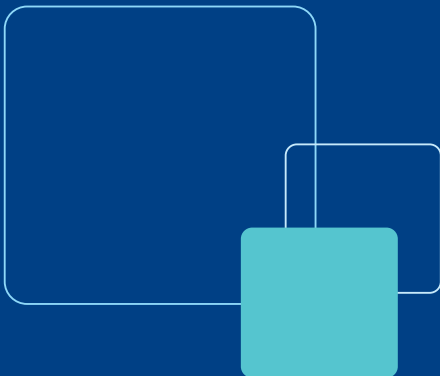




# FOR DEDICATED CARE...

## OVER 70 YEARS



ANNUAL REPORT  
2011-2012

## FORWARD LOOKING STATEMENTS

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This report may contain certain statements that might be considered forward looking. These statements are subject to certain risks and uncertainties, since they are based on certain assumptions and expectations of future events. Actual results may differ materially from those expressed in the statement. The Company cannot guarantee that these assumptions and expectations are accurate and will be realised. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information and events.

## INVESTORS' INFORMATION

---

1. Date of annual general meeting                      Friday, August 17, 2012
2. Venue and time    WelcomHotel Rama International  
R-3, Chikalthana, Aurangabad 431 210  
at 10.00 a.m.
3. Book closure    August 08, 2012 to August 17, 2012  
(both days inclusive)
4. Dividend    Recommended final dividend of Rs. 2.00 (200%) per equity share
5. Investors' complaints may be addressed to                      The Secretarial Department  
FDC Limited  
142-48, Swami Vivekananda Road  
Jogeshwari (West), Mumbai 400 102  
Tel.: (022) 2678 2656 , 3071 9100  
Fax.: (022) 2678 8123  
E-mail ID.: investors@fdcindia.com  
Website: www.fdcindia.com
6. The Notice and the Postal Ballot Form is being simultaneously mailed separately to the shareholder's.

**FDC Limited**

Regd. Office: B-8, M.I.D.C. Industrial Estate, Waluj Dist., Aurangabad 431 136

R&D, Training Centre and Corp. Office: 142-48, Swami Vivekananda Road, Jogeshwari (West), Mumbai 400 102

**Anand L. Chandavarkar** (1905-1959)

Founder

**Ramdass A. Chandavarkar** (1933-2001)

Chairman Emeritus

**DIRECTORS**

Mr. Mohan A. Chandavarkar  
(Chairman and Managing Director)

Mr. Ashok A. Chandavarkar

Mr. Nandan M. Chandavarkar  
(Joint Managing Director)

Mr. Ameya A. Chandavarkar

CA Girish C. Sharedalal

Dr. Satish S. Ugrankar

Dr. Rahim H. Muljiani

Dr. Nagam H. Athreya

Mr. Vinod G. Yennemadi (additional director w.e.f. June 08, 2012)

**COMPANY SECRETARY**

Ms. Shalini Kamath

**AUDITORS**

M/s. S.R. Batliboi & Associates, Mumbai (upto this AGM)

**REGISTRAR & SHARE TRANSFER AGENTS \***

Sharex Dynamic (India) Pvt. Ltd.  
Unit-1, Luthra Industrial Premises, Andheri Kurla Road  
Safed Pool, Andheri (East), Mumbai 400 072  
Tel.: (022) 2851 5606, 2851 5644  
Fax.: (022) 2851 2885  
E-mail ID.: sharexindia@vsnl.com

**PLANTS**

Roha, Raigad, Maharashtra  
Waluj, Aurangabad, Maharashtra  
Sinnar, Nashik, Maharashtra  
Goa (Plants I, II & III)  
Baddi, Himachal Pradesh

\* Kindly correspond directly with the registrar & share transfer agents regarding share transfers and share related matters.

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## DIRECTORS' REPORT

Your directors are pleased to present their report on the business and operations of your Company for the year ended March 31, 2012.

### 1. FINANCIAL RESULTS

	2011-2012 Rupees in lacs	2010-2011 Rupees in lacs
<b>Revenue from operations (Net)</b>	<b>69,924.16</b>	70,036.26
Other income	2,782.00	2,783.78
<b>Profit (before finance costs and depreciation / amortisation)</b>	<b>18,954.99</b>	19,119.35
Finance costs	132.35	133.98
Depreciation and amortisation	1,805.00	1,698.54
<b>Profit before tax</b>	<b>17,017.64</b>	17,286.83
<b>Less: Taxation</b>		
- Current tax	3,450.00	3,450.00
- Deferred tax	328.15	120.38
- MAT credit entitlement	-	(1,330.00)
- Tax adjustments for earlier years (current tax)	(29.56)	171.86
<b>Profit after tax</b>	<b>13,269.05</b>	14,874.59
Balance of profit from prior years	28,430.05	20,842.48
Surplus available for appropriation	<u>41,699.10</u>	<u>35,717.07</u>
<b>Appropriations:</b>		
Transfer to general reserve	3,000.00	3,000.00
Final dividend proposed	3,658.41	3,688.63
Tax on dividend	593.48	598.39
Reversal of excess provision of dividend	(12.79)	-
Balance carried to Balance Sheet	<u>34,460.00</u>	28,430.05
	<u>41,699.10</u>	<u>35,717.07</u>

Previous year's figures have been re-grouped/re-classified, wherever necessary to conform to this year's classification.

### 2. DIVIDEND

Your Board of Directors recommend a final dividend of Rs.2 (200%) per equity share of Re.1 each for the financial year 2011-2012. The same, if declared at this annual general meeting will be paid to those shareholders, whose names stand registered in the register of members as on August 17, 2012. This dividend is tax free in the hands of the shareholders.

### 3. BUYBACK OF EQUITY SHARES

Your Company concluded the ongoing buyback of its fully paid-up equity shares of Re.1 each, on January 25, 2012. During the said period, the Company has bought back 3,358,102 equity shares of Re.1 each and the total outlay for the buyback was Rs.3,251.48 lacs. All the equity shares bought back in the buyback offer have been extinguished as on January 31, 2012.

As a continuing effort towards providing liquidity to shareholders, the Board of Directors at its meeting held on May 26, 2012, have approved the buyback of its fully paid-up equity shares of Re.1 each upto a quantity not exceeding 6,250,000 (Maximum Offer Shares) at a price not exceeding Rs.110 per equity share (Maximum Offer Price). The board has earmarked a maximum limit of Rs.5,000 lacs (Maximum Offer Size) for the buyback which is less than 25% of the existing paid-up equity share capital and free reserves. The said buyback will be made through open market operations on the stock exchanges and will be subject to the approval of the shareholders through the postal ballot, the results of which will be announced at the ensuing annual general meeting.

### 4. BUSINESS REVIEW

The Indian Pharmaceutical Market (IPM) is destined to be one of the fastest growing Industry. It has been the front runner in a wide range of specialties involving complex drugs manufacture, development and technology. The IPM is on the threshold of becoming a major global market by 2020. The IPM grew by 16% to touch the market size of Rs.62,904.12 crores, during the year ended March 2012. Around 2,638 products were introduced during the year (Source: AIOCD AWACS).

The key drivers have been increase in household income level, increase in lifestyle related diseases, growing population, improving healthcare infrastructure/

delivery systems and rising penetration in smaller towns and rural areas, have contributed to the long term growth of the Industry.

The life style segments such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers have continued to be lucrative and fast growing owing to increased urbanisation and changing lifestyle patterns. After the anti-diabetic segment, the cardiac segment is considered to be the 2nd largest in the chronic therapy which has a CAGR of 19%. This is further boosted due to the rise in affluent consumers demanding innovative drugs for the treatment of chronic illness associated with their changing life styles. High growth in domestic sales in the future will depend on the growing chronic disease segment.

A large untapped opportunity is seen in the rural markets. However, these markets have their own share of challenges like awareness, modern health care facilities, affordability and investments in infrastructure. The MNC's too are augmenting their portfolio in these rural areas. Even though challenges are manifold to penetrate in these markets, host of opportunities are available which can be achieved by adopting untraditional methods like tying up with Government organisations, insurance, diagnostic providers, NGOs, increasing patient awareness and literacy campaigns.

The IPM is adopting various strategies for their R&D efforts like entering into collaboration and partnership agreements with innovator companies and out-licensing their molecules for milestone payments.

Over the last five years focus, investments are seen in the emerging markets namely China, India, Brazil and Russia. Due to India's demographics, rising income levels and changing attitude towards health and lifestyle, India will increasingly become an important market.

Mergers & Acquisitions, collaborations and in-licensing will continue to see significant activities, mainly due to expert technical staff, excellent infrastructure in terms of clinical trial laboratories, contract manufacturing and readily available world class accredited state of the art manufacturing facilities in India.

The new price control policy is still pending review by the Government. Compulsory licensing, patent oppositions and litigations, increasing regulatory requirements and compliances, infrastructure development and menace of counterfeit drugs are seen as major hurdles in the Industry.

Against the above market background, we give below a brief review of various functions of your Company:

**a. Marketing:**

Your Company registered a market growth of 3.2% in the financial year April 2011 to March 2012. Your Company is ranked at 26th position, attaining a market share of 1.20% (Source: AIOCD AWACS March 2012).

Your Company does not find this performance satisfactory. However, following steps have been taken to improve the performance:

- i. Online reporting system is under implementation in the field to monitor the work carried out in the field.
- ii. Web based online sales information system is introduced to enable the managers to follow-up on sales growth and targets on day to day basis.
- iii. Appraisal systems at field have been improvised to reward good performance and identify the areas of improvement.
- iv. Training of field has been intensified to improve the performance, particularly of 1st and 2nd line managers. This is expected to reduce the impact of attrition in territories under the managers.
- v. Incentive and salary levels in the field are substantially revised to reduce attrition, considering current opportunities in the industry.
- vi. Territory rationalisation and introduction of specialised marketing field force is on cards to avail various opportunities.
- vii. Number of new innovative products are in the R&D pipeline.
- viii. Your Company is in the process of finalising innovative products for in-licensing.

The above steps are expected to yield results over a period of time.

**b. Financial Performance:**

Your Company's sales & profit stagnated due to attrition in the field and increased employees' cost respectively. The treasury income has been moderate due to fluctuating markets. The Company continues its

efforts to improve the performance through operational efficiencies and incremental business. Cost controls across all levels of functions are a continuous and ongoing exercise. The Company's internal control procedures commensurate to the extent and nature of its operations.

**c. Exports:**

The annual export turnover for the year ended March 31, 2012 was Rs.8,682.93 lacs with a growth of 24% as compared to year ended March 31, 2011 which stood at Rs.7,019.10 lacs. Although FDC continues to supply APIs worldwide to its esteemed customers, the improved export performance resulted from sales of finished dosage forms mainly Ophthalmic & ORS range to UK, USA & Latin America and support of various international NGOs.

The Company's manufacturing facilities of Ophthalmic/liquids/powders and tablet dosage forms at Waluj and Goa are approved by international authorities namely US FDA and UK MHRA respectively. In view of the Company's core capabilities, number of opportunities in European and US markets are opening up, for out-licensing of dossiers/ANDA's/DMF/COS.

In view of emerging economic markets in CIS countries, your Company is exploring a business alliance for marketing its various products.

**5. RESEARCH & DEVELOPMENT**

**a. Formulations:**

Your Company as reported earlier has launched products in the various therapeutic areas. The Company has developed formulations as collaboration projects with overseas Companies and the dossiers of products have been submitted for registration. Cost reduction exercise was completed on products which would result in cost savings besides being environmental friendly and solvent free process.

The Company has developed novel drug delivery technologies and patents for Gastro retention dosage form, multilayer tablets, floating suspensions and matrix system were filed during the current year.

**b. Synthetics:**

Your Company's main focus is on the development of cost-effective processes for generic APIs, based on patent expiry. Process development and improvement for the existing range of products such as dorzolamide, brimonidine tartrate, fluconazole and famciclovir was undertaken during the year. Non-infringing route for the synthesis of fluconazole was developed and successfully transferred to Roha. QP audit and WHO GMP inspection was performed for latanoprost manufacturing facility at Jogeshwari, Mumbai and the WHO GMP certificate was received.

In collaboration with National Chemical Laboratory, Pune, New Chemical Entities with antifungal activity have been developed. Few of those have shown promising results and are in the process of patenting.

During the year, your Company has filed 4 Patents and 5 Patents have been granted for dorzolamide, duloxetine and NCE Series. Two new DCP's were submitted for Ophthalmic products.

**c. Nutraceuticals:**

Your Company's reputed energy drink, "Enerzal" powder was introduced in attractive zip-pack pouch. During the year, the Company has also launched Simyl MCT and Prosoyal with milk fat. The formulation of Simyl MCT and Prosoyal has been certified by BIS (Bureau of Indian Standards).

After the successful launch of its infant milk substitute, MUM-MUM 1, your Company is in the process of launching MUM-MUM 2, a specially developed infant milk substitute for infants between six months to one year taking into account the nutritional needs of the infants.

The Company has successfully completed ISO 22000:2005, re-certification audit and HACCP surveillance audit for Roha plant.

**d. Biotechnology:**

As reported to you earlier, with regard to the license technology agreement signed by your Company with an Israel based company, for production and purification of recombinant protein licensed to FDC, five consistency batch data dossier alongwith animal toxicity studies protocol was submitted to the Department of

Biotechnology (DBT). DBT has granted permission to conduct preclinical toxicity studies of FDC's recombinant product. The results of the efficacy studies are found to be promising and are in consonance with the international standard samples.

On completion of the toxicity trials, the entire pre-clinical study data shall be submitted to DBT for evaluation. Once the permission is granted, FDC will be proceeding with human clinical trials.

## 6. PERSONNEL

The overall industrial and employee relations remained healthy. Information as per section 217(2A) of the Companies Act, 1956, read with Companies (Statement of Particulars of Employees) Rules, 1975, forms a part of this report. However, as per the provisions of section 219(1)(b)(iv) of the said Act, this report and the accounts are being sent to all shareholders excluding the particulars of employees under section 217(2A). Any shareholder interested in obtaining a copy of the statement may write to the secretarial department at the corporate office of the Company.

## 7. SOCIAL RESPONSIBILITIES

In discharge of its social obligations, your Company regularly contributes to trusts formed for charitable purposes. FDC also assists several organisations in medical camps conducted all over the Country.

## 8. DIRECTORS

Mr. Vinod G. Yennemadi is appointed as an additional director of the Company w.e.f. June 08, 2012, to hold office until the ensuing annual general meeting, at which he shall be eligible for appointment as a director retiring by rotation. As required under section 257 of the Companies Act, 1956, the Company has received notice from a member signifying his intention to propose Mr. Vinod G. Yennemadi for the office of director along with a deposit of Rs. 500 with the notice. In accordance with article 60 of the articles of association and the relevant provisions of the Companies Act, 1956, CA Girish C. Sharedalal and Mr. Ashok A. Chandavarkar, retire by rotation at the ensuing annual general meeting and being eligible, offer themselves for re-appointment.

## 9. DIRECTORS' RESPONSIBILITY STATEMENT

Your directors confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed;
- b. 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 for the financial year ended March 31, 2012 and of the statement of profit and loss for that period;
- c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors have prepared the annual accounts on a going concern basis.

## 10. CORPORATE GOVERNANCE

As required by the existing clause 49 of the listing agreements entered into with the stock exchanges, a separate report on corporate governance is given as a part of the annual report alongwith the auditors' statement on its compliance.

## 11. AUDITORS

The existing statutory auditors of the Company, M/s. S.R. Batliboi & Associates, Chartered Accountants, Mumbai, have communicated to the Company their unwillingness to be re-appointed as the statutory auditors of the Company and hence are not offering themselves for re-appointment in the ensuing annual general meeting.

The Company has received a special notice under the provisions of section 225 of the Companies Act, 1956, proposing the appointment of M/s. S.R. Batliboi & Co., Chartered Accountants, as the statutory auditors of the Company in place of the retiring auditors. The Company has also received a certificate pursuant to section 224(1B) of the Companies Act, 1956, from M/s. S.R. Batliboi & Co., certifying their eligibility for appointment as statutory auditors of the Company.



**12. COST AUDITORS**

The directors have appointed Shri. Prakash A. Sevekari, Cost Auditor, to conduct the cost audit of bulk drugs and formulations for the financial year ending March 31, 2013. The requisite applications for approval of his appointment has already been submitted to the Central Government by this date.

**13. PUBLIC DEPOSITS**

During the year under review, the Company has not accepted any fixed deposits.

**14. PARTICULARS OF SUBSIDIARIES AND ITS OPERATIONS**

Based on valuation of independent valuers, the Board of Directors, at its meeting held on October 15, 2011, had resolved to purchase 100% equity shares of Anand Synthochem Limited (ASL), a related, unlisted Public Company, from its erstwhile shareholders, for a total consideration of Rs.644.58 lacs (including a loan of Rs.38.42 lacs), thereby making ASL, a Wholly Owned Subsidiary(WOS) of FDC Limited w.e.f. October 17, 2011. Though ASL does not have any substantial operations, it owns a property at Dombivali, Maharashtra, admeasuring 81,855 sq.ft. which FDC proposes to use for its business operations. ASL has reported a loss of Rs. 2.09 lacs (The loss is during the period October 17, 2011 to March 31, 2012).

Your Company's WOS at USA, namely FDC Inc., reported a loss of USD 1,440 (i.e. Profit of Rs.5.28 lacs on account of exchange gain on currency translation).

Your Company's WOS at UK, namely FDC International Ltd., has reported a profit of £ 230,946 (Rs.196.76 lacs).

Your Company's joint venture business at South Africa namely Fair Deal Corporation Pharmaceutical SA (Pty) Ltd., reported a profit of ZAR 229,912 (Rs.20.94 lacs).

As per the directions of the Central Government vide its general notification dated February 08, 2011, the financial data of the subsidiaries is disclosed in the annual report in compliance with the said circular.

Also, as directed by the Central Government, annual accounts of the subsidiaries and the related detailed information will be made available to the holding and subsidiary company investors, on request and the same is available for inspection by the members at the registered office of the Company, between 10.00 a.m. to 12.00 noon on all days except Friday and holidays, till this annual general meeting and will also be placed before the said meeting.

Any shareholder interested in obtaining a copy of the annual accounts of the subsidiary companies may write to the secretarial department at the corporate office of the Company. The annual accounts of the individual subsidiary companies are also available on the Company's website - [www.fdcindia.com](http://www.fdcindia.com).

**15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

The information pursuant to section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed as Annexure A to this report.

**16. ACKNOWLEDGMENTS**

Your Directors take this opportunity to place on record their gratitude for the continued support and co-operation extended to the Company by the medical fraternity, trade, Government agencies, financial institutions, investors, bankers, consumers and employees.

For and on behalf of the board

Place: Mumbai  
Date : June 08, 2012

**MOHAN A. CHANDAVARKAR**  
Chairman and Managing Director

**ANNEXURE A**

Information pursuant to the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, forming part of the report of the directors for the year ended March 31, 2012.

**A. CONSERVATION OF ENERGY****a. Energy conservation measures undertaken at various plants**

- Upgradation of boiler steam line header to minimize the steam condensation losses and to improve the steam quality at user end.
- Variable Frequency Drives provided for production department, HVAC with auto pressure control.
- Installation of class 1 efficiency motors for all new equipments.
- Electronically commuted motor/blowers installed for HVAC application in air handling units.
- Setting of condensate recovery system for better utilization of steam condensate, to avoid its drain.
- Sealing of entire ducting joints with FRP, resulting into energy saving and unloading of chiller.

**b. Proposals for energy conservation**

- Installation of energy efficient air conditioners.
- Setting up of centrifuge filtration system for furnace oil, thereby ensuring better combustion and energy savings.
- Installation of solar photovoltaic modules in phases at energy intensive plants for power generation.

**c. Impact of the measures of (a) and (b)**

The adoption of energy conservation measures of the type indicated above has resulted in significant savings.

**d. Total energy consumption and energy consumption per unit of production as per Form A**

Since pharmaceutical production comprises of wide variety of products, each requiring different compositions and mix, the compilation of consumption per unit of production is not feasible.

**Form A****Form for disclosure of particulars with respect to conservation of energy****A. Power and fuel consumption**

	2011-2012	2010-2011
<b>1. Electricity</b>		
<b>a. Purchased unit (kwh)</b>	<b>15,479,512</b>	15,464,652
Total amount (Rs.)	<b>94,776,109</b>	93,743,815
Rate/unit (Rs.)	<b>6.12</b>	6.06
<b>b. Own Generation</b>		
<b>i. Through diesel generator unit (kwh)</b>	<b>661,017</b>	964,908
Unit per litre of diesel oil (Rs.)	<b>3.27</b>	3.32
Cost/unit (Rs.)	<b>13.22</b>	11.70
<b>ii. Through steam turbine/generator</b>	<b>NA</b>	NA
<b>2. Coal</b>	<b>NA</b>	NA
<b>3. Furnace Oil</b>		
Quantity (Kilo litre)	<b>362</b>	342
Total cost (Rs.)	<b>15,970,504</b>	10,977,900
Rate/unit (Rs.)	<b>44.12</b>	32.10
<b>4. Bagasse</b>		
Quantity (Kgs)	<b>2,743,973</b>	2,107,383
Total Cost (Rs.)	<b>13,590,957</b>	9,631,262
Rate/unit (Rs.)	<b>4.95</b>	4.57
<b>5. Others/Internal Generation</b>	<b>NA</b>	NA

**B. TECHNOLOGY ABSORPTION****FORM B****Form for disclosure of particulars with respect to absorption of Research & Development (R&D)****1. Specific areas in which R&D is carried out by the Company**

- Development of Generic APIs and their intermediates.
- Development of recombinant DNA based biotherapeutics such as colony stimulating factor and third generation thrombolytics.
- Development of cell based assays for testing new chemical entities for anti-cancer activities.
- Development processes to synthesize enantio pure drugs.

- Process development and improvement for the existing range of products such as dorzolamide, brimonidine tartrate, fluconazole and famciclovir.
- Synthesis of new chemical entities and lead compounds.

**2. Benefits derived as a result of the R&D activities**

- Cost and time reduction.
- Improvement in quality and yield.
- Environment friendly coating system for products.
- Improved in-house assay for new chemical entities and formulated ophthalmic products.

**3. Future plan of action**

- Animal Toxicity trails of our recombinant cytokine followed by human clinical trails for our recombinant protein.
- Cell culture related projects such as testing of new chemicals entities for anticancer activity.
- Develop and launch novel drug delivery systems for different molecules.
- Improvement in stability and quality of products.
- Development of APIs based on patent expiry.
- To file process and product patents.
- Design economically viable sequences for manufacturing APIs with local as well as export potential.

**4. Expenditure on R&D**

	2011-2012 Rupees in lacs	2010-2011 Rupees in lacs
a. Capital	*443.61	*619.53
b. Recurring	1,599.04	1,461.03
c. Total	<u>2,042.65</u>	<u>2,080.56</u>
d. Total R&D expenditure as a percentage of total turnover	2.88%	2.94%

\*Including C.W.I.P.

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

**1. Effort in brief, made towards technology absorption, adaptation and innovation**

- Bio-availability enhancement of poorly soluble drugs by using technologies like solid dispersion, colloidal dispersion.
- Formulation strategies for NCEs to reduce failure of NCE molecules in drug development pipelines.

- Gastro retentive technologies such as floating and bio-adhesion especially for chemotherapeutics, aminoacids and minerals.
- Nanotechnology for better Ophthalmic suspension.
- Innovative and value added immediate release formulation with enhanced stability, safety and efficacy.
- Topical drug delivery for dermal disorders.

**2. Benefits derived as a result of the above efforts**

- Testing of antifungal new chemical entities for anticancer activity.
- Product development and cost competitiveness.

**3. Information regarding imported technology (imported during the last 5 years reckoned from the beginning of the financial year) - None**

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

**1. Activities relating to exports, initiative taken to increase exports, development of new export markets for products and services, and export plans**

FDC's foreign exchange earnings, stood at Rs.8,445.81 lacs for the year 2011-2012 against Rs.6,724.40 lacs in 2010-2011. This was achieved despite the strong US dollar against the Indian Rupee for a major part of the financial year. The Company is continuously exploring possibilities of exporting more of its products to different markets.

**2. Total foreign exchange earnings and outgo**

	2011-2012 Rupees in lacs	2010-2011 Rupees in lacs
a. Earnings	8,445.81	6,724.40
b. Outgo	3,103.82	3,153.38

Previous year's figures have been re-grouped/ re-classified, wherever necessary to conform to this year's classification.

For and on behalf of the board

Place: Mumbai  
Date : June 08, 2012

**MOHAN A. CHANDAVARKAR**  
Chairman and Managing Director

## CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company's philosophy on corporate governance is to carry out its activities and operations in a true and fair manner to achieve transparency, accountability and business prosperity. The board of directors of the Company are committed towards discharging their fiduciary responsibility towards enhancing shareholder's value and interest of all other stake-holders.

### 2. BOARD OF DIRECTORS

#### a. Composition of board of directors and category of individual directors

Name of the director	Category
Mr. Mohan A. Chandavarkar	Promoters and Executive Directors
Mr. Ashok A. Chandavarkar	
Mr. Nandan M. Chandavarkar	
Mr. Ameya A. Chandavarkar	
CA Girish C. Sharedalal	Independent and Non Executive Directors
Dr. Satish S. Ugrankar	
Dr. Rahim H. Muljiani	
Dr. Nagam H. Atthreya	
Mr. Vinod G. Yennemadi *	

\* Appointed as an additional director of the Company w.e.f. June 08, 2012.

#### b. Attendance at the board meetings and last Annual General Meeting ('AGM')

During the year under review, six board meetings were held on May 26, 2011, August 06, 2011, September 20, 2011, October 15, 2011, November 01, 2011 and January 31, 2012. The last AGM of the Company was held on September 24, 2011.

The gap between any two meetings did not exceed four months.

Attendance of each director at board meetings and last AGM

Name of the director	No. of board meetings attended	Attendance at the last AGM
Mr. Mohan A. Chandavarkar	6	Present
Mr. Ashok A. Chandavarkar	5	Absent
Mr. Nandan M. Chandavarkar	5	Present
Mr. Ameya A. Chandavarkar	6	Present
CA Girish C. Sharedalal	6	Present
Dr. Satish S. Ugrankar	6	Present
Dr. Rahim H. Muljiani	6	Present
Dr. Nagam H. Atthreya	6	Present
Mr. Vinod G. Yennemadi *	NA	NA

\* Appointed as an additional director of the Company w.e.f. June 08, 2012.

#### c. Membership/Chairmanship of other boards and committees thereof

Name of the director	*Number of directorships held in other companies	Other committees	
		Member	Chairman
Mr. Mohan A. Chandavarkar	Nil	Nil	Nil
Mr. Ashok A. Chandavarkar	Nil	Nil	Nil
Mr. Nandan M. Chandavarkar	Nil	Nil	Nil
Mr. Ameya A. Chandavarkar	Nil	Nil	Nil
CA Girish C. Sharedalal	2	1	1
Dr. Satish S. Ugrankar	Nil	Nil	Nil
Dr. Rahim H. Muljiani	Nil	Nil	Nil
Dr. Nagam H. Atthreya	1	1	Nil
Mr. Vinod G. Yennemadi	Nil	Nil	Nil

\* The above listing excludes private & foreign companies.

#### d. Code of Conduct

All board members and the senior management personnel of the Company have affirmed compliance with the code of conduct for the year ended March 31, 2012. The said code is posted on the website of the Company - [www.fdcindia.com](http://www.fdcindia.com).

#### e. Notes on directors seeking appointment/re-appointment

##### i. Mr. Vinod G. Yennemadi

Mr. Yennemadi is a Fellow Member of the Institute of Chartered Accountants in England and Wales and also an Associate Member of Institute of Chartered Accountants in India. Over the two decades of corporate finance experience, he has held several important positions, including finance directorships in various companies, before joining the leading private sector bank at the start-up level, namely HDFC Bank Limited. Taking the role of Country Head, Finance, Taxation, Administration and Secretarial, he was also responsible for setting up the bank's financial subsidiaries. Presently, he is on the board of one of the largest co-operative bank namely The Shamrao Vithal Co-operative Bank Limited and is actively involved as a member of its various board committees.

He is also a member of the audit committee of the Company. He is not a director in any other Company.

Mr. Yennemadi is not related to any member of the board.

**ii. CA Girish C. Sharedalal**

In accordance with article 60 of the articles of association and the relevant provisions of the Companies Act, 1956, CA Girish C. Sharedalal, is liable to retire by rotation at the ensuing AGM. CA Girish C. Sharedalal is a non executive director of the Company, since 1988. He is a Fellow Member of the Institute of Chartered Accountants of India. CA Girish C. Sharedalal is also the Chairman of the audit committee of the Company. He has vast professional experience in the field of accounts, finance, audit and taxation. He holds directorship in Companies namely, Stovec Industries Limited and Kotak Mahindra Trustee Company Limited and is also the Chairman of the audit committee of Kotak Mahindra Trustee Company Limited.

CA Girish C. Sharedalal is not related to any member of the board.

**iii. Mr. Ashok A. Chandavarkar**

In accordance with article 60 of the articles of association and the relevant provisions of the Companies Act, 1956, Mr. Ashok A. Chandavarkar, is liable to retire by rotation at the ensuing AGM. Mr. Ashok A. Chandavarkar is an executive director of the Company since 1987. He is a bachelor of engineering and is actively involved in the day-to-day operations of the Company. His professional knowledge and vast experience will be of immense benefit to the Company. He is not the chairman or member of any committee of any other Company.

Mr. Ashok A. Chandavarkar, Mr. Ameya A. Chandavarkar, Mr. Mohan A. Chandavarkar and Mr. Nandan M. Chandavarkar are related to each other and are not related to any other member of the board.

**3. AUDIT COMMITTEE**

**a. Brief description of terms of reference**

The terms of reference of this committee covers the matters specified under section 292A of the Companies Act, 1956 and also the matters listed under the listing agreement with the stock exchanges. The committee, comprising of financially literate members, is responsible for effective supervision of the financial operations and ensuring that financial, accounting activities and operating controls are exercised as per the laid down policies and procedures. The financial results of every quarter are reviewed by the committee before being placed before the board of directors for its approval. The Company has set up an internal audit team, which reviews the functions and operations of the Company and submits its report to the audit committee. The statutory auditors are regular invitees to the audit committee meetings.

**b. Constitution of the Committee**

The committee comprises of four independent non executive directors and one executive director. The said committee functions under the chairmanship of CA Girish C. Sharedalal, who is a chartered accountant by profession and has considerable accounting and financial management expertise. Dr. Rahim H. Muljiani, Dr. Nagam H. Atthreya, Mr. Vinod G. Yennemadi (w.e.f. June 08, 2012) and Mr. Mohan A. Chandavarkar (w.e.f. June 08, 2012) are the other members of the committee, who are financially literate. Ms. Shalini Kamath acts as the secretary to the committee. During the year under review, five audit committee meetings were held on May 26, 2011, August 06, 2011, September 19, 2011, November 01, 2011 and January 31, 2012.

The attendance of members at the meetings was as follows:

<b>Name of the member attended</b>	<b>Status</b>	<b>No. of meetings</b>
CA Girish C. Sharedalal	Chairman	5
Dr. Rahim H. Muljiani	Member	5
Dr. Nagam H. Atthreya	Member	5
Mr. Vinod G. Yennemadi *	Member	NA
Mr. Mohan A. Chandavarkar*	Member	NA

\* Appointed as members of the committee w.e.f. June 08, 2012.

#### 4. REMUNERATION TO DIRECTORS

##### a. Details of remuneration paid to wholetime directors for the year under review:

Name of the director	Salaries (Rs.)	Perquisites (Rs.)	Benefits (Rs.)	Commission (Rs.)
Mr. Mohan A. Chandavarkar	3,705,600	-	625,320	8,317,828
Mr. Ashok A. Chandavarkar	3,115,200	30,697	525,690	6,654,262
Mr. Nandan M. Chandavarkar	3,888,000	145,254	656,100	6,654,262
Mr. Ameya A. Chandavarkar	3,016,000	36,698	508,950	4,158,914

The agreement with wholetime directors is for a period of five years.

The remuneration to the wholetime directors is paid in terms of Schedule XIII of the Companies Act, 1956 and is duly approved by the shareholders.

##### b. Details of remuneration paid to non executive directors for the year under review:

Name of the director	Commission (Rs.)	Sitting fees (Rs.)	Audit committee fees (Rs.)
#CA Girish C. Sharedalal	1,247,674	90,000	100,000
Dr. Satish S Ugrankar	200,000	90,000	NA
#Dr. Rahim H. Muljiani	200,000	90,000	100,000
#Dr. Nagam H. Atthreya	200,000	90,000	100,000
#Mr. Vinod G. Yennemadi	NA	NA	NA

##### # Members of the audit committee

The remuneration paid to the non executive directors comprises of sitting fees and commission. The sitting fees paid to the non executive directors in respect of the meetings of the board and the audit committee attended by them is within the maximum limit set out under the Companies Act, 1956. The directors' sitting fees and commission are made in accordance with industry norms and subject to the overall ceilings imposed by the Companies Act, 1956 and applicable statutes, if any.

##### c. Details of shareholding of non executive directors in the Company

Name of the Director	No. of shares
CA Girish C. Sharedalal	10,000
Dr. Satish S Ugrankar	477,490
Dr. Rahim H. Muljiani	4,000
Dr. Nagam H. Atthreya	Nil
Mr. Vinod G. Yennemadi	13,975

#### 5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

##### a. Composition of the Committee

The Committee functions under the chairmanship of Dr. Rahim H. Muljiani, a non executive, independent director. Mr. Mohan A. Chandavarkar and Mr. Ashok A. Chandavarkar are the other members of the committee. During the year, the committee met once on March 31, 2012. All the members of the committee attended the above meeting.

##### b. Name and designation of the compliance officer

Ms. Shalini Kamath  
Company Secretary

##### c. Number of complaints received and resolved

During the year under review, the Company received forty six complaints from shareholders/investors. All the complaints have been resolved to the satisfaction of the shareholders. There were no applications for transfers pending as on March 31, 2012. In order to expedite the process of transfers of shares, the board has delegated the power to approve share transfers to the share transfer committee set up by the board of directors.

#### 6. GENERAL BODY MEETINGS

##### a. Location and time of the last three AGMs:

Financial year	Location	Date	Time	No. of special resolutions passed
2008-09	Taj Residency, 8-N-12, CIDCO, Dr. Rafiq Zakaria Marg, Rauza Bagh, Aurangabad 431 003 Maharashtra	August 29, 2009	10.00 a.m.	Two
2009-10	WelcomHotel Rama International R-3, Chikalthana Aurangabad 431 210 Maharashtra	August 21, 2010	10.00 a.m.	Nil
2010-11	WelcomHotel Rama International R-3, Chikalthana Aurangabad 431 210 Maharashtra	September 24, 2011	10.00 a.m.	One

##### b. During the year, there were no resolutions passed by postal ballot.

##### c. At the ensuing Annual General Meeting, the following special resolution is proposed to be passed by postal ballot.

Consent to buyback its fully paid-up equity shares of Re.1 each, not exceeding 6,250,000 (Maximum Offer Shares) at a price not exceeding Rs.110 per equity share (Maximum Offer Price) and upto a maximum limit of Rs.5,000 lacs (Maximum Offer Size) from the open market transactions through stock exchanges.

The procedure for conducting postal ballot by the Company will be carried out as notified in the Companies (passing of the resolution by postal ballot) Rules 2011.

**7. DISCLOSURES**

- a. The Company has not entered into any transaction of material nature with any related party as described under the listing agreement entered into with the stock exchanges that may have potential conflict with the interests of the Company at large.
- b. During the past three years there have been no instances of non compliance by the Company with the requirements of the stock exchanges, Securities and Exchange Board of India ('SEBI') or any other statutory authority on any matter related to capital markets.
- c. Non-mandatory requirements of corporate governance have not been adopted.

**8. MEANS OF COMMUNICATION**

- a. The Company publishes its annual, half yearly and quarterly financial results in the following newspapers:
  - i. Economic Times (English)
  - ii. Maharashtra Times (Marathi)

The above mentioned results are also displayed on the Company's website - www.fdcindia.com. In addition, information like the shareholding pattern, details of persons holding more than 1% of the fully paid-up capital, etc. is also displayed on the Company's website.

- b. The information required under the management discussion and analysis report has been aptly covered under the directors' report.

**9. GENERAL SHAREHOLDER INFORMATION**

**a. Annual General Meeting**

Date : August 17, 2012  
 Time : 10 a.m.  
 Venue : WelcomHotel Rama International  
 R-3, Chikalthana  
 Aurangabad 431 210, Maharashtra

**b. Financial Calendar (tentative)**

Particulars	Date
Unaudited results of the first quarter ending June 30, 2012	Last week of July, 2012
Unaudited results of the second quarter and half year ending September 30, 2012	Last week of October, 2012
Unaudited results of the third quarter and nine months ending December 31, 2012	Last week of January, 2013
Audited results for the year ending March 31, 2013	Last week of May, 2013

**c. Dates of book closure**

August 08, 2012 to August 17, 2012  
 (both days inclusive)

**d. Dividend payment date**

Latest by September 14, 2012

**e. Stock Exchanges where listed**

BSE Limited (BSE)  
 National Stock Exchange of India Limited (NSE)

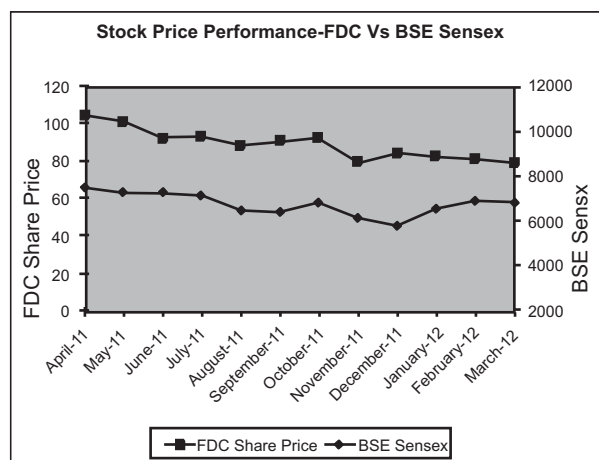
**f. Stock Code: BSE - 531599, NSE – FDC EQ**

**g. Market Price Data**

Month	BSE		NSE	
	High	Low	High	Low
April, 2011	110.90	100.70	111.00	101.05
May, 2011	108.00	99.35	109.90	98.10
June, 2011	102.50	88.55	102.50	91.00
July, 2011	96.50	89.50	96.45	89.50
August, 2011	95.00	84.65	96.00	84.90
September, 2011	91.85	85.65	92.00	85.10
October, 2011	96.90	87.90	103.00	87.65
November, 2011	96.00	76.00	96.25	76.55
December, 2011	85.75	76.55	89.70	76.00
January, 2012	93.75	80.00	95.00	80.50
February, 2012	84.90	76.00	83.55	76.00
March, 2012	86.00	76.00	86.00	76.00

(Source: BSE website/NSE trade statistics)

## h. Performance of the Company's stock in comparison to BSE Sensex



Note: Based on monthly closing price of FDC and monthly closing index point of BSE Sensex.

## i. Registrars & Share Transfer Agents

Sharex Dynamic (India) Pvt. Ltd.  
Unit-1, Luthra Industrial Premises, Andheri Kurla Road  
Safed Pool, Andheri (East), Mumbai – 400 072  
Tel.: (022) 2851 5606, 2851 5644  
Fax.: (022) 2851 2885  
E-mail ID.: sharexindia@vsnl.com

## j. Share Transfer System

The Company has set up a committee of the board of directors known as the share transfer committee, which meets generally once in fifteen days inter-alia for approving the transfer of shares. The formalities for transfer of shares in the physical form are completed and the share certificates are dispatched to the transferee within thirty days of receipt of transfer documents, provided the documents are complete and the shares under transfer are not under dispute. If however, the transfer documents are not in order, objections are communicated to the transferee within thirty days from the date of receipt of the transfer documents.

## k. Shareholding Pattern as on March 31, 2012

Category	No. of Shares	% holding
Promoters & Promoters Group	122,504,656	66.97
Mutual Funds, Banks, Insurance Companies, Venture Capital Funds and Central/ State Govt. Institutions and NRI's	20,156,416	11.02
Foreign Institutional Investors	6,282,608	3.44
Private Corporate Bodies	4,386,545	2.40
Indian Public	29,442,473	16.09
Others	147,729	0.08
<b>Total</b>	<b>182,920,427</b>	<b>100.00</b>

## Distribution of Shareholding as on March 31, 2012

Equity shares of face value of Re. 1 each	Shareholders		Equity shares	
	Number	% of total	Number	% to total
Upto 5,000	25,282	97.65	12,094,967	6.61
5,001 to 10,000	361	1.39	2,655,747	1.45
10,001 to 20,000	104	0.40	1,568,772	0.86
20,001 to 30,000	23	0.09	583,166	0.32
30,001 to 40,000	19	0.07	682,914	0.37
40,001 to 50,000	9	0.03	412,319	0.23
50,001 to 100,000	20	0.08	1,438,283	0.79
Above 100,001	73	0.29	163,484,259	89.37
<b>Total</b>	<b>25,891</b>	<b>100.00</b>	<b>182,920,427</b>	<b>100.00</b>

## I. Dematerialisation of shares and liquidity

The shares of the Company are in the compulsory demat segment and are available in the depository system both in National Security Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). As on March 31, 2012, 176,213,610 shares aggregating to 96.33% of the total number of fully paid-up equity shares having face value of Re.1 each are held by the shareholders in the dematerialised form.

## m. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.

## n. Plant locations

As mentioned on the cover page.

## o. Address for correspondence

Shareholders holding shares in the physical form should address their correspondence to the Company's registrar and share transfer agents at the address as given under (i) above. Shareholders holding shares in the demat form should address their correspondence to their respective depository participants with whom they have their accounts.

For and on behalf of the board

Place: Mumbai  
Date : June 08, 2012

**MOHAN A. CHANDAVARKAR**  
Chairman and Managing Director



**AUDITORS' CERTIFICATE**

**To**  
**The Members of FDC Limited**

We have examined the compliance of conditions of corporate governance by FDC Limited, for year ended on March 31, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

**For S.R. BATLIBOI & ASSOCIATES**  
Firm Registration number: 101049W  
Chartered Accountants

Place : Mumbai  
Date : June 08, 2012

**per AMIT MAJMUDAR**  
Partner  
Membership No.: 36656

## AUDITORS' REPORT

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### Auditors' Report To the Members of FDC Limited

1. We have audited the attached Balance Sheet of FDC Limited ('the Company') as at March 31, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ('the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. 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;
  - iii. The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the balance sheet, statement of profit and loss and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.
  - v. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
    - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
    - b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
    - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For S.R. BATLIBOI & ASSOCIATES**  
Firm Registration No. 101049W  
Chartered Accountants

**per AMIT MAJMUDAR**  
Partner  
Membership No. 36656

Place : Mumbai  
Date : May 26, 2012

**Annexure referred to in paragraph 3 of our report of even date**

Re: FDC Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management in a phased periodical manner as per regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not taken/ granted any loans, secured or unsecured from/ to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(iii) (a) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Act, related to the manufacture of Formulation and Bulk drugs and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (c) According to the information and explanation given to us, there are no dues of income tax, wealth tax, customs duty and cess which have not been deposited on account of any dispute. According to the records of the Company, the dues outstanding of sales-tax, service tax and excise duty on account of any dispute, are as follows:

Name of Statute (Nature of Dues)	Period to which the amount relates	Forum where dispute is pending	* Amount (Rs. in lacs)
Gujarat Sales Tax Act/ Uttar Pradesh Sales Tax Act/ West Bengal Sales Tax Act/ Maharashtra Sales Tax Act (Tax / Penalty/ Interest)	Apr 2002 - Mar 2003	Sales Tax Appellate Tribunal	61.14
	Apr 2003 - Mar 2004	Sales Tax Appellate Tribunal	13.15
	Apr 2006 - Apr 2007	Joint Commissioner (Appeals)	1.78
	Apr 2007 - Mar 2008	Sales Tax Appellate Tribunal	2.00
	Apr 2008 - Mar 2009	Sales Tax Appellate Tribunal	76.67
	Apr 2009 - Mar 2010	Sales Tax Appellate Tribunal	3.37
	Apr 2010 - Mar 2011	Sales Tax Appellate Tribunal	1.28
	<b>(I) Total</b>		<b>159.39</b>
Central Excise Act/ Service Tax (Duty/Penalty / Interest)	Oct 2000 – Nov 2001	Custom Excise & Service tax Appellate Tribunal	55.72
	Nov 2002 – June 2003	Custom Excise & Service tax Appellate Tribunal	32.49
	Dec 2003 - Oct 2004	Custom Excise & Service tax Appellate Tribunal	83.21
	Apr 2004 - Mar 2005	Custom Excise & Service tax Appellate Tribunal	2.16
	Apr 2005 - Sep 2006	Custom Excise & Service tax Appellate Tribunal	28.56
	<b>Sub-total (a)</b>		<b>202.14</b>
	Apr 2000 - Dec 2001	Assistant Commissioner of Central Excise	7.53
	Apr 2005 - Sep 2005	Assistant Commissioner of Service Tax	22.30
	Apr 2007 - Mar 2008	Commissioner of Central Excise (Appeal)	3.50
	<b>Sub-total (b)</b>		<b>33.33</b>
	<b>(II) Total (a+b)</b>		<b>235.47</b>
<b>Total (I + II)</b>		<b>394.86</b>	

\* disclosed as contingent liability in the financial statements.

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, the Company did not have any outstanding dues in respect of a financial institution, bank or debenture holders during the year.
- (xii) Based on our examination of documents and records, we are of the opinion that the Company has maintained adequate records where the Company has 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 Order are not applicable to the Company.

- (xiv) In respect of dealing/ trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised money through public issues during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For S.R. BATLIBOI & ASSOCIATES**

Firm Registration No. 101049W  
Chartered Accountants

**per AMIT MAJMUDAR**

Partner  
Membership No. 36656

Place : Mumbai  
Date : May 26, 2012

## BALANCE SHEET AS AT 31ST MARCH 2012

PARTICULARS	Note No.	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	1,837.06	1,853.56
(b) Reserves and surplus	3	66,966.75	59,359.19
		<b>68,803.81</b>	<b>61,212.75</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	4	145.41	172.68
(b) Deferred tax liabilities (Net)	5	2,839.24	2,511.09
(c) Long-term provisions	6	198.02	220.09
		<b>3,182.67</b>	<b>2,903.86</b>
<b>3 Current liabilities</b>			
(a) Trade payables	7	5,644.65	4,478.56
(b) Other current liabilities	7	2,941.39	2,906.05
(c) Short-term provisions	6	4,539.01	4,642.72
		<b>13,125.05</b>	<b>12,027.33</b>
<b>TOTAL</b>		<b>85,111.53</b>	<b>76,143.94</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	8		
(i) Tangible assets		27,632.43	26,917.82
(ii) Intangible assets		369.73	260.59
(iii) Capital work-in-progress			
Tangible assets		701.31	597.22
Intangible assets		370.59	420.72
(b) Non-current investments	9	10,259.28	1,434.02
(c) Long-term loans and advances	10	1,764.56	1,972.47
(d) Other non-current assets	15	95.86	190.12
		<b>41,193.76</b>	<b>31,792.96</b>
<b>2 Current assets</b>			
(a) Current investments	11	24,392.17	24,885.84
(b) Inventories	12	10,102.53	9,585.35
(c) Trade receivables	13	4,069.17	3,959.56
(d) Cash and bank balances	14	1,342.33	1,604.99
(e) Short-term loans and advances	10	3,510.53	4,187.46
(f) Other current assets	15	501.04	127.78
		<b>43,917.77</b>	<b>44,350.98</b>
<b>TOTAL</b>		<b>85,111.53</b>	<b>76,143.94</b>

**Significant accounting policies**

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

1

2 to 41

As per our report of even date

**For S.R. BATLIBOI & ASSOCIATES**Firm Registration No. 101049W  
Chartered Accountants

For and on behalf of the Board of Directors

**MOHAN A. CHANDAVARKAR**  
Chairman and Managing Director**ASHOK A. CHANDAVARKAR**  
Director**per AMIT MAJMUDAR**Partner  
Membership No. 36656**SHALINI KAMATH**

Company Secretary

Place : Mumbai  
Date : May 26, 2012Place : Mumbai  
Date : May 26, 2012

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	Note No.	2011-2012 Rupees in lacs	2010-2011 Rupees in lacs
I. Revenue from operations (Gross)	16	71,171.95	71,115.94
Less: Excise duty		1,247.79	1,079.68
Revenue from operations (Net)		69,924.16	70,036.26
II. Other income	17	2,782.00	2,783.78
<b>III. Total Revenue (I + II)</b>		<b>72,706.16</b>	<b>72,820.04</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	18	20,193.11	20,213.02
Purchases of stock-in-trade	19	8,848.99	8,929.53
Changes in inventories of finished goods/ stock-in-trade and work-in-progress	20	(1,083.96)	142.90
Employee benefits expense	21	9,827.04	8,490.58
Finance costs	22	132.35	133.98
Depreciation and amortisation expense	8	1,813.02	1,709.59
Less: Transfer from revaluation reserve	3	8.02	11.05
		1,805.00	1,698.54
Other expenses	23	15,965.99	15,924.66
<b>Total expenses</b>		<b>55,688.52</b>	<b>55,533.21</b>
<b>V Profit before tax (III- IV)</b>		<b>17,017.64</b>	<b>17,286.83</b>
<b>VI Tax expense:</b>			
(1) Current tax		3,450.00	3,450.00
(2) Deferred tax		328.15	120.38
(3) MAT credit entitlement		-	(1,330.00)
(4) Tax adjustments for earlier years - Current tax		(29.56)	171.86
<b>Total tax expense</b>		<b>3,748.59</b>	<b>2,412.24</b>
<b>VII Profit for the year (V - VI)</b>		<b>13,269.05</b>	<b>14,874.59</b>
VIII Earnings per equity share:	24		
Par value Re.1 per share (Previous year - Re.1 per share)			
(1) Basic (Rs.)		7.22	7.99
(2) Diluted (Rs.)		7.22	7.99

Significant accounting policies

1

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

2 to 41

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES  
Firm Registration No. 101049W  
Chartered Accountants

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR  
Chairman and Managing Director

ASHOK A. CHANDAVARKAR  
Director

per AMIT MAJMUDAR  
Partner  
Membership No. 36656

SHALINI KAMATH  
Company Secretary

Place : Mumbai  
Date : May 26, 2012

Place : Mumbai  
Date : May 26, 2012

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	2011-2012		2010-2011	
	Rupees in lacs		Rupees in lacs	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>NET PROFIT BEFORE TAXATION</b>		<b>17,017.64</b>		17,286.83
Adjustments for:				
Depreciation and amortisation	<b>1,805.00</b>		1,698.54	
Interest expense	<b>102.93</b>		105.59	
Premium income on Non Convertible Debentures	<b>(128.67)</b>		(77.22)	
Interest income	<b>(721.70)</b>		(489.61)	
Loss on fixed assets sold/ scrapped (net)	<b>77.81</b>		14.14	
Amortisation of premium on Non Convertible Debentures	<b>20.33</b>		59.17	
Dividend income	<b>(629.74)</b>		(926.94)	
Provision for diminution in value of current investments	<b>192.42</b>		617.51	
Profit on sale of investments (net)	<b>(882.89)</b>		(1,005.30)	
Unrealised foreign exchange gain on restatement	<b>(58.28)</b>		(10.17)	
Bad debts written off	<b>-</b>		3.17	
Provision for doubtful debts	<b>9.36</b>		200.87	
Provision for doubtful advances	<b>-</b>		12.27	
Provision for expenses no longer required, written back	<b>(57.91)</b>		(103.13)	
Provision for doubtful debts/ advances no longer required, written back	<b>(14.82)</b>		(8.25)	
Provision for diminution in value of current investments sold, written back	<b>(13.79)</b>	<b>(299.95)</b>	(13.43)	77.21
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>16,717.69</b>		17,364.04
Movements in Working Capital:				
Increase in trade receivables	<b>(77.80)</b>		(622.50)	
Increase in inventories	<b>(517.18)</b>		(688.20)	
Increase in loans & advances and other current assets	<b>(47.42)</b>		(192.10)	
Increase/ (decrease) in trade payables and other current liabilities	<b>1,254.55</b>		(379.76)	
Increase/ (decrease) in provisions	<b>85.92</b>	<b>698.07</b>	(179.14)	(2,061.70)
<b>CASH GENERATED FROM OPERATIONS</b>		<b>17,415.76</b>		15,302.34
Direct taxes paid (net of refunds)		<b>(3,387.01)</b>		(3,434.18)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>		<b>14,028.75</b>		11,868.16
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>				
Purchase of fixed assets, including CWIP and capital advances		<b>(2,926.09)</b>		(2,064.10)
Proceeds from sale of fixed assets		<b>58.60</b>		14.93
Inter-corporate deposits given		<b>(1,000.00)</b>		(3,400.00)
Repayment of inter corporate deposit given		<b>1,900.00</b>		1,000.00
Decrease in fixed and margin deposits		<b>12.24</b>		1.18
Repayment of loan by subsidiary company		<b>-</b>		231.04
Loan given to subsidiary company		<b>(38.42)</b>		-
Purchase of investments in subsidiary		<b>(606.16)</b>		-
Purchase of investments		<b>(54,511.03)</b>		(51,865.28)
Proceeds from sale of investments		<b>45,389.86</b>		51,796.11
Premium paid on Non Convertible Debentures purchase		<b>(58.56)</b>		(84.49)
Dividend received		<b>635.29</b>		925.54
Interest/ premium received		<b>582.42</b>		409.44
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		<b>(10,561.85)</b>		(3,035.63)
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>				
Receipt of capital subsidy		<b>30.00</b>		-
Repayment of deferred sales tax loan		<b>(33.40)</b>		(37.71)
Payment towards buy back of shares		<b>(1,460.87)</b>		(1,790.61)
Dividend paid		<b>(3,677.21)</b>		(3,259.87)
Dividend tax paid		<b>(597.02)</b>		(541.42)
Interest paid		<b>(102.93)</b>		(105.59)
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>		<b>(5,841.43)</b>		(5,735.20)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>		<b>(2,374.53)</b>		3,097.33
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>4,461.86</b>		1,364.53
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>2,087.33</b>		4,461.86
(Refer Note 1 below)				



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

### Notes to the Cash Flow Statement

1. Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise of the following Balance Sheet items:

PARTICULARS	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
Cash on hand	15.94	12.96
Balance with scheduled banks:		
In current accounts	1,235.51	1,485.48
Bank deposits with original maturity for less than 3 months	-	5.56
In unpaid dividend accounts (Refer Note 2 below)	82.06	68.57
Short term investments in mutual funds	800.00	2,900.00
Unrealised foreign exchange loss/ (gain) on restatement of cash and cash equivalents	(46.18)	(10.71)
	<b>2,087.33</b>	4,461.86

2. Rs. 82.06 lacs (Previous year - Rs. 68.57 lacs) in unclaimed dividend accounts are not available for use by the Company as they represent corresponding dividend liabilities.

As per our report of even date

**For S.R. BATLIBOI & ASSOCIATES**

Firm Registration No. 101049W  
Chartered Accountants

For and on behalf of the Board of Directors

**MOHAN A. CHANDAVARKAR**  
Chairman and Managing Director

**ASHOK A. CHANDAVARKAR**  
Director

**per AMIT MAJMUDAR**

Partner  
Membership No. 36656

**SHALINI KAMATH**  
Company Secretary

Place: Mumbai  
Date : May 26, 2012

Place: Mumbai  
Date : May 26, 2012

## 1. SIGNIFICANT ACCOUNTING POLICIES

### a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, except for certain fixed assets, which were revalued on 30th September 1993 (Refer Note No. c below) and in case of assets where a provision is made for impairment losses, on accrual basis and are in accordance with the requirements of the Companies Act, 1956 and comply with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

During the year ended 31st March 2012, the revised schedule VI notified under the Companies Act 1956, has become applicable to the Company, for the preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. The Company has reclassified the previous year's figures to conform to this year's classification.

### b. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles in India requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and the result of operations during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

### c. TANGIBLE FIXED ASSETS

All fixed assets other than revalued assets are stated at cost less accumulated depreciation/ amortisation less impairment losses. Cost comprises of the purchase price and any other directly attributable costs of bringing the assets to its working condition for its intended use. Adjustments arising from exchange rates variances relating to liabilities attributable to fixed assets are taken to the Statement of Profit and Loss.

Leasehold Land, buildings, major items of plant and machinery and research and development equipment at Jogeshwari and Roha were revalued on 30th September 1993 on the basis of the report of an approved valuer. Difference between the book value and the value as per valuer's report amounting to Rs. 730.70 lacs was transferred to Revaluation Reserve during the year ended 31st March 1994. These fixed assets are stated at revalued amounts less accumulated depreciation.

### d. DEPRECIATION/AMORTISATION/IMPAIRMENT

Depreciation on the historical cost of tangible fixed assets is provided on straight line method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.

Depreciation on revalued portion of fixed assets is calculated on straight line method over balance useful life of assets as determined by the valuer and is transferred from Revaluation Reserve to the Statement of Profit and Loss.

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of the money and risks specific to the assets.

After recognition of impairment loss, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

Assets costing less than Rs. 5,000 are depreciated at the rate of hundred per cent.

Leasehold land/ improvements are amortised on a straight line basis over the period of lease ranging from 30 to 99 years.

**e. INTANGIBLE ASSETS***Technical know-how*

Technical know-how which are acquired, are capitalised and amortised over the period of its estimated useful life as estimated by the management on a straight line basis, not exceeding ten years.

*Licenses and Software*

Cost relating to licenses and software, which are acquired, are capitalised and amortised over the period of its estimated useful life as estimated by the management on a straight line basis, not exceeding ten years.

**f. INVESTMENTS**

Investments that are readily realisable and intended to be held for not more than a year from the reporting period are classified as Current Investments. These are valued at lower of cost and fair value (repurchase price or market value) on an individual item basis.

Investments other than current are classified as Non-Current Investments which are valued at cost less provision for diminution in value, other than temporary, if any.

**g. INVENTORIES**

Raw materials and packing materials are valued at lower of cost and net realisable value, cost of which includes duties and taxes (net off CENVAT and VAT, wherever applicable) and is arrived at on weighted average cost basis. Cost of imported raw materials and packing materials lying in bonded warehouse includes customs duty. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished products including stock-in-trade and work-in-progress are valued at lower of cost and net realisable value. Cost is arrived at on weighted average cost basis. Cost of finished products and work-in-progress includes material cost, labour, direct expenses, production overheads and excise duty, where applicable.

**h. REVENUE RECOGNITION**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured

Revenue from sale of goods is recognised when significant risks and rewards of ownership are transferred to customers, which coincides with dispatch of goods to customers. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of the liability arising during the year.

Dividend is recognised when the Company's right to receive the payment is established by the balance sheet date.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Other income is accounted for on accrual basis except where the receipt of income is uncertain.

**i. FOREIGN CURRENCY TRANSLATION/ TRANSACTIONS**

Transactions in foreign currency are recorded at the rates prevailing on the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency outstanding at the year end are restated at the year end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising out of settlement and restatement of foreign exchange monetary items are taken to the Statement of Profit and Loss.

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.

**j. GOVERNMENT GRANTS**

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/ subsidy will be received and all attaching conditions will be complied with.

Government grants received as capital incentives/subsidies are credited to Capital Reserve. Government grants related to revenue is recognised on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

Government grants relating to specific fixed assets are disclosed as deduction from the gross value of the assets concerned.

**k. EMPLOYEE BENEFITS**

Company's contribution to recognised provident fund, family pension fund and superannuation fund is defined contribution plan and is charged to the Statement of Profit and Loss on accrual basis. There are no other obligations other than the contribution payable to the respective trusts.

Contribution to gratuity fund is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

Actuarial gains/ losses are immediately recognised in the Statement of Profit and Loss.

**l. RESEARCH AND DEVELOPMENT**

Revenue expenditure is charged off to Statement of Profit and Loss in the year in which it is incurred.

**m. LEASE ACCOUNTING**

Leases where substantially all the risks and benefits of ownership are retained by the lessor, are classified as operating leases. Operating lease expenses/income is recognised in the Statement of Profit and Loss on a straight line basis over the lease term.

**n. EARNING PER SHARE**

Basic earning per share is computed by dividing the net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is computed by dividing the net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, if any.

**o. ACCOUNTING FOR TAXES ON INCOME**

Tax expense comprises of current and deferred tax. Provision for current tax is made, based on the tax payable under the Income-tax Act, 1961. Deferred tax assets and liabilities from timing differences between taxable income and accounting income is accounted for using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date.

At each balance sheet date, the Company reassesses unrecognised deferred tax assets. Deferred tax assets are recognised only to the extent that there is a reasonable certainty of their realisation. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

MAT credit is recognised as an asset when there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

**p. PROVISIONS AND CONTINGENCIES**

The Company creates a provision when there exist a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**q. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

## 2. Share Capital

	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<b>Authorised Shares</b> 250,000,000 (Previous year - 250,000,000) Equity shares of Re.1 each	<u>2,500.00</u>	<u>2,500.00</u>
<b>Issued shares</b> 186,065,427 (Previous year - 187,714,701) Equity shares of Re.1 each, fully paid-up	<u>1,860.65</u>	<u>1,877.15</u>
<b>Subscribed and Paid-up shares</b> 182,920,427 (Previous year - 184,569,701) Equity shares of Re.1 each, fully paid-up	<u>1,829.20</u>	1,845.70
Add: 3,145,000 (Previous year - 3,145,000) Equity shares forfeited	<u>7.86</u>	7.86
<b>Total</b>	<u>1,837.06</u>	<u>1,853.56</u>

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

	31st March 2012		31st March 2011	
	No. in lacs	Rupees in lacs	No. in lacs	Rupees in lacs
At the beginning of the period	<u>1,845.70</u>	<u>1,845.70</u>	1,862.79	1,862.79
Less: Buy back during the period	<u>16.50</u>	<u>16.50</u>	17.09	17.09
Outstanding at the end of the period	<u>1,829.20</u>	<u>1,829.20</u>	<u>1,845.70</u>	<u>1,845.70</u>

## b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2012, the amount of per share dividend recognised as distributions to equity shareholders was Rs. 2 (Previous year - Rs. 2).

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

## c. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	31st March 2012 No. in lacs	31st March 2011 No. in lacs
Equity shares bought back by the Company	<u>85.41</u>	<u>68.91</u>

In accordance with section 77A, 77AA and 77B of the Companies Act, 1956 and pursuant to the buy back announcement made by the Company on 8th February 2011, the Company has bought back from open market through stock exchanges 1,649,274 equity shares of Re. 1 each during the year for a total consideration of Rs. 1,460.87 lacs. The Company has extinguished all equity shares till 31st January 2012. Consequently, an amount of Rs.16.50 lacs being the nominal value of equity shares bought back has been transferred to Capital Redemption Reserve from General Reserve. An amount of Rs.1,444.37 lacs being the premium on buyback has been appropriated from General Reserve.

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

	31st March 2012		31st March 2011	
	Numbers	% holding in the class	Numbers	% holding in the class
<b>Equity shares of Re. 1 each fully paid</b>				
Meera Ramdas Chandavarkar	21,925,260	11.98	21,925,260	11.88
Transgene Trading and Investment Company Private Limited	17,097,500	9.35	17,097,500	9.26
Sudipta Trading and Investment Company Private Limited	16,365,000	8.95	16,365,000	8.86
Soven Trading and Investment Company Private Limited	16,327,500	8.93	16,327,500	8.84
ICICI Prudential Right Fund	11,569,168	6.33	300,000	0.16
Mohan Anand Chandavarkar	11,222,770	6.14	10,913,020	5.91
Ashok Anand Chandavarkar	10,530,360	5.76	10,530,360	5.70
Sandhya Mohan Chandavarkar	10,483,480	5.73	10,483,480	5.68

As per records of the 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 and surplus

	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<b>Capital reserve</b>		
Opening balance	45.01	45.01
Add: Capital subsidy received during the year	30.00	-
<b>Closing balance</b> (A)	75.01	45.01
<b>Capital redemption reserve</b>		
Opening balance	85.72	68.63
Add: Transfer from general reserve on account of buy back of equity shares (Refer Note No. 2c)	16.50	17.09
<b>Closing balance</b> (B)	102.22	85.72
<b>Securities premium account</b> (C)	72.90	72.90
<b>Revaluation reserve</b>		
Opening balance	73.41	84.46
Less: Transfer to statement of profit and loss as reduction from depreciation	8.02	11.05
<b>Closing balance</b> (D)	65.39	73.41
<b>General reserve</b>		
Opening balance	30,652.10	27,942.71
Less: Premium paid for buy back of equity shares (Refer Note No. 2c)	1,444.37	1,773.52
Less: Transfer to capital redemption reserve account (Refer Note No. 2c)	16.50	17.09
Add: Transfer from surplus balance in the statement of profit and loss	3,000.00	3,000.00
Add: Transfer from fund for diminution in value/ loss on sale of investments	-	1,500.00
<b>Closing balance</b> (E)	32,191.23	30,652.10
<b>Fund for diminution in value/ loss on sale of investments</b>		
Opening balance	-	1,500.00
Less: Transfer to general reserve	-	1,500.00
<b>Closing balance</b> (F)	-	-
<b>Surplus in the statement of profit and loss</b>		
Opening balance	28,430.05	20,842.48
Profit for the year	13,269.05	14,874.59
Add: Reversal of excess provision of dividend	12.79	-
Less: Appropriations		
Proposed final equity dividend [Amount per share Rs. 2 (Previous year - Rs. 2)]	(3,658.41)	(3,688.63)
Tax on proposed equity dividend	(593.48)	(598.39)
Transfer to general reserve	(3,000.00)	(3,000.00)
<b>Net surplus in the statement of profit and loss</b> (G)	34,460.00	28,430.05
<b>Total (A+B+C+D+E+F+G)</b>	66,966.75	59,359.19



4. Long-term borrowings

	Non-current portion		Current maturities	
	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
Deferred sales tax loan (unsecured) (Refer note below)	145.41	172.68	27.28	33.41
Amount disclosed under the head "other current liabilities" (Refer Note No. 7)	-	-	(27.28)	(33.41)
<b>Net amount</b>	<b>145.41</b>	<b>172.68</b>	<b>-</b>	<b>-</b>

Note: Under various schemes of Government of Maharashtra, the Company was entitled to Sales Tax deferral incentives for its units at Waluj and Sinnar. These are repayable in annual installments over a period of 9-11 years commencing after a period of 10-12 years from the year of availment of deferred sales tax loan.

5. Deferred tax liabilities (Net)

	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<b>Deferred tax liability</b>		
Depreciation	3,321.75	3,085.30
<b>Less: Deferred tax asset</b>		
Provision for doubtful debts/ advances	96.12	127.19
Provision for diminution in value of investments	97.90	201.60
Liabilities disallowed under section 43B of IT Act, 1961	249.78	215.43
Expenses disallowed under section 40(a)(ia) of the IT Act, 1961	38.71	29.99
	<b>482.51</b>	<b>574.21</b>
<b>Net deferred tax liability</b>	<b>2,839.24</b>	<b>2,511.09</b>

6. Provisions

	Long-term		Short-term	
	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<b>Provision for employee benefits</b> (Refer Note No. 26)				
Provision for gratuity	-	-	66.29	27.82
Provision for leave benefits	198.02	220.09	141.43	76.35
	<b>198.02</b>	<b>220.09</b>	<b>207.72</b>	<b>104.17</b>
<b>Other provisions</b>				
Provision for tax (net of advances) (Refer note below)	-	-	71.20	247.77
Provision for wealth tax	-	-	8.20	3.76
Proposed equity dividend	-	-	3,658.41	3,688.63
Provision for tax on proposed equity dividend	-	-	593.48	598.39
	<b>-</b>	<b>-</b>	<b>4,331.29</b>	<b>4,538.55</b>
	<b>198.02</b>	<b>220.09</b>	<b>4,539.01</b>	<b>4,642.72</b>

Note: Provision for tax (net of advances) is net of MAT credit set off of Rs. 210 lacs (Previous year - Rs. Nil)

**7. Trade payables and Other current liabilities**

	<b>31st March 2012</b> <b>Rupees in lacs</b>	31st March 2011 Rupees in lacs
Trade payables (Refer Note a below)	<b>5,644.65</b>	4,478.56
<b>Other current liabilities</b>		
Current maturities of long-term borrowings (Refer Note No. 4)	<b>27.28</b>	33.41
Investor Education and Protection Fund (shall be credited as and when due by the following amount)		
Unpaid dividend (Refer Note b below)	<b>82.06</b>	68.57
Advance from customers	<b>54.89</b>	94.69
Sundry deposits	<b>1,083.26</b>	1,106.44
Employee related liabilities	<b>1,151.51</b>	1,051.92
Others (includes dues to directors, statutory dues, rent deposit, trade advances)	<b>542.39</b>	551.02
	<b>2,941.39</b>	2,906.05
	<b>8,586.04</b>	7,384.61

- a. As per the information available with the Company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosure have been made. The Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.
- b. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

8. Fixed assets

Rupees in lacs

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION / IMPAIRMENT				NET BLOCK	
	As at 31st March 2011	Additions	Deletions	As at 31st March 2012	As at 31st March 2011	For the Year	Deletions	As at 31st March 2012	As at 31st March 2012	As at 31st March 2011
<b>TANGIBLE ASSETS</b>										
Leasehold land *	419.16	-	-	419.16	128.55	7.44	-	135.99	283.17	290.61
Leasehold Improvements	5.68	-	-	5.68	5.18	0.41	-	5.59	0.09	0.50
Freehold land **	1,371.43	65.65	-	1,437.08	-	-	-	-	1,437.08	1,371.43
Buildings ***	12,193.02	855.73	13.35	13,035.40	1,911.34	310.72	2.05	2,220.01	10,815.39	10,281.68
Plant and machinery	13,633.07	484.19	45.50	14,071.76	@ 6,567.50	837.40	28.59	@ 7,376.31	6,695.45	7,065.57
Laboratory testing machines	2,300.34	233.92	44.96	2,489.30	563.18	113.46	16.11	660.53	1,828.77	1,737.16
Electrical installations	1,392.19	71.59	8.36	1,455.42	345.71	66.12	1.38	410.45	1,044.97	1,046.48
Furniture, fixtures and fittings	2,355.28	232.79	1.20	2,586.87	769.66	148.72	1.20	917.18	1,669.69	1,585.62
Office equipments	1,597.82	121.38	4.27	1,714.93	329.98	76.82	0.79	406.01	1,308.92	1,267.84
Vehicles	330.84	154.08	62.54	422.38	193.32	33.96	48.62	178.66	243.72	137.52
<b>R&amp;D assets</b>										
Buildings	109.91	-	-	109.91	55.38	3.49	-	58.87	51.04	54.53
Equipments	2,694.13	359.17	93.58	2,959.72	762.42	123.95	38.61	847.76	2,111.96	1,931.71
Furniture and fixtures	191.76	5.45	-	197.21	44.59	10.44	-	55.03	142.18	147.17
<b>Total of Tangible assets (A)</b>	<b>38,594.63</b>	<b>2,583.95</b>	<b>273.76</b>	<b>40,904.82</b>	<b>11,676.81</b>	<b>1,732.93</b>	<b>137.35</b>	<b>13,272.39</b>	<b>27,632.43</b>	<b>26,917.82</b>
Previous year	34,940.91	3,813.06	159.34	38,594.63	10,152.36	1,654.72	130.27	11,676.81	26,917.82	-
<b>INTANGIBLE ASSETS</b>										
Marketing rights	88.52	128.34	-	216.86	1.75	31.85	-	33.60	183.26	86.77
Software	-	60.89	-	60.89	-	1.56	-	1.56	59.33	-
<b>R&amp;D assets</b>										
Technical know how	233.38	-	-	233.38	59.56	46.68	-	106.24	127.14	173.82
<b>Total of Intangible assets (B)</b>	<b>321.90</b>	<b>189.23</b>	<b>-</b>	<b>511.13</b>	<b>61.31</b>	<b>80.09</b>	<b>-</b>	<b>141.40</b>	<b>369.73</b>	<b>260.59</b>
Previous year	233.38	88.52	-	321.90	6.44	54.87	-	61.31	260.59	-
<b>Total (A+B)</b>	<b>38,916.53</b>	<b>2,773.18</b>	<b>273.76</b>	<b>41,415.95</b>	<b>11,738.12</b>	<b>1,813.02</b>	<b>137.35</b>	<b>13,413.79</b>	<b>28,002.16</b>	<b>27,178.41</b>
Previous year	35,174.29	3,901.58	159.34	38,916.53	10,158.80	1,709.59	130.27	11,738.12	27,178.41	597.22
Capital work in progress - Tangible #										420.72
Capital work in progress - Intangible										

\* Includes leasehold land at Delhi which is in the process of being registered in the name of the Company.

\*\* Freehold land of Rs. 640.66 lacs (Previous year - Rs. 640.66 lacs) includes cost of unquoted fully paid shares in various co-operative housing societies.

\*\*\* Building of Rs. 2,970.05 lacs (Previous year - Rs. 2,758.53 lacs) includes cost of unquoted fully paid shares in various co-operative housing societies.

@ Includes impairment of Rs. 49.80 lacs.

# Net of provision for impairment of Rs. 144.79 lacs (Previous year - Rs. 144.79 lacs)

## 9. Non-current investments (At cost)

	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<b>Trade Investments (Unquoted)</b>		
<b>Investments in fully paid-up equity instruments</b>		
<b>In Subsidiaries</b>		
374,085 (Previous year - 374,085) Equity Shares of FDC International Limited, of GBP 0.01 each	0.00	0.00
500 (Previous year - 500) Equity Shares of FDC Inc., of USD 100 each	22.00	22.00
1,740,000 (Previous year - Nil) Equity Shares of Anand Synthochem Limited of Rs.10 each (Refer Note No. 31)	<u>606.16</u>	-
<b>(A)</b>	<b>628.16</b>	<u>22.00</u>
<b>In Joint Venture Entity</b>		
159,250 (Previous year - 159,250) Equity Shares of Fair Deal Corporation Pharmaceutical SA (Pty) Ltd., of ZAR 1 each	<u>11.30</u>	11.30
<b>(B)</b>	<b>11.30</b>	<u>11.30</u>
<b>Sub total (C) = (A+B)</b>	<u><b>639.46</b></u>	<u>33.30</u>
<b>Non Trade Investments (Unquoted unless otherwise stated)</b>		
<b>Investments in Government Securities</b> (Refer note below)		
National Savings Certificates	0.07	0.07
35 (Previous year - 35) Govt. of India G.P. Notes - face value of Rs.2,000	<u>0.02</u>	<u>0.02</u>
<b>(D)</b>	<b>0.09</b>	<u>0.09</u>
<b>Investments in fully paid-up equity instruments</b>		
1,000 (Previous year - 1,000) Equity Shares of The Saraswat Co-op. Bank Ltd. of Rs.10 each fully paid-up	<u>0.10</u>	0.10
5,000 (Previous year - 5,000) Equity Shares of The North Kanara G.S.B. Co-op Bank Ltd. of Rs.10 each fully paid-up	<u>0.50</u>	0.50
100 (Previous year - 100) Shares of Roha Industries Association Sahakari Grahak Bhandar Ltd. of Rs.25 each fully paid-up	<u>0.03</u>	<u>0.03</u>
<b>(E)</b>	<b>0.63</b>	<u>0.63</u>
<b>Investments in mutual funds</b>		
Nil (Previous year - 4,000,000.000) units of Rs.10 each in ICICI Prudential Fixed Maturity Plan - Series 55 - 15 Months Plan A - Cumulative	-	400.00
1999,990.000 (Previous year - Nil) units of Rs.10 each in Kotak Fixed Maturity Plan Series - 80 Growth	<u>200.00</u>	-
<b>(F)</b>	<b>200.00</b>	<u>400.00</u>
<b>Investments in non convertible debentures</b>		
Nil (Previous year - 1) unit of Rs.100,000,000 each in Non-Convertible Secured Debenture of Avantha Holdings Limited	-	1,000.00
4 (Previous year - Nil) units of Rs.2,000,000 each in Non-Convertible Secured Debentures of Future Corporate Resources Limited	<u>80.00</u>	-
<b>(G)</b>	<b>80.00</b>	<u>1,000.00</u>
<b>Investments in bonds</b>		
500 (Previous year - Nil) bonds of Rs.100,000 each in Indian Railway Finance Corporation Limited	<u>500.00</u>	-
290,000 (Previous year - Nil) bonds of Rs.1,000 each in Housing & Urban Development Corporation Limited (quoted)	<u>2,900.00</u>	-
2,700 (Previous year - Nil) bonds of Rs.100,000 each in Housing & Urban Development Corporation Limited	<u>2,700.00</u>	-
1,500 (Previous year - Nil) bonds of Rs.100,000 each in Power Finance Corporation Limited	<u>1,500.00</u>	-
62,653 (Previous year - Nil) bonds of Rs.1,000 each in Power Finance Corporation Limited (quoted)	<u>626.53</u>	-
111,257 (Previous year - Nil) bonds of Rs.1,000 each in National Highways Authority of India (quoted)	<u>1,112.57</u>	-
<b>(H)</b>	<b>9,339.10</b>	<u>-</u>
<b>Sub total (I) = (D+E+F+G+H)</b>	<u><b>9,619.82</b></u>	<u>1,400.72</u>
<b>Total (C + I)</b>	<u><b>10,259.28</b></u>	<u>1,434.02</u>
Aggregate amount of quoted investments [Market value - Rs. 4,573.75 lacs (Previous year - Rs. Nil)]	<b>4,639.10</b>	-
Aggregate amount of unquoted investments	<b>5,620.18</b>	1,434.02

Note: National Savings Certificates of the value of Rs. 0.04 lacs (Previous year - Rs. 0.04 lacs) and Government of India G.P. Notes of the value of Rs. 0.02 lacs (Previous year - Rs. 0.02 lacs) have been lodged with the Excise authorities. National Savings Certificates of Rs. 0.03 lacs (Previous year - Rs. 0.03 lacs) have been lodged with the Sales tax authorities.

10. Loans and advances

	Non-current		Current	
	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<b>Capital advances</b>				
Unsecured, considered good	250.03	151.08	-	-
(A)	<u>250.03</u>	<u>151.08</u>	<u>-</u>	<u>-</u>
<b>Security deposit</b>				
Unsecured, considered good	99.67	97.83	15.82	15.75
Unsecured, considered doubtful	0.53	0.53	4.05	4.05
	<u>100.20</u>	<u>98.36</u>	<u>19.87</u>	<u>19.80</u>
Less: Provision for doubtful security deposit	0.53	0.53	4.05	4.05
(B)	<u>99.67</u>	<u>97.83</u>	<u>15.82</u>	<u>15.75</u>
<b>Loans and advances to related parties</b>				
Unsecured, considered good (Refer Note No. 29)	-	-	277.67	237.35
(C)	<u>-</u>	<u>-</u>	<u>277.67</u>	<u>237.35</u>
<b>Advances recoverable in cash or kind</b>				
Unsecured, considered good (Refer note below)	-	-	475.85	359.88
Unsecured, considered doubtful	-	-	16.53	19.70
	<u>-</u>	<u>-</u>	<u>492.38</u>	<u>379.58</u>
Less: Provision for doubtful advances	-	-	16.53	19.70
(D)	<u>-</u>	<u>-</u>	<u>475.85</u>	<u>359.88</u>
<b>Inter corporate deposits</b>				
Secured, considered good	-	-	500.00	1,900.00
Unsecured, considered good	-	-	1,025.00	525.00
(E)	<u>-</u>	<u>-</u>	<u>1,525.00</u>	<u>2,425.00</u>
<b>Other loans and advances</b>				
Unsecured, considered good				
MAT credit entitlement	1,360.00	1,660.00	300.00	210.00
Prepaid expenses	23.46	30.36	113.00	101.73
Loans/ advances to employees	31.40	33.20	157.10	119.64
Balances with statutory/ government authorities	-	-	646.09	718.11
(F)	<u>1,414.86</u>	<u>1,723.56</u>	<u>1,216.19</u>	<u>1,149.48</u>
<b>Total (A+B+C+D+E+F)</b>	<u>1,764.56</u>	<u>1,972.47</u>	<u>3,510.53</u>	<u>4,187.46</u>

Note: Includes application money for investment in mutual fund of Rs. 300 lacs (Previous year - Rs. Nil), pending allotment.

## 11. Current investments

	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<b>Current Portion of Long Term Investments (At cost) (unquoted)</b>		
<b>Investments in mutual funds</b>		
Nil (Previous year - 3,000,000.000) units of Rs.10 each in Birla Sun Life Fixed Term Plan - Series CK - Dividend Payout	-	300.00
Nil (Previous year - 2,500,000.000) units of Rs.10 each in Birla Sunlife Fixed Term Plan - Series CR - Dividend Payout	-	250.00
Nil (Previous year - 2,000,000.000) units of Rs.10 each in Baroda Pioneer 380 Days Fixed Maturity Plan - Series 1 - Growth	-	200.00
3,000,000.000 (Previous year - Nil) units of Rs.10 each in BNP Paribas Fixed Term Fund Fund - Series 23A - Growth	300.00	-
4,000,000.000 (Previous year - Nil) units of Rs.10 each in DSP Black Rock Fixed Maturity Plan - Series - 32 - 12M - Growth	400.00	-
5,000,000.000 (Previous year - Nil) units of Rs.10 each in DSP Black Rock Fixed Maturity Plan - Series - 34 - 12M - Growth	500.00	-
3,500,000.000 (Previous year - Nil) units of Rs.10 each in DSP BlackRock Fixed Maturity Plan - Series 36 - 12M - Growth	350.00	-
Nil (Previous year - 3,000,000.000) units of Rs.10 each in Fidelity Fixed Maturity Plan Series 5 - Plan E - Growth	-	300.00
3,000,000.000 (Previous year - Nil) units of Rs.10 each in Fidelity Fixed Maturity Plan - Series 6 - Plan C - Growth	300.00	-
3,000,000.000 (Previous year - Nil) units of Rs.10 each in HDFC Fixed Maturity Plan 370D March 2012(1) - Growth	300.00	-
Nil (Previous year - 10,000,000.000) units of Rs.10 each in ICICI Prudential Fixed Maturity Plan - Series 53 - 1 Year Plan D - Dividend Payout	-	1,000.00
Nil (Previous year - 5,000,000.000) units of Rs.10 each in ICICI Prudential Fixed Maturity Plan - Series 53 - 1 Year Plan F - Dividend Payout	-	500.00
Nil (Previous year - 4,000,000.000) units of Rs.10 each in ICICI Prudential Fixed Maturity Plan - Series 55 - 1 Year Plan D - Dividend Payout	-	400.00
Nil (Previous year - 4,000,000.000) units of Rs.10 each in ICICI Prudential Fixed Maturity Plan - Series 56 - 1 Year Plan A - Cumulative	-	400.00
8,000,000.000 (Previous year - Nil) units of Rs.10 each in ICICI Prudential Fixed Maturity Plan - Series 63 - 1 Year Plan C - Cumulative	800.00	-
4,000,000.000 (Previous year - Nil) units of Rs.10 each in ICICI Prudential Fixed Maturity Plan - Series 55 - 15 Months Plan A - Cumulative	400.00	-
Nil (Previous year - 3,000,000.000) units of Rs.10 each in IDFC Fixed Maturity Yearly Series 35 - Dividend Payout	-	300.00
Nil (Previous year - 1,000,000.000) units of Rs.10 each in IDFC Fixed Maturity Plan - Yearly Series 42 - Growth	-	100.00
1,999,990.000 (Previous year - Nil) units of Rs.10 each in IDFC Fixed Maturity Plan - Yearly Series 56 - Growth	200.00	-
5,000,000.000 (Previous year - Nil) units of Rs.10 each in IDFC Fixed Maturity Plan - Yearly Series - 62 - Growth	500.00	-
Nil (Previous year - 3,000,000.000) units of Rs.10 each in Kotak Fixed Maturity Plan - Series 32 - Dividend Payout	-	300.00
Nil (Previous year - 6,000,000.000) units of Rs.10 each in Kotak Fixed Maturity Plan - Series 40 - Growth	-	600.00
Nil (Previous year - 5,000,000.000) units of Rs.10 each in Kotak Fixed Maturity Plan 370 Days - Series 9 - Growth	-	500.58
11,008,613.000 (Previous year - Nil) units of Rs.10 each in Kotak Fixed Maturity Plan Series 72 - Growth	1,100.86	-
3,000,000.000 (Previous year - Nil) units of Rs. 10 each in Kotak Fixed Maturity Plan Series 79 - Growth	300.00	-
8,000,000.000 (Previous year - Nil) units of Rs.10 each in Kotak Fixed Maturity Plan Series - 83 - Growth	800.00	-
4,000,000.000 (Previous year - Nil) units of Rs.10 each in L & T Fixed Maturity Plan -V (February 368D A) - Growth	400.00	-
Nil (Previous year - 5,000,000.000) units of Rs.10 each in Reliance Fixed Horizon Fund - XVI - Series 3 - Dividend Plan	-	500.00
Nil (Previous year - 3,000,000.000) units of Rs.10 each in Reliance Fixed Horizon Fund - XIX - Series 9 - Growth	-	300.00
3,000,000.000 (Previous year - Nil) units of Rs.10 each in Reliance Fixed Horizon Fund - XXI - Series 16 - Growth	300.00	-
5,000,000.000 (Previous year - Nil) units of Rs.10 each in Reliance Fixed Horizon Fund - XXI - Series 6 - Growth	500.00	-
3,000,000.000 (Previous year - Nil) units of Rs.10 each in Reliance Fixed Horizon Fund - XXI - Series 10 - Growth	300.00	-
6,000,000.000 (Previous year - Nil) units of Rs.10 each in Reliance Fixed Horizon Fund - XXI - Series 12 - Growth	600.00	-
3,000,000.000 (Previous year - Nil) units of Rs.10 each in Religare Fixed Maturity Plan Series XII - Plan C (368 Days) - Growth	300.00	-
Nil (Previous year - 6,000,000.000) units of Rs.10 each in Sundaram Fixed Term Plan - Series AR - Dividend Payout	-	600.00
4,000,000.000 (Previous year - Nil) units of Rs.10 each in UTI Fixed Term Income Fund - Series - X - IX(368 Days) - Growth	400.00	-
<b>(A)</b>	<b>9,050.86</b>	<b>6,550.58</b>
<b>Investments in non convertible debentures</b>		
Nil (Previous year - 500) units of Rs.100,000 each in Non-Convertible Secured Debentures of Future Corporate Resources Limited	-	500.00
Nil (Previous year - 60) units of Rs.1,000,000 each in Non-Convertible Secured Debentures of Cedar Infonet Private Limited	-	600.00
1 (Previous year - Nil) unit of Rs.100,000,000 each in Non-Convertible Secured Debenture of Avantha Holdings Limited	750.00	-
<b>(B)</b>	<b>750.00</b>	<b>1,100.00</b>
<b>Sub total (C) = (A+B)</b>	<b>9,800.86</b>	<b>7,650.58</b>
<b>Other Current Investments (valued at lower of cost and fair value)</b>		
<b>Investments in fully paid up equity instruments (quoted)</b>		
Nil (Previous year - 2,000) Equity Shares of Cipla Limited of Rs. 2 each	-	6.42
Nil (Previous year - 7,500) Equity Shares of Ranbaxy Laboratories Limited of Rs. 5 each	-	32.96
<b>(D)</b>	<b>-</b>	<b>39.38</b>
<b>Investments in mutual funds (unquoted)</b>		
23,238.461(Previous year - Nil) units of Rs.1000 each in AIG Short Term Fund Institutional - Growth	300.00	-
25,360.631(Previous year - Nil) units of Rs.100 each in Birla Sun Life Ultra Short fund-Institutional - Growth	300.00	-
5,000,000.000 (Previous year - Nil) units of Rs.10 each in Birla SunLife Quarterly Interval Fund Series - 4 - Dividend Payout	500.00	-
Nil (Previous year - 3,000,000.000) units of Rs.10 each in Birla Sun Life Short Term Fixed Maturity Plan - Series 8 - Dividend Payout	-	300.00
3,000,000.000 (Previous year - Nil) units of Rs.10 each in Baroda Pioneer 90 Days Fixed Maturity Plan Series - 6 - Growth	300.00	-
24,721.647 (Previous year - Nil) units of Rs. 1,000 each in Baroda Pioneer Treasury Advantage Fund Institutional - Growth	300.00	-
Nil (Previous year - 2,000,000.000) units of Rs.10 each in BNP Paribas Fixed Term Fund - Series 21G - Growth	-	200.00
Nil (Previous year - 3,000,000.000) units of Rs.10 each in BNP Paribas Fixed Term Fund - Series 20B - Dividend on Maturity	-	300.00
Nil (Previous year - 3,000,000.000) units of Rs.10 each in BNP Paribas Fixed Term Fund - Series 21A - Calendar Quarterly Dividend	-	300.00
Nil (Previous year - 3,000,000.000) units of Rs.10 each in DSP BlackRock Fixed Maturity Plan - 3M Series 28 - Dividend Payout	-	300.00
Nil (Previous year - 2,500,000.000) units of Rs.10 each in DSP Black Rock - Fixed Maturity Plan - 3M Series 29 - Dividend Payout	-	250.00
1,375,061.878 (Previous year - 1,375,061.878) units of Rs.10 each in DSP Blackrock Small and Midcap Fund - Regular Plan - Dividend	182.21	199.16

	<b>31st March 2012</b> Rupees in lacs	31st March 2011 Rupees in lacs
887,403.814 (Previous year - 887,403.814) units of Rs.10 each in DSP Black Rock Small and Mid Cap Fund - Regular Plan - Growth	150.85	153.09
329,108.737 (Previous year - 329,108.737) units of Rs.10 each in DSP Black Rock India T.I.G.E.R. Fund - Regular Plan - Growth	133.66	148.21
1,676,895.731 (Previous year - Nil) units of Rs.10 each in DSP Black Rock Short Term Fund - Growth	294.89	-
Nil (Previous year - 1,419,752.048) units of Rs.10 each in DWS Insta Cash Plus Fund - Regular Plan - Bonus Option	-	139.39
Nil (Previous year - 1,842,027.067) units of Rs.10 each in HDFC Equity Fund - Dividend Payout	-	881.48
117,140.747 (Previous year - 117,140.747) units of Rs.10 each in HDFC Equity Fund - Growth	306.53	331.83
504,962.841 (Previous year - 504,962.841) units of Rs.10 each in HDFC Top 200 Fund - Dividend Payout	199.60	235.32
Nil (Previous year - 7,367,067.863) units of Rs.10 each in HDFC MF Monthly Income Plan - Short Term - Monthly Dividend Payout	-	818.30
1,501,041.723 (Previous year - 1,501,041.723) units of Rs.10 each in HDFC MidCap Opportunities Fund - Dividend Payout	222.83	226.59
3,780,555.000 (Previous year - Nil) units of Rs.10 each in ICICI Prudential Institutional Short Term Plan - Cumulative Option	799.75	-
4,000,000.000 (Previous year - Nil) units of Rs.10 each in ICICI Prudential Fixed Maturity Plan Series - 62 1Year Plan H Cumulative	400.00	-
Nil (Previous year - 987,291.284) units of Rs.100 each in ICICI Prudential Liquid Fund - Super Institutional Plan - Growth	-	1,400.44
Nil (Previous year - 6,999,160.101) units of Rs.10 each in ICICI Prudential Interval Fund Half Yearly Interval Plan I - Institutional - Dividend Payout	-	700.00
28,328.344 (Previous year - 5,877,224.774 of Rs.10 each) units of Rs.1,000 each in IDBI Ultra Short Term Fund - Growth	296.31	600.00
Nil (Previous year - 3,000,000.000) units of Rs.10 each in IDBI Fixed Maturity Plan - 90 Days Series I (February 2011) A - Dividend Payout	-	300.00
3,000,000.000 (Previous year - Nil) units of Rs.10 each in IDBI Dynamic Bond Fund - Growth	300.00	-
4,562,501.711 (Previous year - Nil) units of Rs.10 each in IDBI Short Term Bond Fund - Growth	500.00	-
3,554,114.954 (Previous year - Nil) units of Rs.10 each in J M Money Manager Fund Super Plan Growth	500.00	-
Nil (Previous year - 4,923,246.586) units of Rs.10 each in Kotak Credit Opportunities Fund - Growth	-	500.00
Nil (Previous year - 5,000,000.000) units of Rs.10 each in Kotak Fixed Maturity Plan - 6M Series 10 - Dividend Payout	-	500.00
Nil (Previous year - 5,998,920.194) units of Rs.10 each in Kotak Quarterly Interval Plan - Series 5 - Dividend Payout	-	600.00
8,510,948.24 (Previous year - Nil) units of Rs.10 each in Kotak Flexi Debt Scheme Institutional - Growth	1,054.94	-
Nil (Previous year - 6,000,000.000) units of Rs.10 each in LIC Nomura MF Interval Fund - Series 1 - Monthly Dividend Plan	-	600.00
3,921,286.536 (Previous year - Nil) units of Rs.10 each in L&T Short Term Debt Fund - Growth	400.00	-
Nil (Previous year - 6,000,000.000) units of Rs.10 each in Principal PNB Fixed Maturity Plan - 91 days - Series XXIV - Regular Growth Plan	-	600.00
Nil (Previous year - 6,263,230.967) units of Rs.10 each in Reliance Monthly Income Plan - Monthly Dividend Payout	-	679.27
462,779.779 (Previous year - 462,779.779) units of Rs.10 each in Reliance Banking Fund - Dividend Payout	158.57	188.45
151,358.777 (Previous year - 151,358.777) units of Rs.10 each in Reliance Banking Fund - Growth	142.79	164.98
1,461,267.284 (Previous year - 1,461,267.284) units of Rs.10 each in Reliance Equity Opportunities Fund - Retail Plan - Dividend Payout	322.09	337.47
Nil (Previous year - 449,146.645) units of Rs.10 each in Reliance Equity Opportunities Fund - Retail Plan - Growth	-	160.43
619,495.780 (Previous year - 1,806,836.825) units of Rs.10 each in Reliance Pharma Fund - Dividend Payout	234.73	674.71
Nil (Previous year - 3,000,000.000) units of Rs.10 each in Reliance Fixed Horizon Fund - XVIII - Series 2 - Dividend Payout	-	300.00
5,196,872.475 (Previous year - Nil) units of Rs.10 each in Reliance Medium Term Fund - Retail Plan - Growth	1,100.00	-
3,170,315.700 (Previous year - Nil) units of Rs.10 each in Reliance Floating Rate Fund - Short Term Plan - Growth	500.00	-
Nil (Previous year - 3,000,000.000) units of Rs.10 each in Religare Fixed Maturity Plan - SeriesV - Plan F(91 days) - Dividend Plan	-	300.00
5,394,737.813 (Previous Year - Nil) units of Rs.10 each in Religare Credit Opportunities Institutional - Growth	625.00	-
1,598,644.350 (Previous year - 1,598,644.350) units of Rs.10 each in Sundaram Financial Services Opportunities Fund - Regular Plan - Dividend Payout	185.33	215.36
941,575.255 (Previous year - 941,575.255) units of Rs.10 each in Sundaram Select Midcap Fund - Dividend Payout	155.71	155.53
Nil (Previous year - 2,500,000.000) units of Rs.10 each in Sundaram Interval Fund - Quarterly Plan E - Retail Dividend	-	250.00
Nil (Previous year - 5,000,000.000) units of Rs.10 each in Sundaram Fixed Term Plan - Series AW - Dividend Payout	-	500.00
Nil (Previous year - 2,000,000.000) units of Rs.10 each in Sundaram Fixed Term Plan - BA 366 Days - Growth	-	200.00
1,033,268.701 (Previous year - Nil) units of Rs.10 each in Sundaram Bond Saver Institutional - Bonus	105.19	-
Nil (Previous year - 4,689,507.695) units of Rs.10 each in Templeton India Income Opportunities Fund - Growth	-	500.00
Nil (Previous year -132,214.249) units of Rs.1,000 each in Templeton India Short Term Income Plan Institutional - Monthly Dividend Reinvestment	-	1,534.18
5,566,172.514 (Previous year - Nil) units of Rs.10 each in Templeton India Low Duration Fund - Growth	606.18	-
26,495.553 (Previous year - Nil) units of Rs.1000 each in Tata Treasury Manager SHIP - Growth	300.00	-
Nil (Previous year - 2,640,508.710) units of Rs.10 each in Franklin Templeton India Monthly Income Plan B - Monthly Dividend Payout	-	301.69
Nil (Previous year - 1,500,000.000) units of Rs.10 each in Taurus MIP Advantage Fund - Dividend Payout	-	150.00
	<b>(E) 11,877.16</b>	<b>17,195.88</b>
<b>Investments in certificate of deposits with scheduled banks (unquoted)</b>		
1,000 (Previous year - Nil) units of Rs.100,000 each in Certificate of Deposit of Canara Bank	906.03	-
1,000 (Previous year - Nil) units of Rs.100,000 each in Certificate of Deposit of Andhra Bank	905.02	-
1,000 (Previous year - Nil) units of Rs.100,000 each in Certificate of Deposit of Punjab & Sivli Bank	903.10	-
	<b>(F) 2,714.15</b>	<b>-</b>
<b>Sub Total (G) = (D+E+F)</b>	<b>14,591.31</b>	<b>17,235.26</b>
<b>Total = (C+G)</b>	<b>24,392.17</b>	<b>24,885.84</b>
Aggregate amount of quoted investments [Market value - Rs. Nil (Previous year - Rs. 39.72 lacs)]	-	39.38
Aggregate amount of unquoted investments	24,392.17	24,846.46
Aggregate provision for diminution in value of current investments	603.39	621.36

12. Inventories (valued at lower of cost and net realizable value)

	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
Raw materials [Including stock in transit Rs. 102.22 lacs (Previous year - Rs. 7.72 lacs)]	1,876.53	2,436.85
Packing materials [Including stock in transit Rs. 10.93 lacs (Previous year - Rs. 44.24)]	491.92	498.38
Work-in-progress	1,239.79	1,167.91
Finished goods/ stock-in-trade	6,494.29	5,482.21
	<b>10,102.53</b>	<b>9,585.35</b>
<b>Details of Work-in-progress</b>		
Formulations	831.56	626.18
Bulk drugs	394.18	517.70
Foods	14.05	24.03
	<b>1,239.79</b>	<b>1,167.91</b>

13. Trade receivables

	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<b>Unsecured, considered good unless stated otherwise</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	48.51	21.04
Doubtful	274.27	366.58
	<b>322.78</b>	<b>387.62</b>
Less: Provision for doubtful receivables	274.27	366.58
	<b>(A) 48.51</b>	<b>21.04</b>
Other receivables		
Unsecured, considered good	4,020.66	3,938.52
	<b>(B) 4,020.66</b>	<b>3,938.52</b>
<b>Total (A + B)</b>	<b>4,069.17</b>	<b>3,959.56</b>

14. Cash and bank balances

	Non-current		Current	
	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<b>Cash and cash equivalents</b>				
Balances with banks:				
On current accounts	-	-	1,235.51	1,485.48
Bank deposits with original maturity for less than 3 months	-	-	-	5.56
On unpaid dividend account	-	-	82.06	68.57
Cash on hand	-	-	15.94	12.96
			<b>1,333.51</b>	<b>1,572.57</b>
Other bank balances				
Bank deposits with original maturity for more than 12 months	6.29	-	-	-
Margin money deposits	35.39	30.32	8.82	32.42
	<b>41.68</b>	<b>30.32</b>	<b>8.82</b>	<b>32.42</b>
Amount disclosed under non-current assets (Refer Note No. 15)	<b>(41.68)</b>	<b>(30.32)</b>	-	-
	<b>-</b>	<b>-</b>	<b>1,342.33</b>	<b>1,604.99</b>



15. Other assets

	Non-current		Current	
	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<b>Unsecured, considered good</b>				
Bank deposits with original maturity for more than 12 months (Refer Note No. 14)	6.29	-	-	-
Margin money deposits (Refer Note No. 14)	35.39	30.32	-	-
Interest/ premium accrued on investments	-	154.04	421.71	4.72
Interest accrued on deposits/ advances given	-	-	56.73	51.54
Unamortised premium on investments	54.18	5.76	9.37	19.56
Others	-	-	13.23	51.96
	<u>95.86</u>	<u>190.12</u>	<u>501.04</u>	<u>127.78</u>

16. Revenue from operations

	2011-2012 Rupees in lacs	2010-2011 Rupees in lacs
Sale of products (Refer Note a below)	70,854.82	70,710.49
Other operating revenue (Refer Note b below)	317.13	405.45
<b>Revenue from operations (Gross)</b>	<b>71,171.95</b>	<b>71,115.94</b>
Less: Excise duty	1,247.79	1,079.68
<b>Revenue from operations (Net)</b>	<b>69,924.16</b>	<b>70,036.26</b>
a. <u>Details of products sold</u>		
Formulations	63,892.79	62,595.94
Bulk drugs	4,123.96	5,306.97
Foods	2,838.07	2,807.58
	<u>70,854.82</u>	<u>70,710.49</u>

b. Other operating revenue consists of export incentives and revenue arising from other ancillary activities.

17. Other income

	2011-2012 Rupees in lacs	2010-2011 Rupees in lacs
<b>Interest income on</b>		
Current investments	16.23	138.48
Long-term investments	248.82	76.58
Others [Includes Rs. Nil (Previous year - Rs. 9.85 lacs) from subsidiaries] (Refer note below)	456.65	274.55
<b>Dividend Income on</b>		
Current investments	371.43	916.12
Long-term investments	258.31	10.82
<b>Net gain on sale of investments</b>		
Current investments	657.16	1,005.30
Long-term investments	225.73	-
<b>Premium on non convertible debentures</b>		
Long-term investments	128.67	77.22
Net exchange gain on foreign currency transactions	206.17	91.68
Provision for diminution in value of current investments sold, written back	13.79	13.43
Other non operating income	199.04	179.60
	<u>2,782.00</u>	<u>2,783.78</u>

Note: Interest on others includes interest on inter corporate deposits, fixed deposits, interest on delayed payments from debtors etc.

**18. Cost of materials consumed**

	<b>2011-2012</b> Rupees in lacs	2010-2011 Rupees in lacs
Inventory at the beginning of the year	2,935.23	2,104.13
Add: Purchases	<u>19,626.33</u>	<u>21,044.12</u>
	<b>22,561.56</b>	23,148.25
Less: Inventory at the end of the year	<u>2,368.45</u>	<u>2,935.23</u>
<b>Cost of materials consumed</b>	<b><u>20,193.11</u></b>	<b><u>20,213.02</u></b>

**Details of materials consumed**

	<b>2011-2012</b> Rupees in lacs	2010-2011 Rupees in lacs
Active Pharma Ingredients	15,395.01	15,689.53
Packing materials	<u>4,798.10</u>	<u>4,523.49</u>
	<b><u>20,193.11</u></b>	<b><u>20,213.02</u></b>

**19. Purchases of stock-in-trade**

	<b>2011-2012</b> Rupees in lacs	2010-2011 Rupees in lacs
Formulations	8,771.96	7,845.26
Bulk drugs	36.48	1,034.46
Foods	<u>40.55</u>	<u>49.81</u>
	<b><u>8,848.99</u></b>	<b><u>8,929.53</u></b>

**20. Changes in inventories**

	<b>31st March 12</b> Rupees in lacs	31st March 11 Rupees in lacs	<b>Increase</b> Rupees in lacs
<b>Inventory at the end of the year</b>			
Finished goods/ stock-in-trade	6,494.29	5,482.21	(1,012.08)
Work-in-progress	<u>1,239.79</u>	<u>1,167.91</u>	<u>(71.88)</u>
	<b><u>7,734.08</u></b>	<b><u>6,650.12</u></b>	<b><u>(1,083.96)</u></b>
<b>Inventory at the beginning of the year</b>			
Finished goods/ stock-in-trade	5,482.21	5,794.67	
Work-in-progress	<u>1,167.91</u>	<u>998.35</u>	
	<b><u>6,650.12</u></b>	<b><u>6,793.02</u></b>	
	<b><u>(1,083.96)</u></b>	<b><u>142.90</u></b>	

**21. Employee benefits expense**

	<b>2011-2012</b> Rupees in lacs	2010-2011 Rupees in lacs
Salaries, wages and bonus	8,557.83	7,283.69
Contribution to provident and other funds (Refer Note No. 26)	916.54	870.49
Staff welfare expenses	<u>352.67</u>	<u>336.40</u>
	<b><u>9,827.04</u></b>	<b><u>8,490.58</u></b>

**22. Finance costs**

	<b>2011-2012</b> Rupees in lacs	2010-2011 Rupees in lacs
Interest (Refer note below)	102.93	105.59
Bank charges	<u>29.42</u>	<u>28.39</u>
	<b><u>132.35</u></b>	<b><u>133.98</u></b>

Note: Interest expenses do not include any interest paid towards fixed loans.

**23. Other expenses**

	<b>2011-2012</b>	2010-2011
	<b>Rupees in lacs</b>	Rupees in lacs
Processing charges	936.22	897.76
Power, fuel and water charges	1,375.23	1,268.28
Pharma miscellaneous expenses	1,090.14	917.20
Repairs and maintenance:		
Building	278.43	289.95
Plant and machinery	382.70	416.35
Other assets	280.42	225.67
Stores and spares	341.20	348.39
Rent (Refer Note No. 30)	47.35	47.80
Rates and taxes	124.32	84.65
Insurance	116.76	90.78
Travelling and conveyance	2,879.67	2,774.91
Communication expenses	131.63	137.33
Carriage, freight and forwarding	1,543.06	1,475.76
Advertisement and sales promotion	3,531.28	3,585.89
Decrease in excise duty on finished products	(0.67)	(0.70)
Sales tax/ Value added tax	81.66	83.22
Commission on sales	387.67	367.14
Auditors' remuneration:		
As Auditors	17.45	13.79
For other services - Certification	3.23	0.55
Directors sitting fees	6.60	2.63
Bad debts written off	90.29	
Less: Transfer from provision for doubtful debts	90.29	3.17
Provision for doubtful debts	9.36	200.87
Provision for doubtful advances	-	12.27
Provision for diminution in value of current investments	192.42	617.51
Amortisation of premium on Non Convertible Debentures	20.33	59.17
Loss on fixed assets sold/ scrapped (net)	77.81	14.14
Donation	25.36	33.06
Miscellaneous expenses	2,086.36	1,957.12
	<b>15,965.99</b>	<b>15,924.66</b>

**24. Earnings per share (EPS)**

	<b>2011-2012</b>	2010-2011
Profit after tax for the year (Rupees in lacs)	13,269.05	14,874.59
Weighted average number of shares *	183,777,875	186,164,954
Nominal value per share (Rupees)	1.00	1.00
Earnings per share - Basic (Rupees)	7.22	7.99
- Diluted (Rupees)	7.22	7.99

\* Weighted average number of shares has been adjusted for the buy back of shares during the year.

**25. Contingent liabilities and commitments (to the extent not provided for):**

<b>Contingent Liabilities</b>	<b>31st March 2012</b>	<b>31st March 2011</b>
	<b>Rupees in lacs</b>	<b>Rupees in lacs</b>
<b>a. Disputed tax matters</b>		
Income tax	10.29	10.29
Excise duty	235.47	128.50
Sales tax	196.52	128.53
<b>b. In respect of guarantees given by banks</b>	<b>154.65</b>	112.31
<b>c. Letter of credit issued by bankers</b>	<b>452.12</b>	241.10
<b>d. Estimated amount of duty payable on export obligation against outstanding advances licenses</b>	<b>4.63</b>	2.55
<b>Commitments</b>		
Estimated amount of capital contracts remaining to be executed and not provided for (net of advances paid)	<b>858.12</b>	973.89

**26. Disclosure of Employee benefits:**

As per Accounting Standard 15 (revised 2005) - "Employee Benefits" the disclosures as defined in the Accounting Standard are given below:

**Defined Contribution Plan**

Contribution to Defined Contribution Plans are recognised as an expense for the year under Contribution to provident and other funds (Refer Note No. 21) as under:-

	<b>2011-2012</b>	<b>2010-2011</b>
	<b>Rupees in lacs</b>	<b>Rupees in lacs</b>
Employer's Contribution to Provident Fund	266.30	229.18
Employer's Contribution to Pension Scheme	238.25	219.29
Employer's Contribution to Superannuation Fund	50.96	71.34

**Defined Benefit Plan**

The employees' gratuity fund scheme managed by trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Rupees in lacs

	Gratuity	
	Funded Plan	
	31st March 2012	31st March 2011
<b>I Change in Benefit Obligation</b>		
Liability at the beginning of the year	730.88	607.25
Interest Cost	58.47	45.54
Current Service Cost	118.64	116.31
Past Service Cost (Vested Benefit)	-	28.80
Benefit Paid	(61.29)	(62.78)
Actuarial (gain)/ loss on obligations	35.97	(4.24)
Liability at the end of the year	882.67	730.88
<b>II Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	703.06	396.41
Expected Return on Plan Assets	56.24	31.71
Contributions	121.00	347.00
Benefit Paid	(61.29)	(62.78)
Actuarial gain/ (loss) on Plan Assets	(2.63)	(9.28)
Fair Value of Plan Assets at the end of the year	816.38	703.06
Total Actuarial gain/ (loss)	(38.60)	(5.04)
<b>III Actual Return on Plan Assets</b>		
Expected Return on Plan Assets	56.24	31.71
Actuarial gain/ (loss) on Plan Assets	(2.63)	(9.28)
Actual Return on Plan Assets	53.61	22.43
<b>IV Amount recognised in the Balance Sheet</b>		
Liability at the end of the year	(882.67)	(730.88)
Fair Value of Plan Assets at the end of the year	816.38	703.06
Amount recognised in the Balance Sheet	(66.29)	(27.82)
<b>V Expenses recognised in the Statement of Profit and Loss</b>		
Current Service Cost	118.64	116.31
Interest Cost	58.47	45.54
Expected Return on Plan Assets	(56.24)	(31.71)
Past Service Cost (Vested Benefit) recognised	-	28.80
Net Actuarial (gain)/ loss	38.60	5.04
Expense recognised in the Statement of Profit and Loss	159.47	163.98
<b>VI Balance Sheet Reconciliation</b>		
Opening Net Liability	27.82	210.84
Expense as above	159.47	163.98
Employers Contribution	(121.00)	(347.00)
Amount recognised in the Balance Sheet	66.29	27.82
<b>VII Investment Details</b>		
Government of India Assets	243.55	192.38
Corporate Bonds	306.34	256.57
State Government	158.59	148.59
Equity	88.80	95.46
Others	19.10	10.06
Total	816.38	703.06
<b>VIII Actuarial Assumptions</b>		
Discount Rate Current	8.00%	8.00%
Rate of Return on Plan Assets Current	8.60%	8.00%
Salary Escalation Current	7.00%	7.00%

**IX Experience Adjustments**

	<b>31st March 2012</b>	31st March 2011	31st March 2010	31st March 2009	31st March 2008
Defined benefit obligation	<b>882.67</b>	730.88	607.25	407.99	363.56
Plan assets	<b>816.38</b>	703.06	396.41	371.17	362.14
Deficit / (Surplus)	<b>66.29</b>	27.82	210.84	36.82	1.42
Net Actuarial (Gain)/ Loss due to Experience adjustments on Plan Liabilities	<b>(103.18)</b>	8.41	(63.99)	1.50	(8.08)
Net Actuarial Gain/ (Loss) due to Experience adjustments on Plan Assets	<b>(2.63)</b>	(9.28)	(19.79)	(12.50)	(8.82)

**X Salary Escalation Rate**

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**XI Basis used to determine Expected Rate of Return on Plan Assets**

The expected rate of return on Plan Assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

**XII** The Company expects to contribute Rs. 162.76 lacs to gratuity in next year (Previous year - Rs. 156.17 lacs).

The liability for leave encashment as at the year end is Rs. 302.42 lacs (Previous year - Rs. 259.75 lacs) and provision for sick leave as at the year end is Rs. 37.03 lacs (Previous year - Rs. 36.69 lacs).

**27. Segment Information:**Primary segment information

The Company is engaged in pharmaceutical business which as per Accounting Standard 17 - "Segment Reporting" is considered the only business segment.

Secondary segment information

The Company's operating divisions are managed from India. The principal geographical areas in which the Company operates are India and others. The country-wise segmentation is not relevant as exports to individual countries are not more than 10% of enterprise revenue.

The information related to secondary segment is as under:

Rupees in lacs

<b>Particulars</b>	<b>India</b>	<b>Others</b>	<b>Total</b>
Segment Revenue (Net)	<b>60,994.27</b> (62,744.63)	<b>8,929.89</b> (7,291.63)	<b>69,924.16</b> (70,036.26)
Carrying amount of assets by location of assets	<b>43,737.69</b> (42,961.80)	<b>2,285.17</b> (1,957.45)	<b>46,022.86*</b> (44,919.25)
Additions to tangible and intangible assets	<b>2,764.47</b> (1,831.87)	<b>62.67</b> (185.24)	<b>2,827.14</b> (2,017.11)

Previous year's figures are shown in brackets.

\*Segments assets include the following:

PARTICULARS	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<u>Fixed Assets</u>		
i) Tangible assets	27,632.43	26,917.82
ii) Intangible assets	369.73	260.59
iii) Capital work-in-progress		
Tangible assets	701.31	597.22
Intangible assets	370.59	420.72
Loans and advances (Long term & short term)	1,512.42	1,627.58
Inventories	10,102.53	9,585.35
Trade receivables	4,069.17	3,959.56
Cash and bank balances	1,251.45	1,504.00
Other current assets	13.23	46.41
<b>Total</b>	<b>46,022.86</b>	<b>44,919.25</b>

28. Related party disclosures, as required by Accounting Standard 18 - "Related Parties Disclosures" are given below:

**Names of Related parties where control exists irrespective of whether transactions have occurred or not:**

**Subsidiary Companies**

- FDC International Limited
- FDC Inc.
- Anand Synthochem Limited (w.e.f. 17th October 2011)

**Joint Venture Entity**

- Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.

**Names of other related parties with whom transactions have taken place during the year:**

**Key Management Personnel**

- Mr. Mohan A. Chandavarkar
- Mr. Ashok A. Chandavarkar
- Mr. Nandan M. Chandavarkar
- Mr. Ameya A. Chandavarkar

**Relatives of Key Management Personnel**

- Ms. Sandhya M. Chandavarkar, Wife of Mr. Mohan A. Chandavarkar
- Ms. Mangala A. Chandavarkar, Wife of Mr. Ashok A. Chandavarkar

**Enterprises owned or significantly influenced by Key Management Personnel or their relatives:**

- Anand Synthochem Limited (upto 16th October 2011)
- Mejda Marketing Private Limited
- Akhil Farma Limited
- Soven Trading and Investment Company Private Limited
- Transgene Trading and Investment Company Private Limited
- Anand Chandavarkar Foundation

## Nature of transactions:

Rupees in lacs

Particulars	Subsidiary Companies	Joint Venture Entity	Key Management Personnel	Relatives of Key Management Personnel	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Total
Sale of goods	<b>1,085.44</b> (491.44)	<b>7.55</b> (-)	- (-)	- (-)	- (-)	<b>1,092.99</b> (491.44)
Services received	- (-)	- (-)	- (-)	- (-)	<b>20.01</b> (37.77)	<b>20.01</b> (37.77)
Rent paid	- (-)	- (-)	- (-)	- (-)	<b>0.08</b> (0.33)	<b>0.08</b> (0.33)
<b>Finance</b>						
Investment	<b>606.16</b> (-)	- (-)	- (-)	- (-)	- (-)	<b>606.16</b> (-)
Loans granted	<b>38.42</b> (-)	- (-)	- (-)	- (-)	- (-)	<b>38.42</b> (-)
Loans recovered	- (239.50)	- (-)	- (-)	- (-)	- (-)	- (239.50)
Interest income	- (9.85)	<b>11.96</b> (11.87)	- (-)	- (-)	- (-)	<b>11.96</b> (21.72)
Managerial remuneration*	- (-)	- (-)	<b>420.39</b> (428.02)	- (-)	- (-)	<b>420.39</b> (428.02)
Purchase of equity shares	- (-)	- (-)	<b>23.00</b> (-)	<b>342.31</b> (-)	<b>33.09</b> (-)	<b>398.40</b> (-)
Donation paid	- (-)	- (-)	- (-)	- (-)	<b>25.00</b> (30.00)	<b>25.00</b> (30.00)
Dividend on equity shares paid	- (-)	- (-)	<b>629.21</b> (539.88)	<b>354.94</b> (321.25)	<b>668.50</b> (584.94)	<b>1,652.65</b> (1,446.07)
<b>Outstanding balances</b>						
- Payable	- (-)	- (-)	<b>269.34</b> (282.91)	- (-)	- (-)	<b>269.34</b> (282.91)
- Loans granted	<b>38.42</b> (-)	<b>239.25</b> (237.35)	- (-)	- (-)	- (-)	<b>277.67</b> (237.35)
- Interest on loans granted	- (-)	<b>35.89</b> (23.74)	- (-)	- (-)	- (-)	<b>35.89</b> (23.74)
- Receivable against sales	<b>72.08</b> (216.39)	<b>7.25</b> (-)	- (-)	- (-)	- (-)	<b>79.33</b> (216.39)

\* Including perquisites, contribution to Provident fund and other funds.  
Previous year's figures are shown in brackets.



Out of the above items, transactions in excess of 10% of the total related party transactions are as under:

	<b>2011-2012 Rupees in lacs</b>	<b>2010-2011 Rupees in lacs</b>
<b>1 <u>Sale of goods</u></b>		
FDC International Limited	<b>1,085.44</b>	491.44
<b>2 <u>Services received</u></b>		
Anand Synthochem Limited	<b>6.16</b>	11.49
Mejda Marketing Private Limited	<b>6.47</b>	13.12
Akhil Farma Limited	<b>7.38</b>	13.16
<b>3 <u>Rent paid</u></b>		
Akhil Farma Limited	<b>0.08</b>	0.33
<b>4 <u>Investment</u></b>		
Anand Synthochem Limited	<b>606.16</b>	-
<b>5 <u>Loan granted</u></b>		
Anand Synthochem Limited	<b>38.42</b>	-
<b>6 <u>Loans recovered</u></b>		
FDC International Limited	-	239.50
<b>7 <u>Interest income</u></b>		
FDC International Limited	-	9.85
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	<b>11.96</b>	11.87
<b>8 <u>Managerial remuneration</u></b>		
Mr. Mohan A. Chandavarkar	<b>126.49</b>	129.32
Mr. Ashok A. Chandavarkar	<b>103.26</b>	105.21
Mr. Nandan M. Chandavarkar	<b>113.43</b>	115.42
Mr. Ameya A. Chandavarkar	<b>77.21</b>	78.07
<b>9 <u>Purchase of equity shares</u></b>		
Ms. Mangala A. Chandavarkar	<b>193.08</b>	-
Ms. Sandhya M. Chandavarkar	<b>149.23</b>	-
<b>10 <u>Donation paid</u></b>		
Anand Chandavarkar Foundation	<b>25.00</b>	30.00
<b>11 <u>Dividend on equity shares paid</u></b>		
Mr. Mohan A. Chandavarkar	<b>218.26</b>	190.98
Mr. Ashok A. Chandavarkar	<b>210.61</b>	184.28
Ms. Sandhya M. Chandavarkar	<b>209.67</b>	183.46
Soven Trading and Investment Company Private Limited	<b>326.55</b>	285.73
Transgene Trading and Investment Company Private Limited	<b>341.95</b>	299.21
<b>12 <u>Outstanding balances payable</u></b>		
Mr. Mohan A. Chandavarkar	<b>86.27</b>	90.60
Mr. Ashok A. Chandavarkar	<b>69.14</b>	72.63
Mr. Nandan M. Chandavarkar	<b>69.78</b>	73.35
Mr. Ameya A. Chandavarkar	<b>44.15</b>	46.33
<b>13 <u>Outstanding balances against loans granted</u></b>		
Anand Synthochem Limited	<b>38.42</b>	-
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	<b>239.25</b>	237.35
<b>14 <u>Outstanding balances against interest on loans granted</u></b>		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	<b>35.89</b>	23.74
<b>15 <u>Outstanding balances receivable against sales</u></b>		
FDC International Limited	<b>72.08</b>	216.39

29. Loans and Advances in the nature of loans given to subsidiaries in which directors are interested:

a. Anand Synthochem Limited

Balance as at 31st March 2012 - Rs. 38.42 lacs (Previous year - Rs. Nil).

Maximum balance outstanding during the year - Rs. 38.42 lacs (Previous year - Rs. Nil).

The same is payable on demand.

b. FDC International Limited

Balance as at 31st March 2012 - Rs. Nil (Previous year - Rs. Nil).

Maximum balance outstanding during the year - Rs. Nil (Previous year - Rs. 231.04 lacs).

The same is payable on demand.

30. Pursuant to Accounting Standard 19 - "Leases", disclosure on leases is as follows:

The Company's significant leasing arrangements are in respect of godowns / office premises taken on operating lease basis. The aggregate lease rentals payable are charged as Rent and shown under 'Other Expenses' (Refer Note No. 23).

These leasing arrangements, which are cancelable, range between 1 year and 5 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. There are certain agreements which provide for increase in rent. There are no subleases.

31. Based on valuation by independent valuers, the Board of Directors, at its meeting held on 15th October 2011, had resolved to purchase 100% equity shares of Anand Synthochem Limited (ASL), a related, unlisted Public Company, from its erstwhile shareholders, for a total amount of Rs. 644.58 lacs (including a loan of Rs. 38.42 lacs), thereby making ASL, a wholly owned subsidiary of FDC Limited. ASL owns a property at Dombivali, Maharashtra admeasuring 81,855 sq.ft.

32. Pursuant to Accounting Standard 27 - "Financial Reporting of interests in Joint Ventures", the disclosures relating to the Joint Venture Entity (JV) is as follows:

Sr. No.	Name	Country of Incorporation	Percentage of Ownership Interest as on 31st March 2012	Percentage of Ownership Interest as on 31st March 2011
1.	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	Republic of South Africa	49%	49%

The Company's interest in the JV is reported as Non-Current Investment (Refer Note No. 9) and stated at cost. The Company's share of each of the assets, liabilities, income and expenses etc. (each without elimination of the effect of transactions between the Company and the JV) related to its interest in the JV, based on the audited financial statements of Fair Deal Corporation Pharmaceutical SA (Pty) Ltd. is as follows:

Balance Sheet	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
Current assets	360.36	279.14
Non current assets	126.65	148.22
<b>Total assets</b>	<b>487.01</b>	<b>427.36</b>
Current liabilities	(402.07)	(349.93)
Non current liabilities	-	-
<b>Total liabilities</b>	<b>(402.07)</b>	<b>(349.93)</b>
Shareholders' fund	84.94	77.43

Statement of Profit and Loss	2011-2012 Rupees in lacs	2010-2011 Rupees in lacs
<b>Income</b>		
Revenue from operations	540.62	700.44
<b>Expenditure</b>		
Purchases of stock-in-trade	570.15	566.74
Changes in inventories of finished goods, work in progress and stock-in-trade	(115.03)	15.32
Employee benefit expense	7.82	7.28
Other expense	26.77	20.34
Finance costs	12.43	12.83
Depreciation	25.52	25.41
<b>Total Expenditure</b>	<u>527.66</u>	<u>647.92</u>
<b>Provision for taxation</b>		
Current tax	6.60	13.77
Deferred tax	(3.88)	(4.82)

No contingent liabilities and capital commitments have been incurred as at 31st March 2012 in relation to the Company's interest in the JV along with the other venturers (Previous year - Rs. Nil).

33. Foreign currency transactions/ balances of the Company are not hedged by derivative instruments or otherwise. The details of foreign currency transactions/ balances of the Company are:

Balances	Foreign currency amount			Equivalent amount Rupees in lacs	
		31st March 2012	31st March 2011	31st March 2012	31st March 2011
Bank balances	USD	31,139	244,528	15.66	107.70
	EUR	75,386	-	50.49	-
	GBP	54,655	29,879	43.65	21.12
Trade receivables	USD	2,618,786	2,599,755	1,316.91	1,150.13
	EUR	457,354	181,079	307.94	112.90
	GBP	91,459	305,629	73.60	216.39
	JPY	13,250,000	15,600,000	81.43	82.99
Loans and advances	EUR	8,879	-	5.93	-
	USD	197,030	327,615	98.77	143.99
	ZAR	4,374,330	4,184,141	275.15	261.09
	JPY	-	351,000	-	1.87
Trade payables	EUR	187,836	61,640	130.24	39.62
	GBP	17,874	-	14.82	-
	USD	617,033	234,396	320.03	105.93
Investment in subsidiaries/ joint venture entity	USD	50,000	50,000	22.00	22.00
	ZAR	159,250	159,250	11.30	11.30
	GBP	1	1	0.00	0.00

34. Revenue expenditure on research and development (including depreciation and amortisation) aggregating to Rs. 1,599.04 lacs (Previous year - Rs. 1,461.03 lacs) is included under relevant heads in the Statement of Profit and Loss.

35. Costs of samples, manufactured and purchased, have been included in Cost of materials consumed and Purchases of stock-in-trade respectively.

**36. Imported and indigenous raw materials consumed:**

	<u>Rupees in lacs</u>	<u>Percentage</u>
Indigenous	<b>13,558.44</b>	<b>88.07</b>
	(13,447.21)	(85.71)
Imported	<b>1,836.57</b>	<b>11.93</b>
	(2,242.32)	(14.29)
<b>Total</b>	<b>15,395.01</b>	<b>100.00</b>
	(15,689.53)	(100.00)

Previous year's figures are shown in brackets.

**37. Imported and indigenous components, stores and spares consumed:**

	<u>Rupees in lacs</u>	<u>Percentage</u>
Indigenous	<b>327.44</b>	<b>83.55</b>
	(345.12)	(85.26)
Imported	<b>64.45</b>	<b>16.45</b>
	(59.68)	(14.74)
<b>Total</b>	<b>391.89</b>	<b>100.00</b>
	(404.80)	(100.00)

Previous year's figures are shown in brackets.

**38. CIF value of imports:**

	<b>2011-2012</b> <u>Rupees in lacs</u>	2010-2011 <u>Rupees in lacs</u>
Raw material	<b>1,759.30</b>	2,163.91
Packing material	<b>184.87</b>	185.79
Components, stores and spares	<b>64.45</b>	59.68
Capital goods	<b>786.25</b>	360.47
Intangible assets	<b>62.68</b>	185.24
<b>Total</b>	<b>2,857.55</b>	2,955.09

**39. Earning in foreign currency: (accrual)**

	<b>2011-2012</b> <u>Rupees in lacs</u>	2010-2011 <u>Rupees in lacs</u>
FOB value of exports	<b>8,414.13</b>	6,700.06
Interest	<b>25.34</b>	23.37
Others	<b>6.34</b>	0.97
<b>Total</b>	<b>8,445.81</b>	6,724.40

**40. Expenditure in foreign currency: (accrual)**

	<b>2011-2012</b>	2010-2011
	<b>Rupees in lacs</b>	Rupees in lacs
Miscellaneous expenses (Export)	<b>119.01</b>	104.46
Commission on sales	<b>58.57</b>	43.18
Legal and professional fees	<b>42.20</b>	26.86
Travelling and conveyance	<b>9.67</b>	12.35
Others (gross)	<b>16.82</b>	11.44
<b>Total</b>	<b>246.27</b>	198.29

41. Previous year's figures have been regrouped/ reclassified, wherever necessary to conform to this year's classification.

As per our report of even date

**For S.R. BATLIBOI & ASSOCIATES**

Firm Registration No. 101049W  
Chartered Accountants

For and on behalf of the Board of Directors

**MOHAN A. CHANDAVARKAR**  
Chairman and Managing Director

**ASHOK A. CHANDAVARKAR**  
Director

**per AMIT MAJMUDAR**  
Partner  
Membership No. 36656

Place : Mumbai  
Date : May 26, 2012

**SHALINI KAMATH**  
Company Secretary

Place : Mumbai  
Date : May 26, 2012

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO HOLDING COMPANY'S INTEREST IN THE SUBSIDIARY COMPANIES**

SR. NO.	PARTICULARS	NAME OF THE SUBSIDIARIES		
		FDC International Limited	FDC Inc.	Anand Synthochem Limited
1.	The Financial Year of the Subsidiary Companies ended on	31.03.2012	31.03.2012	31.03.2012
2.	Date on which they became subsidiaries	09.10.1997	01.09.2004	17.10.2011
3.	Number of shares held by FDC Limited (Holding Company) in the Subsidiary Companies at the end of the financial year of the Subsidiary Companies	374,085 equity shares of GBP 0.01 each	500 equity shares of USD 100 each	1,740,000 equity shares of INR 10 each
4.	Extent of interest of Holding Company as at the end of the financial year of the Subsidiary Companies	100%	100%	100%
5.	The net aggregate amount of the Subsidiary Companies' Profit/ (Loss) so far as it concerns members of the Holding Company and is not dealt with in the Holding Company's Accounts			
	i. For the year ended 31st March 2012	GBP 230,946	(USD 1,440)	(INR 208,938)
	ii. For the financial years since they became subsidiaries	GBP 696,347	USD 41,271	(INR 208,938)
6.	The net aggregate amount of the Subsidiary Companies' Profit/ (Loss) so far as it concerns members of the Holding Company and dealt with in the Holding Company's Accounts			
	i. For the year ended 31st March 2012	Nil	Nil	Nil
	ii. For the financial years since they became subsidiaries	Nil	Nil	Nil

For and on behalf of the Board of Directors

**MOHAN A. CHANDAVARKAR**  
Chairman and Managing Director

**ASHOK A. CHANDAVARKAR**  
Director

**SHALINI KAMATH**  
Company Secretary

Place: Mumbai  
Date : May 26, 2012

## Auditor's Report on the Consolidated Financial Statements of FDC Limited \_\_\_\_\_

To  
The Board of Directors

We have audited the attached Consolidated Balance Sheet of FDC Limited's Group, as at 31st March 2012, and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the FDC Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of all subsidiaries whose financial statements reflect total assets of Rs. 1,667.44 lacs as at 31st March 2012, the total revenue of Rs. 1,675.39 lacs and cash flows amounting to Rs. 118.25 lacs for the year then ended. Further, we did not audit financial statements of a joint venture whose financial statements reflect Company's proportionate share in total assets of Rs. 476.16 lacs as at 31st March 2012, total revenue of Rs. 540.62 lacs and cash flows amounting to Rs. 44.88 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

We report that the Consolidated Financial Statements have been prepared by the FDC Limited's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 27, Financial Reporting of Interests in Joint Ventures, notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended).

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the FDC Limited's Group as at 31st March 2012;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**For S.R. BATLIBOI & ASSOCIATES**  
Firm Registration No. 101049W  
Chartered Accountants

**per AMIT MAJMUDAR**  
Partner  
Membership No. 36656

Place: Mumbai  
Date : May 26, 2012

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2012

PARTICULARS	Note No.	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	1,837.06	1,853.56
(b) Reserves and surplus	3	67,705.28	59,785.60
		<u>69,542.34</u>	<u>61,639.16</u>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	4	201.00	250.17
(b) Deferred tax liabilities (Net)	5	2,848.67	2,511.09
(c) Long-term provisions	6	198.02	220.09
		<u>3,247.69</u>	<u>2,981.35</u>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	7	128.62	127.26
(b) Trade payables	8	5,761.25	4,589.74
(c) Other current liabilities	8	3,011.95	2,959.78
(d) Short-term provisions	6	4,591.21	4,667.86
		<u>13,493.03</u>	<u>12,344.64</u>
<b>TOTAL</b>		<u><u>86,283.06</u></u>	<u><u>76,965.15</u></u>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	9		
(i) Tangible assets		28,834.42	27,287.79
(ii) Intangible assets		470.01	386.31
(iii) Capital work-in-progress			
Tangible assets		701.31	597.22
Intangible assets		370.59	420.72
(b) Non-current investments	10	9,619.82	1,400.72
(c) Deferred tax assets (Net)	11	26.13	22.25
(d) Long-term loans and advances	12	1,764.61	1,972.47
(e) Other non-current assets	17	95.86	190.12
		<u>41,882.75</u>	<u>32,277.60</u>
<b>2 Current assets</b>			
(a) Current investments	13	24,392.17	24,885.84
(b) Inventories	14	10,291.50	9,742.08
(c) Trade receivables	15	4,197.41	4,074.80
(d) Cash and bank balances	16	1,677.54	1,776.09
(e) Short-term loans and advances	12	3,358.24	4,092.59
(f) Other current assets	17	483.45	116.15
		<u>44,400.31</u>	<u>44,687.55</u>
<b>TOTAL</b>		<u><u>86,283.06</u></u>	<u><u>76,965.15</u></u>

**Significant accounting policies**

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

1

2 to 36

As per our report of even date

**For S.R. BATLIBOI & ASSOCIATES**

Firm Registration No. 101049W  
Chartered Accountants

For and on behalf of the Board of Directors

**MOHAN A. CHANDAVARKAR**  
Chairman and Managing Director

**ASHOK A. CHANDAVARKAR**  
Director

per **AMIT MAJUMDAR**

Partner

Membership No. 36656

Place : Mumbai

Date : May 26, 2012

**SHALINI KAMATH**

Company Secretary

Place : Mumbai

Date : May 26, 2012



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	Note No.	2011-2012 Rupees in lacs	2010-2011 Rupees in lacs
I. Revenue from operations (Gross)	18	72,301.87	72,247.11
Less: Excise duty		1,247.79	1,079.68
Revenue from operations (Net)		71,054.08	71,167.43
II. Other income	19	2,774.88	2,825.17
<b>III. Total Revenue (I + II)</b>		<b>73,828.96</b>	<b>73,992.60</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	20	20,193.11	20,213.02
Purchases of Stock-in-trade		9,476.35	9,590.15
Changes in inventories of finished goods/ stock-in-trade and work-in-progress	21	(1,116.20)	113.83
Employee benefits expense	22	9,901.75	8,556.59
Finance costs	23	141.28	143.91
Depreciation and amortisation expense	9	1,851.24	1,747.07
Less: Transfer from Revaluation Reserve	3	8.02	11.05
		1,843.22	1,736.02
Other expenses	24	16,169.66	16,102.45
<b>Total expenses</b>		<b>56,609.17</b>	<b>56,455.97</b>
<b>V. Profit before tax (III- IV)</b>		<b>17,219.79</b>	<b>17,536.63</b>
<b>VI. Tax expense:</b>			
(1) Current tax		3,516.28	3,490.18
(2) Deferred tax		324.27	115.56
(3) MAT credit entitlement		-	(1,330.00)
(4) Tax adjustments for earlier years - Current tax		(29.56)	171.86
<b>Total tax expense</b>		<b>3,810.99</b>	<b>2,447.60</b>
<b>VII. Profit for the year (V - VI)</b>		<b>13,408.80</b>	<b>15,089.03</b>
VIII. Earnings per equity share:	25		
Par value Re. 1 per share (Previous year - Re. 1 per share)			
(1) Basic (Rs.)		7.30	8.11
(2) Diluted (Rs.)		7.30	8.11

**Significant accounting policies** 1  
**The accompanying notes are an integral part of the financial statements.** 2 to 36

As per our report of even date

**For S.R. BATLIBOI & ASSOCIATES**  
 Firm Registration No. 101049W  
 Chartered Accountants

For and on behalf of the Board of Directors

**MOHAN A. CHANDAVARKAR**  
 Chairman and Managing Director

**ASHOK A. CHANDAVARKAR**  
 Director

**per AMIT MAJMUDAR**  
 Partner  
 Membership No. 36656

**SHALINI KAMATH**  
 Company Secretary

Place: Mumbai  
 Date : May 26, 2012

Place: Mumbai  
 Date : May 26, 2012

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	2011-2012 Rupees in lacs	2010-2011 Rupees in lacs
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAXATION</b>	<b>17,219.79</b>	17,536.63
Adjustments for:		
Depreciation and amortisation	1,843.22	1,736.02
Interest expense	111.49	115.13
Premium income on Non Convertible Debentures	(128.67)	(77.22)
Interest income	(715.84)	(473.94)
Loss on fixed assets sold/ scrapped (net)	77.81	14.32
Amortisation of premium on Non Convertible Debentures	20.33	59.17
Dividend income	(629.74)	(926.94)
Provision for diminution in value of current investments	192.42	617.51
Profit on sale of investments (net)	(882.89)	(1,005.30)
Translation adjustment on consolidation	(20.89)	(23.13)
Unrealised foreign exchange (gain)/ loss on restatement	(53.03)	4.33
Bad debts written off	-	3.17
Provision for doubtful debts	9.36	200.87
Provision for doubtful advances	-	12.27
Provision for expenses no longer required, written back	(57.91)	(103.13)
Provision for doubtful debts/ advances no longer required, written back	(14.82)	(8.25)
Provision for diminution in value of current investments sold, written back	(13.79)	(13.43)
	<b>(262.95)</b>	131.45
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>16,956.84</b>	17,668.08
Movements in Working Capital:		
Increase in trade receivables	(89.91)	(602.13)
Increase in inventories	(549.42)	(717.27)
Increase in loans & advances and other current assets	(33.03)	(194.94)
Increase/ (decrease) in trade payables and other current liabilities	1,262.81	(404.44)
Increase/ (decrease) in provisions	85.92	(179.14)
	<b>676.37</b>	(2,097.92)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>17,633.21</b>	15,570.16
Direct taxes paid (net of refunds)	(3,425.88)	(3,496.64)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>14,207.33</b>	12,073.52
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including CWIP and capital advances	(2,927.29)	(2,066.01)
Proceeds from sale of fixed assets	58.60	19.18
Inter corporate deposits given	(1,000.00)	(3,400.00)
Repayment of inter corporate deposits given	1,900.00	1,000.00
Decrease in fixed and margin deposits	12.24	1.18
Purchase of investments in subsidiary company	(606.16)	-
Purchase of investments	(54,511.03)	(51,865.28)
Proceeds from sale of investments	45,389.86	51,796.11
Premium paid on Non Convertible Debentures purchased	(58.56)	(84.49)
Dividend received	635.29	925.54
Interest/ Premium received	582.43	373.99
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(10,524.62)</b>	(3,299.78)
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Repayment of term loan taken from bank	(17.08)	(21.57)
Repayment of borrowings	(33.52)	-
Receipt of capital subsidy	30.00	-
Repayment of deferred sales tax loan	(33.40)	(37.71)
Payment towards buy back of shares	(1,460.87)	(1,790.61)
Dividend paid	(3,677.21)	(3,259.87)
Dividend tax paid	(597.02)	(541.42)
Interest paid	(103.58)	(100.10)
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>(5,892.68)</b>	(5,751.28)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>	<b>(2,209.97)</b>	3,022.46
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>4,633.13</b>	1,610.67
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>2,423.16</b>	4,633.13
(Refer Note 1 below)		

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

### Notes to the Consolidated Cash Flow Statement

1. Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the consolidated cash flow statement comprise of the following Balance Sheet items:

PARTICULARS	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
Cash on hand	16.09	13.09
Balance with scheduled banks:		
In current accounts	1,570.57	1,656.45
In bank deposits with original maturity of less than 3 months	-	5.56
In unpaid dividend accounts (Refer Note 2 below)	82.06	68.57
Short term investments in mutual funds	800.00	2,900.00
Unrealised foreign exchange gain on restatement of cash and cash equivalents	(45.56)	(10.54)
	<b>2,423.16</b>	4,633.13

2. Rs. 82.06 lacs (Previous year - Rs. 68.57 lacs) in unclaimed dividend accounts are not available for use by the Company as they represent corresponding dividend liabilities.

As per our report of even date

**For S.R. BATLIBOI & ASSOCIATES**  
Firm Registration No. 101049W  
Chartered Accountants

For and on behalf of the Board of Directors

**MOHAN A. CHANDAVARKAR**  
Chairman and Managing Director

**ASHOK A. CHANDAVARKAR**  
Director

**per AMIT MAJMUDAR**  
Partner  
Membership No. 36656

**SHALINI KAMATH**  
Company Secretary

Place: Mumbai  
Date : May 26, 2012

Place: Mumbai  
Date : May 26, 2012

## 1. SIGNIFICANT ACCOUNTING POLICIES

### a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The consolidated financial statements have been prepared and presented under the historical cost convention, except for certain fixed assets of FDC Limited which were revalued on 30th September 1993 (Refer Note d below) and in case of assets where a provision is made for impairment losses, on accrual basis and are in accordance with the requirements of the Companies Act, 1956 and comply with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and to the extent possible in the same format as that adopted by the parent company (FDC Limited) for its separate financial statements. The accounting policies are generally uniform for the Group and are consistent with those used in the previous year.

During the year ended 31st March 2012, the Revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company, for the preparation and presentation of its financial statements. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. The Company has reclassified the previous year's figures to conform to this year's classification.

### b. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles in India requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and the result of the operations during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

### c. BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of FDC Limited ("the Company"), the parent company and all of its subsidiaries (collectively referred to as "the Group"). The consolidated financial statements of the Group have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses in accordance with Accounting Standard 21 - "Consolidated Financial Statements". The Group accounts for its proportionate share of interest in the joint venture companies by proportionate consolidation method in accordance with Accounting Standard 27 - "Financial Reporting of Interests in Joint Ventures". The accounting policies have been consistently applied by the Group during the year. The financial statements of all subsidiaries and joint venture companies are drawn upto the same date as the parent company.

In the preparation of consolidated financial statements, all significant intra-group transactions and accounts are eliminated. Unrealised profits, if any, on items carried in inventories are also eliminated from the consolidated financial statements. Unrealised losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the Group.

The excess of cost of investment in the subsidiaries/ joint venture companies over the share of equity in the subsidiaries/ joint venture companies at the respective dates of investment, is recognised in the financial statements as Goodwill and the same is charged off during the year of acquisition. The excess of share of equity in the subsidiaries/ joint venture companies over the cost of acquisition in the subsidiaries/ joint venture companies at the respective dates of investment is recognised in the financial statements as Capital Reserve. The share of equity in such subsidiaries/ joint venture companies is determined on the basis of the latest financial statements of the subsidiaries/ joint venture companies prior to the date of investment.

### d. TANGIBLE FIXED ASSETS

All fixed assets other than revalued assets are stated at cost less accumulated depreciation/ amortisation less impairment losses. Cost comprises of the purchase price and any other directly attributable costs of bringing the assets to its working condition for its intended use. Adjustments arising from exchange rates variances relating to liabilities attributable to fixed assets are taken to the Statement of Profit and Loss.

Leasehold land, buildings, major items of plant and machinery and research and development equipment of FDC Limited at Jogeshwari and Roha were revalued on 30th September 1993 on the basis of the report of an approved valuer. Difference between the book value and the value as per valuer's report amounting to Rs. 730.70 lacs was transferred to Revaluation Reserve during the year ended 31st March 1994. These fixed assets are stated at revalued amounts less accumulated depreciation.

**e. DEPRECIATION/ AMORTISATION/ IMPAIRMENT**

**FDC Limited**

Depreciation on the historical cost of tangible fixed assets is provided on straight line method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.

Depreciation on revalued portion of fixed assets is calculated on straight line method over balance useful life of assets as determined by the valuer and is transferred from Revaluation Reserve to the Statement of Profit and Loss.

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of the money and risks specific to the assets.

After recognition of impairment loss, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

Assets costing less than Rs. 5,000 are depreciated at the rate of hundred per cent.

Leasehold land/ improvements are amortised on a straight line basis over the period of lease ranging from 30 to 99 years.

**Subsidiaries/ Joint venture companies**

Depreciation is provided on cost less estimated residual value of fixed assets over their expected useful lives following reducing balance method/ straight line method.

**f. INTANGIBLE ASSETS**

**FDC Limited**

***Technical know-how***

Technical know-how which are acquired, are capitalised and amortised over the period of its estimated useful life as estimated by the management on a straight line basis, not exceeding ten years.

***Licences and Software***

Cost relating to licences and software, which are acquired, are capitalised and amortised over the period of its estimated useful life as estimated by the management on a straight line basis, not exceeding ten years.

**Subsidiaries/ Joint venture companies**

***Dossiers***

Dossiers are recorded at the consideration paid for acquisition and are amortised over the period of its estimated useful life, not exceeding ten years.

**g. INVESTMENTS**

Investments that are readily realisable and intended to be held for not more than a year from the reporting period are classified as Current Investments. These are valued at lower of cost and fair value (repurchase price or market value) on an individual item basis.

Investments other than current are classified as Non-Current Investments which are valued at cost less provision for diminution in value, other than temporary, if any.

**h. INVENTORIES**

Raw materials and packing materials are valued at lower of cost and net realisable value, cost of which includes duties and taxes (net off CENVAT and VAT, wherever applicable) and is arrived at on weighted average cost basis. Cost of imported raw materials and packing materials lying in bonded warehouse includes customs duty. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished products including stock-in-trade and work-in-progress are valued at lower of cost and net realisable value and cost is arrived at on weighted average cost basis. Cost of finished products and work-in-progress includes material cost, labour, direct expenses, production overheads and excise duty, where applicable.

**i. REVENUE RECOGNITION**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods is recognised when significant risks and rewards of ownership are transferred to customers, which coincides with dispatch of goods to customers. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company, hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of the liability arising during the year.

Dividend is recognised when the Company's right to receive the payment is established by the balance sheet date.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Other income is accounted for on accrual basis except where the receipt of income is uncertain.

**j. FOREIGN CURRENCY TRANSLATION/ TRANSACTIONS**

Transactions in foreign currency are recorded at the rates prevailing on the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency outstanding at the year end are restated at the year end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising out of settlement and restatement of foreign exchange monetary items are taken to the Statement of Profit and Loss.

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.

The financial statements of the foreign subsidiaries and the joint venture companies are translated into Indian Rupees as follows:

**Non – integral foreign operations:**

- Income and expense items except opening and closing inventories are translated at the average exchange rate for the year. Opening and closing inventories are translated at the rates prevalent at the commencement and close respectively of the accounting period.
- All assets and liabilities are translated using the closing exchange rate.
- The differences on translation including those arising on elimination of non-monetary intra-group balances and transactions are taken to Translation Reserve as a part of Reserves and Surplus.
- The differences arising on elimination of monetary intra-group balances and transactions are taken to the Consolidated Statement of Profit and Loss.

**Integral foreign operations:**

- Income and expense items except opening and closing inventories are translated at the average exchange rate for the year.
- All monetary assets and liabilities are translated using the closing exchange rate.
- All non-monetary assets and liabilities, other than inventories, are translated using the exchange rate at the date of their acquisition.
- The differences on translation including those arising on elimination of intra-group balances and transactions are taken to Consolidated Statement of Profit and Loss.

**k. GOVERNMENT GRANTS**

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/ subsidy will be received and all attaching conditions will be complied with.

Government grants received as capital incentives/ subsidies are credited to Capital Reserve. Government grants related to revenue is recognised on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

Government grants relating to specific fixed assets are disclosed as deduction from the gross value of the assets concerned.

**l. EMPLOYEE BENEFITS**

Company's contribution to recognised provident fund, family pension fund and superannuation fund is defined contribution plan and is charged to the Statement of Profit and Loss on accrual basis. There are no other obligations other than the contribution payable to the respective trusts.

Contribution to gratuity fund is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

Actuarial gains/ losses are immediately recognised in the Statement of Profit and Loss.

**m. RESEARCH AND DEVELOPMENT**

Revenue expenditure is charged off to the Statement of Profit and Loss in the year in which it is incurred.

**n. LEASE ACCOUNTING**

Leases where substantially all the risks and benefits of ownership are retained by the lessor, are classified as operating leases. Operating lease expenses/ income is recognised in the Statement of Profit and Loss on a straight line basis over the lease term.

**o. EARNING PER SHARE**

Basic earning per share is computed by dividing the net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is computed by dividing the net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, if any.

**p. ACCOUNTING FOR TAXES ON INCOME**

Tax expense comprises of current and deferred tax. Provision for current tax is made, based on the tax payable under the Income-tax Act, 1961. Deferred tax assets and liabilities from timing differences between taxable income and accounting income is accounted for using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date.

At each balance sheet date, the Company reassesses unrecognised deferred tax assets. Deferred tax assets are recognised only to the extent that there is a reasonable certainty of their realisation. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

MAT credit is recognised as an asset when there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**q. PROVISIONS AND CONTINGENCIES**

The Company creates a provision when there exist a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**r. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents for the purposes of Cash Flow Statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

### 2. Share capital

	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<b>Authorised Shares</b> 250,000,000 (Previous year - 250,000,000) Equity shares of Re. 1 each	<u>2,500.00</u>	<u>2,500.00</u>
<b>Issued Shares</b> 186,065,427 (Previous year - 187,714,701) Equity shares of Re. 1 each, fully paid-up	<u>1,860.65</u>	<u>1,877.15</u>
<b>Subscribed and Paid-up Shares</b> 182,920,427 (Previous year - 184,569,701) Equity shares of Re. 1 each, fully paid-up	<u>1,829.20</u>	<u>1,845.70</u>
Add: 3,145,000 (Previous year - 3,145,000) Equity shares forfeited	<u>7.86</u>	<u>7.86</u>
<b>Total</b>	<u>1,837.06</u>	<u>1,853.56</u>

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

	31st March 2012		31st March 2011	
	No. in lacs	Rupees in lacs	No. in lacs	Rupees in lacs
At the beginning of the period	<u>1,845.70</u>	<u>1,845.70</u>	1,862.79	1,862.79
Less: Buy back during the period	<u>16.50</u>	<u>16.50</u>	17.09	17.09
<b>Outstanding at the end of the period</b>	<u>1,829.20</u>	<u>1,829.20</u>	<u>1,845.70</u>	<u>1,845.70</u>

#### b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2012, the amount of per share dividend recognised as distributions to equity shareholders was Rs. 2 (Previous year - Rs. 2).

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

**c. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date**

	<b>31st March 2012 No. in lacs</b>	<b>31st March 2011 No. in lacs</b>
Equity shares bought back by the Company	<b>85.41</b>	68.91

In accordance with Section 77A, 77AA and 77B of the Companies Act, 1956 and pursuant to the buy back announcement made by the Company on 8th February 2011, the Company has bought back from open market through stock exchanges 1,649,274 equity shares of Re. 1 each during the year for a total consideration of Rs. 1,460.87 lacs. The Company has extinguished all equity shares till 31st January 2012. Consequently, an amount of Rs. 16.50 lacs being the nominal value of equity shares bought back has been transferred to Capital Redemption Reserve from General Reserve. An amount of Rs. 1,444.37 lacs being the premium on buyback has been appropriated from General Reserve.

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

	<b>31st March 2012</b>		<b>31st March 2011</b>	
	<b>Numbers</b>	<b>% holding in the class</b>	<b>Numbers</b>	<b>% holding in the class</b>
<b>Equity shares of Re. 1 each fully paid</b>				
Meera Ramdas Chandavarkar	<b>21,925,260</b>	<b>11.98</b>	21,925,260	11.88
Transgene Trading and Investment Company Pvt. Ltd.	<b>17,097,500</b>	<b>9.35</b>	17,097,500	9.26
Sudipta Trading and Investment Company Pvt. Ltd.	<b>16,365,000</b>	<b>8.95</b>	16,365,000	8.86
Soven Trading and Investment Company Pvt. Ltd.	<b>16,327,500</b>	<b>8.93</b>	16,327,500	8.84
ICICI Prudential Right Fund	<b>11,569,168</b>	<b>6.33</b>	300,000	0.16
Mohan Anand Chandavarkar	<b>11,222,770</b>	<b>6.14</b>	10,913,020	5.91
Ashok Anand Chandavarkar	<b>10,530,360</b>	<b>5.76</b>	10,530,360	5.70
Sandhya Mohan Chandavarkar	<b>10,483,480</b>	<b>5.73</b>	10,483,480	5.68

As per records of the 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 and surplus

	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<b>Capital Reserve</b>		
Opening Balance	45.01	45.01
Add: Capital subsidy received during the year	30.00	-
Add: Capital Reserve on consolidation of subsidiary	193.26	-
<b>Closing Balance</b> (A)	<b>268.27</b>	45.01
<b>Capital Redemption Reserve</b>		
Opening Balance	85.72	68.63
Add: Transfer from General Reserve on account of buy back of equity shares (Refer Note No. 2c)	16.50	17.09
<b>Closing Balance</b> (B)	<b>102.22</b>	85.72
<b>Securities Premium Account</b> (C)	<b>72.90</b>	72.90
<b>Revaluation Reserve</b>		
Opening Balance	73.41	84.46
Less: Transfer to Statement of Profit and Loss as reduction from depreciation	8.02	11.05
<b>Closing Balance</b> (D)	<b>65.39</b>	73.41
<b>General Reserve</b>		
Opening Balance	30,652.10	27,942.71
Less: Premium paid for buy back of equity shares (Refer Note No. 2c)	1,444.37	1,773.52
Less: Transfer to Capital Redemption Reserve Account (Refer Note No. 2c)	16.50	17.09
Add: Transfer from surplus balance in the Statement of Profit and Loss	3,000.00	3,000.00
Add: Transfer from Fund for diminution in value/ loss on sale of investments	-	1,500.00
<b>Closing Balance</b> (E)	<b>32,191.23</b>	30,652.10
<b>Fund for diminution in value/ loss on sale of investments</b>		
Opening Balance	-	1,500.00
Less: Transfer to General Reserve	-	1,500.00
<b>Closing Balance</b> (F)	<b>-</b>	-
<b>Surplus in the Statement of Profit and Loss</b>		
Opening Balance	28,893.67	21,091.66
Profit for the year	13,408.80	15,089.03
Add: Reversal of excess provision of dividend	12.79	-
Less: Appropriations		
Proposed final equity dividend [Amount per share Rs. 2 (Previous year - Rs. 2)]	3,658.41	3,688.63
Tax on proposed equity dividend	593.48	598.39
Transfer to General Reserve	3,000.00	3,000.00
<b>Net surplus in the Statement of Profit and Loss</b> (G)	<b>35,063.37</b>	28,893.67
<b>Translation Reserve</b>		
Opening Balance	(37.21)	(10.59)
Add/ (Less): Movement during the year	(20.89)	(26.62)
<b>Closing Balance</b> (H)	<b>(58.10)</b>	(37.21)
<b>Total (A+B+C+D+E+F+G+H)</b>	<b>67,705.28</b>	59,785.60

## 4. Long-term borrowings

	Non-current portion		Current maturities	
	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
Term loan from Bank (Refer Note a below) (Secured by a charge on FDC International Limited, U.K.'s property)	55.59	77.49	32.84	28.02
Deferred sales tax loan (unsecured) (Refer Note b below)	145.41	172.68	27.28	33.41
	<u>201.00</u>	<u>250.17</u>	<u>60.12</u>	<u>61.43</u>
Amount disclosed under the head "Other current liabilities" (Refer Note No. 8)	-	-	(60.12)	(61.43)
<b>Net amount</b>	<u><b>201.00</b></u>	<u>250.17</u>	<u>-</u>	<u>-</u>

- a. Term loan from bank was taken by FDC International Limited, UK for purchase of property in UK during the financial year 2008-09 and carries interest @ 1.8% p.a. over base rate. The loan is repayable along with interest in 174 monthly instalments. The loan has been secured against the property of FDC International Limited, UK.
- b. Under various schemes of Government of Maharashtra, the Company was entitled to Sales tax deferral incentives for its units at Waluj and Sinnar. These are repayable in annual instalments over a period of 9-11 years commencing after a period of 10-12 years from the year of availment of deferred sales tax loan.

## 5. Deferred tax liabilities (Net)

	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<b>Deferred tax liability</b>		
Depreciation	3,331.18	3,085.30
<b>Less: Deferred tax asset</b>		
Provision for doubtful debts/ advances	96.12	127.19
Provision for diminution in value of investments	97.90	201.60
Liabilities disallowed under Section 43B of the IT Act, 1961	249.78	215.43
Expenses disallowed under Section 40(a)(ia) of the IT Act, 1961	38.71	29.99
	<u>482.51</u>	<u>574.21</u>
<b>Net deferred tax liability</b>	<u><b>2,848.67</b></u>	<u>2,511.09</u>

## 6. Provisions

	Long-term		Short-term	
	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<b>Provision for employee benefits</b> (Refer Note No. 28)				
Provision for gratuity	-	-	66.29	27.82
Provision for leave benefits	198.02	220.09	141.43	76.35
	<u>198.02</u>	<u>220.09</u>	<u>207.72</u>	<u>104.17</u>
<b>Other provisions</b>				
Provision for tax (net of advances) (Refer note below)	-	-	123.40	272.91
Provision for Wealth tax	-	-	8.20	3.76
Proposed equity dividend	-	-	3,658.41	3,688.63
Provision for tax on proposed equity dividend	-	-	593.48	598.39
	<u>-</u>	<u>-</u>	<u>4,383.49</u>	<u>4,563.69</u>
	<u><b>198.02</b></u>	<u>220.09</u>	<u><b>4,591.21</b></u>	<u>4,667.86</u>

Note: Provision for tax (net of advances) is net of MAT credit set off of Rs. 210 lacs (Previous year - Rs. Nil).

7. Short-term borrowings

	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
Loan from others (unsecured) (Refer note below)	128.62	127.26
	<b>128.62</b>	<b>127.26</b>

Note: The loan is repayable on demand and carries interest @ 5% p.a.

8. Trade payables and Other current liabilities

	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
Trade payables (Refer Note a below)	5,761.25	4,589.74
<b>Other current liabilities</b>		
Current maturities of long-term borrowings (Refer Note No. 4)	60.12	61.43
Interest accrued but not due on borrowings	0.14	0.16
Interest accrued and due on borrowings	19.29	12.72
Investor Education and Protection Fund (shall be credited as and when due by the following amount)		
Unpaid Dividend (Refer Note b below)	82.06	68.57
Advance from customers	54.89	94.69
Sundry deposits	1,083.26	1,106.44
Employee related liabilities	1,151.51	1,052.52
Others (includes dues to directors, statutory dues, rent deposit, trade advances)	560.68	563.25
	<b>3,011.95</b>	<b>2,959.78</b>
	<b>8,773.20</b>	<b>7,549.52</b>

- a. As per the information available with the Company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosure have been made. The Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.
- b. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.



10. Non-current investments (At Cost)

	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<b>Non Trade Investments (Unquoted unless otherwise stated)</b>		
<b>Investments in Government Securities (Refer note below)</b>		
National Savings Certificates	0.07	0.07
35 (Previous year - 35) Govt. of India G.P. Notes - face value of Rs. 2,000	0.02	0.02
<b>Investments in fully paid-up Equity Instruments</b>		
1,000 (Previous year - 1,000) Equity Shares of The Saraswat Co-op. Bank Ltd. of Rs. 10 each fully paid up	0.10	0.10
5,000 (Previous year - 5,000) Equity Shares of The North Kanara G.S.B. Co-op Bank Ltd. of Rs. 10 each fully paid-up	0.50	0.50
100 (Previous year - 100) Shares of Roha Industries Association Sahakari Grahak Bhandar Ltd. of Rs. 25 each fully paid-up	0.03	0.03
Investments in Mutual Funds	200.00	400.00
Investments in Non Convertible Debentures	80.00	1,000.00
Investments in Bonds	4,700.00	-
Investments in Bonds (quoted)	4,639.10	-
	<u>9,619.82</u>	<u>1,400.72</u>
Aggregate amount of quoted investments [Market value - Rs. 4,573.75 lacs (Previous year - Rs. Nil)]	4,639.10	-
Aggregate amount of unquoted investments	4,980.72	1,400.72

Note: National Savings Certificates of the value of Rs. 0.04 lacs (Previous year - Rs. 0.04 lacs) and Government of India G.P. Notes of the value of Rs. 0.02 lacs (Previous year - Rs. 0.02 lacs) have been lodged with the Excise authorities. National Savings Certificates of Rs. 0.03 lacs (Previous year - Rs. 0.03 lacs) have been lodged with the Sales tax authorities.

11. Deferred tax assets (Net)

	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<b>Deferred tax asset</b>		
Depreciation	26.13	22.25
<b>Net deferred tax asset</b>	<u>26.13</u>	<u>22.25</u>

## 12. Loans and advances

	Non-current		Current	
	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<b>Capital advances</b>				
Unsecured, considered good	250.03	151.08	-	-
(A)	250.03	151.08	-	-
<b>Security deposit</b>				
Unsecured, considered good	99.72	97.83	15.82	15.75
Unsecured, considered doubtful	0.53	0.53	4.05	4.05
	100.25	98.36	19.87	19.80
Less: Provision for doubtful security deposit	0.53	0.53	4.05	4.05
(B)	99.72	97.83	15.82	15.75
<b>Loans and advances to related parties</b>				
Unsecured, considered good	-	-	122.01	121.05
(C)	-	-	122.01	121.05
<b>Advances recoverable in cash or kind</b>				
Unsecured, considered good (Refer note below)	-	-	475.97	360.55
Unsecured, considered doubtful	-	-	16.53	19.70
	-	-	492.50	380.25
Less: Provision for doubtful advances	-	-	16.53	19.70
(D)	-	-	475.97	360.55
<b>Inter corporate deposits</b>				
Secured, considered good	-	-	500.00	1,900.00
Unsecured, considered good	-	-	1,025.00	525.00
(E)	-	-	1,525.00	2,425.00
<b>Other loans and advances</b>				
Unsecured, considered good				
MAT credit entitlement	1,360.00	1,660.00	300.00	210.00
Prepaid expenses	23.46	30.36	115.43	122.03
Loans/ advances to employees	31.40	33.20	157.92	120.10
Balances with statutory/ government authorities	-	-	646.09	718.11
(F)	1,414.86	1,723.56	1,219.44	1,170.24
<b>Total (A+B+C+D+E+F)</b>	<b>1,764.61</b>	<b>1,972.47</b>	<b>3,358.24</b>	<b>4,092.59</b>

Note: Includes application money for investment in mutual fund of Rs. 300 lacs (Previous year - Rs. Nil), pending allotment.



## 13. Current investments

	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<b>Current Portion of Long Term Investments (At cost)</b>		
Investments in Mutual Funds (unquoted)	9,050.86	6,550.58
Investments in Non Convertible Debentures (unquoted)	750.00	1,100.00
	<u>9,800.86</u>	<u>7,650.58</u>
<b>Other Current Investments (valued at lower of cost and fair value)</b>		
Investments in fully paid-up Equity Instruments (quoted)	-	39.38
Investments in Mutual Funds (unquoted)	11,877.16	17,195.88
Investments in Certificate of Deposits with Scheduled Banks (unquoted)	2,714.15	-
	<u>14,591.31</u>	<u>17,235.26</u>
	<u>24,392.17</u>	<u>24,885.84</u>
Aggregate amount of quoted investments [Market value - Rs. Nil (Previous year - Rs. 39.72 lacs)]	-	39.38
Aggregate amount of unquoted investments	24,392.17	24,846.46
Aggregate provision for diminution in value of current investments	603.39	621.36

## 14. Inventories (valued at lower of cost and net realisable value)

	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
Raw materials [Including Stock in transit Rs. 102.22 lacs (Previous year - Rs. 7.72 lacs)]	1,876.53	2,436.85
Packing materials [Including Stock in transit Rs. 10.93 lacs (Previous year - Rs. 44.24 lacs)]	491.92	498.38
Work-in-progress	1,239.79	1,167.91
Finished goods/ Stock-in-trade	6,683.26	5,638.94
	<u>10,291.50</u>	<u>9,742.08</u>

## 15. Trade receivables

	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<b>Unsecured, considered good unless stated otherwise</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	65.42	21.34
Doubtful	274.27	366.58
	<u>339.69</u>	<u>387.92</u>
Less: Provision for doubtful receivables	274.27	366.58
	<u>65.42</u>	<u>21.34</u>
Other receivables		
Unsecured, considered good	4,131.99	4,053.46
	<u>4,131.99</u>	<u>4,053.46</u>
<b>Total (A + B)</b>	<u>4,197.41</u>	<u>4,074.80</u>

## 16. Cash and bank balances

	Non-current		Current	
	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<b>Cash and cash equivalents</b>				
Balances with banks:				
On current accounts	-	-	1,570.57	1,656.45
On bank deposits with original maturity of less than 3 months	-	-	-	5.56
On unpaid dividend account	-	-	82.06	68.57
Cash on hand	-	-	16.09	13.09
	<u>-</u>	<u>-</u>	<u>1,668.72</u>	<u>1,743.67</u>
Other bank balances				
Bank deposits with original maturity of more than 12 months	6.29	-	-	-
Margin money deposits	35.39	30.32	8.82	32.42
	<u>41.68</u>	<u>30.32</u>	<u>8.82</u>	<u>32.42</u>
Amount disclosed under Non-current assets (Refer Note No. 17)	<u>(41.68)</u>	<u>(30.32)</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>1,677.54</u>	<u>1,776.09</u>

## 17. Other assets

	Non-current		Current	
	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<b>Unsecured, considered good</b>				
Bank deposits with original maturity of more than 12 months (Refer Note No. 16)	6.29	-	-	-
Margin money deposits (Refer Note No. 16)	35.39	30.32	-	-
Interest/ premium accrued on investments	-	154.04	421.71	4.72
Interest accrued on deposits/ advances given	-	-	39.14	39.91
Unamortised premium on investments	54.18	5.76	9.37	19.56
Others	-	-	13.23	51.96
	<u>95.86</u>	<u>190.12</u>	<u>483.45</u>	<u>116.15</u>

18. Revenue from operations

	2011-2012 Rupees in lacs	2010-2011 Rupees in lacs
Sale of products	71,983.56	71,840.62
Other operating revenue (Refer note below)	318.31	406.49
<b>Revenue from operations (Gross)</b>	<b>72,301.87</b>	<b>72,247.11</b>
Less: Excise duty	1,247.79	1,079.68
<b>Revenue from operations (Net)</b>	<b>71,054.08</b>	<b>71,167.43</b>

Note: Other operating revenue consists of export incentives and revenue arising from other ancillary activities.

19. Other income

	2011-2012 Rupees in lacs	2010-2011 Rupees in lacs
<b>Interest income on</b>		
Current investments	16.23	138.48
Long-term investments	248.82	76.58
Others (Refer note below)	450.79	258.88
<b>Dividend income on</b>		
Current investments	371.43	916.12
Long-term investments	258.31	10.82
<b>Net gain on sale of investments</b>		
Current investments	657.16	1,005.30
Long-term investments	225.73	-
<b>Premium on non convertible debentures</b>		
Long-term investments	128.67	77.22
Provision for diminution in value of current investments sold, written back	13.79	13.43
Net exchange gain on foreign currency transactions	204.89	148.74
Other non operating income	199.06	179.60
	<b>2,774.88</b>	<b>2,825.17</b>

Note: Interest on others includes interest on inter corporate deposits, fixed deposits, interest on delayed payments from debtors etc.

20. Cost of materials consumed

	2011-2012 Rupees in lacs	2010-2011 Rupees in lacs
Inventory at the beginning of the year	2,935.23	2,104.12
Add: Purchases	19,626.33	21,044.13
	<b>22,561.56</b>	<b>23,148.25</b>
Less: Inventory at the end of the year	2,368.45	2,935.23
<b>Cost of materials consumed</b>	<b>20,193.11</b>	<b>20,213.02</b>

**21. Changes in inventories**

	<b>2011-2012</b> <b>Rupees in lacs</b>	2010-2011 Rupees in lacs	<b>Increase</b> <b>Rupees in lacs</b>
<b>Inventory at the end of the year</b>			
Finished goods/ Stock-in-trade	<b>6,683.26</b>	5,638.94	<b>(1,044.32)</b>
Work-in-progress	<b>1,239.79</b>	1,167.91	<b>(71.88)</b>
	<b>7,923.05</b>	6,806.85	<b>(1,116.20)</b>
<b>Inventory at the beginning of the year</b>			
Finished goods/ Stock-in-trade	<b>5,638.94</b>	5,922.33	
Work-in-progress	<b>1,167.91</b>	998.35	
	<b>6,806.85</b>	6,920.68	
	<b>(1,116.20)</b>	113.83	

**22. Employee benefits expense**

	<b>2011-2012</b> <b>Rupees in lacs</b>	2010-2011 Rupees in lacs
Salaries, wages and bonus	<b>8,625.56</b>	7,340.72
Contribution to provident and other funds (Refer Note No. 28)	<b>923.38</b>	875.89
Staff welfare expenses	<b>352.81</b>	339.98
	<b>9,901.75</b>	8,556.59

**23. Finance costs**

	<b>2011-2012</b> <b>Rupees in lacs</b>	2010-2011 Rupees in lacs
Interest:		
on Banks (Refer note below)	<b>2.27</b>	2.72
on Others	<b>109.22</b>	112.41
Bank charges	<b>29.79</b>	28.78
	<b>141.28</b>	143.91

Note: Interest expenses include interest paid/ payable towards fixed loan of Rs. 2.27 lacs (Previous year - Rs. 2.72 lacs).

**24. Other expenses**

	2011-2012 Rupees in lacs	2010-2011 Rupees in lacs
Processing charges	936.22	897.76
Power, fuel and water charges	1,377.47	1,272.52
Pharma Miscellaneous expenses	1,090.14	917.20
Repairs and maintenance:		
Building	278.43	289.95
Plant and machinery	383.81	418.29
Other assets	282.20	227.67
Stores and spares	341.20	348.39
Rent (Refer Note No. 31)	47.39	47.80
Rates and taxes	137.13	95.81
Insurance	127.14	100.15
Travelling and conveyance	2,880.14	2,776.99
Communication expenses	132.31	138.22
Carriage, freight and forwarding	1,543.06	1,475.76
Advertisement and sales promotion	3,533.10	3,586.10
Decrease in excise duty on finished products	(0.67)	(0.70)
Sales tax/ Value added tax	81.66	83.22
Commission on sales	387.67	367.14
Auditors' remuneration:		
As Auditors	17.45	13.79
For other services - Certification	3.23	0.55
Directors sitting fees	6.60	2.63
Bad debts written off	90.29	
Less: Transfer from Provision for doubtful debts	90.29	3.17
Provision for doubtful debts	9.36	200.87
Provision for doubtful advances	-	12.27
Provision for diminution in value of current investments	192.42	617.51
Amortisation of premium on Non Convertible Debentures	20.33	59.17
Loss on fixed assets sold/ scrapped (net)	77.81	14.32
Donation	25.36	33.06
Miscellaneous expenses	2,258.70	2,102.84
	<b>16,169.66</b>	<b>16,102.45</b>

**25. Earnings per share (EPS)**

	2011-2012	2010-2011
Profit after tax for the year (Rupees in lacs)	13,408.80	15,089.03
Weighted average number of shares *	183,777,875	186,164,954
Nominal value per share (Rupees)	1.00	1.00
Earnings per share - Basic (Rupees)	7.30	8.11
- Diluted (Rupees)	7.30	8.11

\* Weighted average number of shares has been adjusted for the buy back of shares during the year.

**26. Consolidation of accounts:**

The list of subsidiary companies and the joint venture company which are included in consolidation are as under:

Name of the Company	Country of Incorporation	Proportion of ownership interest/ voting power
FDC International Limited	United Kingdom	100% (Previous year – 100%)
FDC Inc.	United States of America	100% (Previous year – 100%)
Anand Synthochem Limited (Refer note below)	India	100% (Previous year – Nil)
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	Republic of South Africa	49% (Previous year – 49%)

Note:

FDC Limited has acquired 100% shareholding (representing 1,740,000 equity shares having face value of Rs. 10 each) in Anand Synthochem Limited (ASL), a related, unlisted public company on 17th October 2011, from its erstwhile shareholders, for a total amount of Rs. 644.58 lacs (including a loan of Rs. 38.42 lacs), thereby making ASL, a wholly owned subsidiary of FDC Limited. ASL owns a property at Dombivali, Maharashtra admeasuring 81,855 sq. ft. The Company has acquired total assets valuing Rs. 845.97 lacs (including land Rs. 817.49 lacs) and total liabilities of Rs. 46.55 lacs leading to recognition of capital reserve of Rs. 193.26 lacs in the Consolidated Balance Sheet. (Refer Note No. 3)

**27. Contingent liabilities and commitments (to the extent not provided for):**

	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<b><u>Contingent Liabilities</u></b>		
a. <u>Disputed tax matters</u>		
Income tax	10.29	10.29
Excise duty	235.47	128.50
Sales tax	196.52	128.53
b. In respect of guarantees given by banks	154.65	112.31
c. Letter of credit issued by bankers	452.12	241.10
d. Estimated amount of duty payable on export obligation against outstanding advance licences	4.63	2.55
<b><u>Commitments</u></b>		
Estimated amount of capital contracts remaining to be executed and not provided for (net of advances paid)	858.12	973.89

**28. Disclosure of Employee benefits:**

As per Accounting Standard 15 (revised 2005) - "Employee Benefits", the disclosures as defined in the Accounting Standard are given below:

**Defined Contribution Plan**

Contribution to Defined Contribution Plans are recognised as an expense for the year under Contribution to provident and other funds (Refer Note No. 22) as under:-

	<b>2011-2012</b> <b>Rupees in lacs</b>	2010-2011 <b>Rupees in lacs</b>
Employer's Contribution to Provident Fund	<b>266.30</b>	229.18
Employer's Contribution to Pension Scheme	<b>238.25</b>	219.29
Employer's Contribution to Superannuation Fund	<b>50.96</b>	71.34

**Defined Benefit Plan**

The employees' gratuity fund scheme managed by trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

	Rupees in lacs	
	<b>Gratuity</b>	
	<b>Funded Plan</b>	
	<b>31st March 2012</b>	<b>31st March 2011</b>
<b>I Change in Benefit Obligation</b>		
Liability at the beginning of the year	<b>730.88</b>	607.25
Interest Cost	<b>58.47</b>	45.54
Current Service Cost	<b>118.64</b>	116.31
Past Service Cost (Vested Benefit)	<b>-</b>	28.80
Benefit Paid	<b>(61.29)</b>	(62.78)
Actuarial (gain)/ loss on obligations	<b>35.97</b>	(4.24)
Liability at the end of the year	<b>882.67</b>	730.88
<b>II Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	<b>703.06</b>	396.41
Expected Return on Plan Assets	<b>56.24</b>	31.71
Contributions	<b>121.00</b>	347.00
Benefit Paid	<b>(61.29)</b>	(62.78)
Actuarial gain/ (loss) on Plan Assets	<b>(2.63)</b>	(9.28)
Fair Value of Plan Assets at the end of the year	<b>816.38</b>	703.06
Total Actuarial gain/ (loss)	<b>(38.60)</b>	(5.04)
<b>III Actual Return on Plan Assets</b>		
Expected Return on Plan Assets	<b>56.24</b>	31.71
Actuarial gain/ (loss) on Plan Assets	<b>(2.63)</b>	(9.28)
Actual Return on Plan Assets	<b>53.61</b>	22.43
<b>IV Amount recognised in the Balance Sheet</b>		
Liability at the end of the year	<b>(882.67)</b>	(730.88)
Fair Value of Plan Assets at the end of the year	<b>816.38</b>	703.06
Amount recognised in the Consolidated Balance Sheet	<b>(66.29)</b>	(27.82)

Rupees in lacs

	Gratuity	
	Funded Plan	
	31st March 2012	31st March 2011
<b>V Expenses recognised in the Statement of Profit and Loss</b>		
Current Service Cost	118.64	116.31
Interest Cost	58.47	45.54
Expected Return on Plan Assets	(56.24)	(31.71)
Past Service Cost (Vested Benefit) recognised	-	28.80
Net Actuarial (gain)/ loss	38.60	5.04
Expense recognised in the Consolidated Statement of Profit and Loss	159.47	163.98
<b>VI Balance Sheet Reconciliation</b>		
Opening Net Liability	27.82	210.84
Expense as above	159.47	163.98
Employer's Contribution	(121.00)	(347.00)
Amount recognised in the Consolidated Balance Sheet	66.29	27.82
<b>VII Investment Details</b>		
Government of India Assets	243.55	192.38
Corporate Bonds	306.34	256.57
State Government	158.59	148.59
Equity	88.80	95.46
Others	19.10	10.06
Total	816.38	703.06
<b>VIII Actuarial Assumptions</b>		
Discount Rate Current	8.00%	8.00%
Rate of Return on Plan Assets Current	8.60%	8.00%
Salary Escalation Current	7.00%	7.00%

**IX Experience Adjustments**

	31st March 2012	31st March 2011	31st March 2010	31st March 2009	31st March 2008
Defined Benefit Obligation	882.67	730.88	607.25	407.99	363.56
Plan Assets	816.38	703.06	396.41	371.17	362.14
Deficit/ (Surplus)	66.29	27.82	210.84	36.82	1.42
Net Actuarial (Gain)/ Loss due to Experience adjustments on Plan Liabilities	(103.18)	8.41	(63.99)	1.50	(8.08)
Net Actuarial Gain/ (Loss) due to Experience adjustments on Plan Assets	(2.63)	(9.28)	(19.79)	(12.50)	(8.82)

**X Salary Escalation Rate**

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**XI Basis used to determine Expected Rate of Return on Plan Assets**

The expected rate of return on Plan Assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

**XII The Company expects to contribute Rs. 162.76 lacs to gratuity in next year (Previous year - Rs. 156.17 lacs).**



The liability for leave encashment as at the year end is Rs. 302.42 lacs (Previous year - Rs. 259.75 lacs) and provision for sick leave as at the year end is Rs. 37.03 lacs (Previous year - Rs. 36.69 lacs).

**29. Segment information:**

Primary segment information

The Group principally operates only in one business segment, i.e., pharmaceuticals, which as per Accounting Standard 17 - "Segment Reporting" is considered the only reportable business segment.

Secondary segment information

The principal geographical areas in which the Group operates are India and others. The country-wise segmentation is not relevant as exports to individual countries are not more than 10% of enterprise revenue.

The information related to secondary segment is as under:

Particulars	Rupees in lacs		
	India	Others	Total
Segment Revenue (Net)	<b>60,994.27</b> (62,744.63)	<b>10,059.81</b> (8,422.80)	<b>71,054.08</b> (71,167.43)
Carrying amount of assets by location of assets	<b>44,585.44</b> (42,961.80)	<b>3,395.53</b> (2,917.64)	<b>47,980.97 *</b> (45,879.44)
Additions to tangible and intangible assets	<b>2,764.47</b> (1,831.87)	<b>63.87</b> (187.15)	<b>2,828.34</b> (2,019.02)

Previous year's figures are shown in brackets.

\*Segments assets include the following:

Particulars	31st March 2012 Rupees in lacs	31st March 2011 Rupees in lacs
<u>Fixed Assets</u>		
i) Tangible assets	<b>28,834.42</b>	27,287.79
ii) Intangible assets	<b>470.01</b>	386.31
iii) Capital work-in-progress		
Tangible assets	<b>701.31</b>	597.22
Intangible assets	<b>370.59</b>	420.72
Loans and advances (Long term & short term)	<b>1,515.84</b>	1,649.01
Inventories	<b>10,291.50</b>	9,742.08
Trade receivables	<b>4,197.41</b>	4,074.80
Cash and bank balances	<b>1,586.66</b>	1,675.10
Other current assets	<b>13.23</b>	46.41
<b>Total</b>	<b>47,980.97</b>	<b>45,879.44</b>

30. Related party disclosures, as required by Accounting Standard 18 - "Related Parties Disclosures" are given below:

**Names of related parties where control exists irrespective of whether transactions have occurred or not:**

**Joint Venture Company**

- Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.

**Names of other related parties with whom transactions have taken place during the year:**

**Key Management Personnel**

- Mr. Mohan A. Chandavarkar
- Mr. Ashok A. Chandavarkar
- Mr. Nandan M. Chandavarkar
- Mr. Ameya A. Chandavarkar

**Relatives of Key Management Personnel**

- Ms. Sandhya M. Chandavarkar, wife of Mr. Mohan A. Chandavarkar
- Ms. Mangala A. Chandavarkar, wife of Mr. Ashok A. Chandavarkar

**Enterprises owned or significantly influenced by Key Management Personnel or their relatives**

- Anand Synthochem Limited (upto 16th October 2011)
- Mejda Marketing Private Limited
- Akhil Farma Limited
- Soven Trading and Investment Company Private Limited
- Transgene Trading and Investment Company Private Limited
- Anand Chandavarkar Foundation

Nature of transactions:

Rupees in lacs

Particulars	Joint Venture Company	Key Management Personnel	Relatives of Key Management Personnel	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Total
Sale of goods	3.85 (-)	- (-)	- (-)	- (-)	3.85 (-)
Services received	- (-)	- (-)	- (-)	20.01 (37.77)	20.01 (37.77)
Rent paid	- (-)	- (-)	- (-)	0.08 (0.33)	0.08 (0.33)
Interest income	6.10 (6.05)	- (-)	- (-)	- (-)	6.10 (6.05)
Managerial remuneration *	- (-)	420.39 (428.02)	- (-)	- (-)	420.39 (428.02)
Dividend on equity shares paid	- (-)	629.21 (539.88)	354.94 (321.25)	668.50 (584.94)	1,652.65 (1,446.07)
Purchase of equity shares	- (-)	23.00 (-)	342.31 (-)	33.09 (-)	398.40 (-)
Donation paid	- (-)	- (-)	- (-)	25.00 (30.00)	25.00 (30.00)
<b>Outstanding balances</b>					
- Payable	- (-)	269.34 (282.91)	- (-)	- (-)	269.34 (282.91)
- Loans granted	122.01 (121.05)	- (-)	- (-)	- (-)	122.01 (121.05)
- Interest on loans granted	18.30 (12.11)	- (-)	- (-)	- (-)	18.30 (12.11)
- Receivable against sales	3.70 (-)	- (-)	- (-)	- (-)	3.70 (-)

\* Including perquisites, contribution to Provident fund and other funds.

Previous year's figures are shown in brackets.

Out of the above items, transactions in excess of 10% of the total related party transactions are as under:

	<b>2011-2012</b> <b>Rupees in lacs</b>	2010-2011 <b>Rupees in lacs</b>
<b>1 <u>Sale of goods</u></b>		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	<b>3.85</b>	-
<b>2 <u>Services received</u></b>		
Anand Synthochem Limited	<b>6.16</b>	11.49
Mejda Marketing Private Limited	<b>6.47</b>	13.12
Akhil Farma Limited	<b>7.38</b>	13.16
<b>3 <u>Rent paid</u></b>		
Akhil Farma Limited	<b>0.08</b>	0.33
<b>4 <u>Interest income</u></b>		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	<b>6.10</b>	6.05
<b>5 <u>Managerial remuneration</u></b>		
Mr. Mohan A. Chandavarkar	<b>126.49</b>	129.32
Mr. Ashok A. Chandavarkar	<b>103.26</b>	105.21
Mr. Nandan M. Chandavarkar	<b>113.43</b>	115.42
Mr. Ameya A. Chandavarkar	<b>77.21</b>	78.07
<b>6 <u>Dividend on equity shares paid</u></b>		
Mr. Mohan A. Chandavarkar	<b>218.26</b>	190.98
Mr. Ashok A. Chandavarkar	<b>210.61</b>	184.28
Ms. Sandhya M. Chandavarkar	<b>209.67</b>	183.46
Soven Trading and Investment Company Private Limited	<b>326.55</b>	285.73
Transgene Trading and Investment Company Private Limited	<b>341.95</b>	299.21
<b>7 <u>Purchase of equity shares</u></b>		
Ms. Sandhya M. Chandavarkar	<b>149.23</b>	-
Ms. Mangala A. Chandavarkar	<b>193.08</b>	-
<b>8 <u>Donation paid</u></b>		
Anand Chandavarkar Foundation	<b>25.00</b>	30.00
<b>9 <u>Outstanding balances payable</u></b>		
Mr. Mohan A. Chandavarkar	<b>86.27</b>	90.60
Mr. Ashok A. Chandavarkar	<b>69.14</b>	72.63
Mr. Nandan M. Chandavarkar	<b>69.78</b>	73.35
Mr. Ameya A. Chandavarkar	<b>44.15</b>	46.33
<b>10 <u>Outstanding balances against loans granted</u></b>		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	<b>122.01</b>	121.05
<b>11 <u>Outstanding balances against interest on loans granted</u></b>		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	<b>18.30</b>	12.11
<b>12 <u>Outstanding balances receivable against sales</u></b>		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	<b>3.70</b>	-

31. Pursuant to Accounting Standard 19 - "Leases", disclosure on leases is as follows:  
The Group's significant leasing arrangements are in respect of godowns/ office premises taken on operating lease basis. The aggregate lease rentals payable are charged as Rent and shown under 'Other Expenses'. (Refer Note No. 24)

These leasing arrangements, which are cancellable, range between 1 year and 5 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. There are certain agreements which provide for increase in rent. There are no sub-leases.

32. Pursuant to the Accounting Standard 27 - "Financial Reporting of interests in Joint Ventures", the disclosures relating to the Joint Venture Company is as follows:

Sr. No.	Name	Country of Incorporation	Percentage of Ownership Interest as on 31st March 2012	Percentage of Ownership Interest as on 31st March 2011
1	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	Republic of South Africa	49%	49%

The Group's Statement of Profit and Loss, Balance Sheet and Cash Flow Statement incorporate the Group's share of income, expenses, assets and liabilities of Fair Deal Corporation Pharmaceutical SA (Pty) Ltd. on line by line basis to the extent of 49% shareholding.

33. Foreign currency transactions/ balances of the Group are not hedged by derivative instruments or otherwise. The details of foreign currency transactions/ balances of the Group are:

Balances	Foreign currency amount			Equivalent amount Rupees in lacs	
		31st March 2012	31st March 2011	31st March 2012	31st March 2011
Bank balances	USD	37,338	250,727	18.82	110.46
	EUR	80,593	-	54.04	-
	GBP	54,655	29,879	43.65	21.12
Trade receivables	USD	2,604,476	2,599,755	1,232.99	1,150.13
	EUR	470,354	181,079	317.07	112.90
	GBP	1,882	-	1.51	-
	JPY	13,250,000	15,600,000	81.43	82.99
Loans and advances	USD	197,030	327,615	98.77	143.99
	EUR	8,879	-	5.93	-
	ZAR	2,230,908	2,133,912	140.32	133.16
	JPY	-	351,000	-	1.87
Trade payables	USD	617,033	234,396	320.03	105.93
	EUR	191,298	61,640	130.28	39.62
	GBP	17,874	-	14.82	-

34. Revenue expenditure on research and development (including depreciation and amortisation) aggregating to Rs. 1,599.04 lacs (Previous year - Rs. 1,461.03 lacs) is included under relevant expense heads in the Consolidated Statement of Profit and Loss.
35. Costs of samples, manufactured and purchased, have been included in Cost of materials consumed and Purchases of Stock-in-trade respectively.
36. Previous year's figures have been regrouped/ reclassified, wherever necessary to conform to this year's classification.

As per our report of even date

**For S.R. BATLIBOI & ASSOCIATES**

Firm Registration No. 101049W  
Chartered Accountants

For and on behalf of the Board of Directors

**MOHAN A. CHANDAVARKAR**  
Chairman and Managing Director

**ASHOK A. CHANDAVARKAR**  
Director

**per AMIT MAJMUDAR**  
Partner  
Membership No. 36656

**SHALINI KAMATH**  
Company Secretary

Place : Mumbai  
Date : May 26, 2012

Place : Mumbai  
Date : May 26, 2012

**Financial Information of Subsidiary Companies**

Pursuant to the general exemption granted under Section 212 of the Companies Act, 1956 by the Ministry of Corporate Affairs, Government of India, the Company is publishing the consolidated and standalone financial statements of FDC Limited and its subsidiaries. The financial statements and auditors' reports of the individual subsidiaries are available for inspection by the shareholders at the registered office. However, the information in aggregate on capital, reserves, total assets, total liabilities, details of investments (except in case of investment in subsidiaries), total income, profit before taxation, profit after taxation and proposed dividend for each subsidiary is as follows:

Rupees in lacs

Sr. No.	Particulars	FDC International Limited	FDC Inc.	Anand Synthochem Limited
	Currency	UK Pounds	US Dollar	INR Rupees
	Exchange Rate as on 31st March 2012	81.46	50.87	-
1.	Capital	3.05	25.44	174.00
2.	Reserves	567.24	20.99	623.33
3.	Total Assets	818.05	47.12	847.87
4.	Total Liabilities	818.05	47.12	847.87
5.	Investments (other than in subsidiaries)	-	-	-
6.	Revenue from operations	1,775.89	-	-
7.	Other Income	-	-	0.02
8.	Profit/ (Loss) before taxation	251.05	(0.49)	(2.09)
9.	Provision for taxation	62.92	0.24	-
10.	Profit/ (Loss) after taxation	188.13	(0.73)	(2.09)
11.	Proposed Dividend	-	-	-





**FDC Limited**

142-48, S.V.Road, Jogeshwari (West), Mumbai 400 102.