee the Company's affairs in the area of Research activities, co-marketing arrangements for research based products, strengthening Company's marketing activities of formulation products in India as well as new business developments in India and abroad for Active Pharmaceutical Ingredients and formulations. | Being Managing Director of erstwhile Artemis Biotech Ltd., she has experience of overall pharma Industry operations. As a Whole Time Director, she is actively involved in day to day affairs of the Company such as financial and administrative operations. |
| 5. Remuneration proposed  | Salary in the range of Rs.4,00,000 – Rs 8,00,000/- per month plus HRA @ 60% of Salary. Other perquisites & benefits in accordance with Schedule XIII to the Companies Act,1956. Commission payable as per the provisions of the Companies Act,1956. | Salary in the range of Rs. 3,00,000 – Rs 6,00,000/- per month plus HRA @ 60% of Salary. Other perquisites & benefits in accordance with Schedule XIII to the Companies Act,1956. Commission payable as per the provisions of the Companies Act,1956.   | Salary in the range of Rs. 2,00,000 – Rs 5,00,000/- per month plus HRA @ 60% of Salary. Other perquisites & benefits in accordance with Schedule XIII to the Companies Act,1956   |
| 6. Comparative remuneration profile with respect to industry, size of the Company, profile of position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) | The remuneration is reasonable when compared to size of the Company, profile of the position and person, as well as with respect to the industry.   | The remuneration is reasonable when compared to size of the Company, profile of the position and person, as well as with respect to the industry.  | The remuneration is reasonable when compared to size of the Company, profile of the position and person, as well as with respect to the industry.   |
| 7. Pecuniary relationship directly or indirectly with the Company, or Relationship with the managerial Personnel, if any.   | He is a shareholder from the promoter group. Relative of the Chairman - Emeritus as well as other Whole Time Directors of the Company.  | He is a shareholder from the promoter group. Relative of the Chairman - Emeritus as well as other Whole Time Directors of the Company.   | She is a shareholder from the promoter group. Relative of the Chairman – Emeritus as well as other Whole Time Directors of the Company.   |



### III. OTHER INFORMATION

- (1) Reasons of loss or inadequate profits
- (2) Steps taken or proposed to be taken for improvement
- (3) Expected increase in productivity and profits in measurable terms.

After recording loss in the year 2008-09 due to economic slowdown which the world has witnessed, the Company has recorded profit in the year 2009-10 and barring the unforeseen circumstances expects to maintain reasonable productivity and profitability in line with turnover in the years to come.

### IV. DISCLOSURE

The disclosure on remuneration package payable to the managerial person is given above as well as detailed under the head “Corporate Governance” in this report.