

# Annual Report - 2013-14



For Dedicated Care...





**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

**NOTICE** is hereby given that the Seventy Fourth Annual General Meeting of the shareholders of the Company will be held on Saturday, August 09, 2014 at 10.00 a.m. at WelcomHotel Rama International, R-3, Chikalthana, Aurangabad 431 210, Maharashtra, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014, Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare final dividend, for the year ended March 31, 2014.
3. To appoint a director in place of Mr. Ameya A. Chandavarkar (DIN: 00043238) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. S R B C & Co. LLP as statutory auditors of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. S R B C & Co. LLP, Chartered Accountants (Firm Registration No. 324982E) be and are hereby appointed as the statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, as the retiring statutory auditors, M/s. S. R. Batliboi & Co. LLP have given the notice in writing to the Company, expressing their unwillingness to be re-appointed as statutory auditors of the Company, on their retirement at the forthcoming Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to decide upon the terms and conditions of the appointment of statutory auditors including the remuneration as may be recommended by the audit committee in consultation with the auditors.”

**SPECIAL BUSINESS:**

5. To re-appoint Mr. Mohan A. Chandavarkar (DIN:00043344) as Managing Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the shareholders be and is hereby accorded for the re-appointment of Mr. Mohan A. Chandavarkar (DIN:00043344) as the Managing Director of the Company for a period of 5 (five) years with effect from April 01, 2014, on the following terms and conditions, remuneration and perquisites upto a maximum as may be permitted under Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof as in force for the period covered under the Agreement to be entered into by the Company with Mr. Mohan A. Chandavarkar or on the basis of such other law or notification as may be permissible or applicable (“said appointee”):

1. The material terms of the said appointment are as follows:
  - i. Term: April 01, 2014 to March 31, 2019
  - ii. Salary: Rs. 350,000 (Rupees Three Lacs Fifty Thousand Only) p.m. with effect from April 01, 2014, with an annual increment of Rs. 20,000 (Rupees Twenty Thousand Only) p.m. upto to maximum salary of Rs. 4,30,000 (Rupees Four Lacs Thirty Thousand only) p.m.

Annual increments every year, for the term, will be effective from April.

- iii. Commission: In addition to salary and perquisites, commission not exceeding 0.50 percent of the net profits of the Company in a financial year, computed in the manner laid down in Section 198 of the Companies Act 2013 and subject to the overall ceilings laid-down under Section 197 of the Companies Act, 2013 and Schedule V of the Companies Act, 2013.
2. Perquisites: In addition to the salary and commission as mentioned in clause 1 above, the said appointee shall be entitled to perquisites as under:
    - i. Housing: The expenditure incurred by the company on hiring furnished accommodation for the appointee shall be subject to a ceiling of 60% of his salary. However, if the Company does not provide the appointee residential accommodation, the said appointee is entitled to house rent allowance of 60% of his salary. Besides, the Company shall provide amenities such as gas, electricity, water and furnishings subject to a ceiling of 10% of salary, computed as per Income Tax Rules, 1962.
    - ii. Medical, hospitalization and health care expenses: Reimbursement of medical, hospital and nursing expenses including mediclaim policy premium paid by the Company and where recommended by a medical practitioner travelling expenses for this purpose in or outside India for himself, his spouse and dependent children actually incurred subject to a ceiling of 1 (one) month's salary per year or 3 (three) months' salary in a block period of 3 (three) years.
    - iii. Leave Travel Concession: For the appointee, his wife and dependent children once a year, in accordance with any rules specified by the Company subject to a ceiling of 1 (one) month's salary during leave for holidaying in any place or places in India not more frequently than once in a year, including travelling expenses by air and/or air-conditioned first class by rail, subject to a condition that he will not be entitled to any expenses of stay at any holiday resort.
    - iv. Club Fees: Reimbursement of club fees, subject to a maximum of 2 (two) clubs, excluding life membership and admission fees.
    - v. Personal Accident Insurance: As per any rules specified by the Company.
    - vi. Health Mediclaim Insurance: As per any rules specified by the Company.
    - vii. Provident Fund: Company's contribution to provident fund shall be as per the scheme applicable to the employee's of the Company, but not exceeding 12% of the salary or such other limits as prescribed by the Government.
    - viii. Contribution to Superannuation Fund and Pension Scheme: The Company's contribution towards pension and/or superannuation fund shall be an amount equivalent to 15% of the salary, as applicable to the other senior officers of the Company.

Contribution to provident fund, superannuation fund will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act.
    - ix. Gratuity: As per the rules of the Company, payable in accordance with the approved gratuity fund which shall not exceed half month's salary for each completed year of service.
    - x. Ex- Gratia: In accordance with the Company's rules and regulations in force from time to time.
    - xi. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the said appointee.
    - xii. Land line telephone/mobile phone/internet for official use.

3. Where in any financial year during the currency of the tenure of the said appointee, the Company has no profit or inadequacy of profits, the remuneration by way of salary, commission and perquisites shall not exceed, the maximum limits prescribed in Schedule V of the Companies Act, 2013, except with the approval of the Central Government wherever necessary.
4. The said appointee shall be eligible for annual privilege leave on full salary for a period of 21 (twenty one) days and such leave shall be allowed to be accumulated for not more than 90 (ninety) days during the tenure of his appointment. Encashment of unavailed privilege leave at the end of the tenure of appointment will not be included in the computation of the ceiling on perquisites.
5. The said appointee shall be entitled to :
  - (i) Reimbursement of expenses actually and properly incurred for the business of the Company as well as other expenses incurred by the appointee in the performance of duties on behalf of the Company.
  - (ii) The reimbursement of travelling, hotel and other expenses incurred by the appointee in India and abroad exclusively for the business of the Company.
6. The said appointee shall unless prevented by ill-health throughout the said term devote his whole time attention and abilities to the business of the Company and shall carry out the directions issued from time to time by the board of directors and shall in all respects conform to and comply with the directions and regulations made by the Board and shall well and faithfully serve the Company and use his utmost endeavors to promote the interests of the Company.
7. The salary payable to the said appointee in terms of clause 1, hereof shall continue to be paid to him in full during the first 6 (six) months of his illness or for causes beyond his control which would enforce his absence from duties and thereafter at the rate of one half of such salary during such absence until he shall have been so absent for a continuous period of 12 (twelve) months or until this Agreement is determined as hereinafter provided, whichever is earlier.
8. The said appointee shall not at any time or times during or after the continuance of his employment divulge, disclose or make public any of the secrets regarding the accounts, transactions or processes or regarding specifications, technical and patent information, formulae and know-how to be used for the manufacture or processing of drugs and products of the Company or any of the secrets regarding its plant, facilities, machinery and equipments, information and organization of production and material flow as well as methods and procedures of production or dealings of the Company which shall come to his knowledge whether the same shall be confided to him or become known to him as Director or in any other manner whatsoever during the course of his employment.
9. In the case of death of the said appointee in the course of his employment, the Company shall pay to his legal representatives the remuneration for the then current month in addition to such other sum as the Board may determine.
10. If the said appointee shall, in the opinion of the Board of Directors, fail for 6 (six) consecutive months to perform or be negligent in his duty to the Company, the Company may by notice in writing determine this Agreement.
11. The said appointee shall not during the continuance of this Agreement, or for a period of 3 (three) years after the termination thereof, without the consent in writing of the Company, either solely or jointly with or as manager or agent for any other person or persons directly or indirectly carry on or be engaged in such business as the Company has been carrying on for the last preceding 3 (three) years.
12. The said appointee hereby agrees that he will not at any time after determination of his employment:
  - (i) Solicit the custom of or deal with any person or Company who has during the three/five years preceding such determination been a customer of the Company; and
  - (ii) Represents himself as being in any way directly or indirectly connected with or interested in the business of the Company.
13. Subject to Section 202 of the Companies Act, 2013 in the event of the Company at any time transferring its undertaking to

another Company for any reason whatsoever the Company may make it one of the terms and conditions of such transfer that such other Company shall appoint the said appointee as a member of such other Company upon the same terms and conditions as are herein contained.

14. In the event of the Company being wound up voluntarily and in case it is able to pay its debts, the said appointee shall be paid by the Company or by its liquidator in priority to all other creditors as compensation for the loss of his employment as the appointee the sum equal to his (12) twelve months' remuneration consisting of salary on the basis of the last salary drawn and such compensation shall at all times be the first charge on the assets of the Company.
15. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate this Agreement, at anytime giving the other party 90 (ninety) days notice in writing in that behalf.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby empowered to modify the terms and conditions of the appointment of Mr. Mohan A. Chandavarkar, subject to the conditions that such modification complies with relevant sections and Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the agreement dated January 30, 2014, entered into by the Company with Mr. Mohan A. Chandavarkar, with respect to the above terms and conditions be and is hereby approved."

6. To re-appoint Mr. Nandan M. Chandavarkar (DIN:00043511) as Joint Managing Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the shareholders be and is hereby accorded for the re-appointment of Mr. Nandan M. Chandavarkar (DIN:00043511) as the Joint Managing Director of the Company for a period of 5 (five) years with effect from March 01, 2014, on the following terms and conditions, remuneration and perquisites upto a maximum as may be permitted under Schedule V of the Companies Act, 2013, or any modification or re-enactment thereof as in force for the period covered under the Agreement to be entered into by the Company with Mr. Nandan M. Chandavarkar or on the basis of such other law or notification as may be permissible or applicable ("said appointee"):

1. The material terms of the said appointment are as follows:

- i. Term: March 01, 2014 to February 28, 2019

- ii. Salary: From March 01, 2014 to March 31, 2014 shall be Rs. 2,15,000/- (Rupees Two Lakh Fifteen Thousand only) p. m.

From April 01, 2014 onwards the salary shall be Rs. 3,00,000 (Rupees Three Lacs Only) p.m. with an annual increment of Rs. 15,000 (Rupees Fifteen Thousand Only) p.m. rising upto Rs. 3,60,000 (Rupees Three lakh Sixty Thousand Only) p.m. in the maximum.

- iii. Commission: In addition to salary and perquisites, commission not exceeding 0.40 percent of the net profits of the Company in a financial year, computed in the manner laid down in Section 198 of the Companies Act 2013 and subject to the overall ceilings laid-down under Section 197 of the Companies Act, 2013 and Schedule V of the Companies Act, 2013.

2. Perquisites: In addition to the salary and commission as mentioned in clause 1 above, the said appointee shall be entitled to perquisites as under:

- i. Housing: The expenditure incurred by the company on hiring furnished accommodation for the appointee shall be subject to a ceiling of 60% of his salary. However, if the Company does not provide the appointee residential accommodation, the said appointee is entitled to house rent allowance of 60% of his salary. Besides, the Company shall provide amenities such as gas, electricity, water and furnishings subject to a ceiling of 10% of salary, computed as per Income Tax Rules, 1962.

- ii. Medical, hospitalization and health care expenses: Reimbursement of medical, hospital and nursing expenses including mediclaim policy premium paid by the Company and where recommended by a medical practitioner travelling expenses

for this purpose in or outside India for himself, his spouse and dependent children actually incurred subject to a ceiling of 1 (one) month's salary per year or 3 (three) months' salary in a block period of 3 (three) years.

- iii. Leave Travel Concession: For the appointee, his wife and dependent children once a year, in accordance with any rules specified by the Company subject to a ceiling of 1 (one) month's salary during leave for holidaying in any place or places in India not more frequently than once in a year, including travelling expenses by air and/or air-conditioned first class by rail, subject to a condition that he will not be entitled to any expenses of stay at any holiday resort.
  - iv. Club Fees: Reimbursement of club fees, subject to a maximum of 2 (two) clubs, excluding life membership and admission fees.
  - v. Personal Accident Insurance: As per any rules specified by the Company.
  - vi. Health Mediciam Insurance: As per any rules specified by the Company.
  - vii. Provident Fund: Company's contribution to provident fund shall be as per the scheme applicable to the employee's of the Company, but not exceeding 12% of the salary or such other limits as prescribed by the Government.
  - viii. Contribution to Superannuation Fund and Pension Scheme: The Company's contribution towards pension and/or superannuation fund shall be an amount equivalent to 15% of the salary, as applicable to the other senior officers of the Company.
  - ix. Contribution to provident fund, superannuation fund will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act.
  - x. Gratuity: As per the rules of the Company, payable in accordance with the approved gratuity fund which shall not exceed half month's salary for each completed year of service.
  - xi. Ex- Gratia: In accordance with the Company's rules and regulations in force from time to time.
  - xii. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the said appointee.
  - xiii. Land line telephone/mobile phone/internet for official use.
3. Where in any financial year during the currency of the tenure of the said appointee, the Company has no profit or inadequacy of profits, the remuneration by way of salary, commission and perquisites shall not exceed, the maximum limits prescribed in Schedule V of the Companies Act, 2013, except with the approval of the Central Government wherever necessary.
  4. The said appointee shall be eligible for annual privilege leave on full salary for a period of 21 (twenty one) days and such leave shall be allowed to be accumulated for not more than 90 (ninety) days during the tenure of his appointment. Encashment of unavailed privilege leave at the end of the tenure of appointment will not be included in the computation of the ceiling on perquisites.
  5. The said appointee shall be entitled to :
    - (i) Reimbursement of expenses actually and properly incurred for the business of the Company as well as other expenses incurred by the appointee in the performance of duties on behalf of the Company.
    - (ii) The reimbursement of travelling, hotel and other expenses incurred by the appointee in India and abroad exclusively for the business of the Company.
  6. The said appointee shall unless prevented by ill-health throughout the said term devote his whole time attention and abilities to the business of the Company and shall carry out the directions issued from time to time by the board of directors

and shall in all respects conform to and comply with the directions and regulations made by the Board and shall well and faithfully serve the Company and use his utmost endeavors to promote the interests of the Company.

7. The salary payable to the said appointee in terms of Clause 1, hereof shall continue to be paid to him in full during the first 6 (six) months of his illness or for causes beyond his control which would enforce his absence from duties and thereafter at the rate of one half of such salary during such absence until he shall have been so absent for a continuous period of 12 (twelve) months or until this Agreement is determined as hereinafter provided, whichever is earlier.
8. The said appointee shall not at any time or times during or after the continuance of his employment divulge, disclose or make public any of the secrets regarding the accounts, transactions or processes or regarding specifications, technical and patent information, formulae and know-how to be used for the manufacture or processing of drugs and products of the Company or any of the secrets regarding its plant, facilities, machinery and equipments, information and organization of production and material flow as well as methods and procedures of production or dealings of the Company which shall come to his knowledge whether the same shall be confided to him or become known to him as Director or in any other manner whatsoever during the course of his employment.
9. In the case of death of the said appointee in the course of his employment, the Company shall pay to his legal representatives the remuneration for the then current month in addition to such other sum as the Board may determine.
10. If the said appointee shall, in the opinion of the Board of Directors, fail for 6 (six) consecutive months to perform or be negligent in his duty to the Company, the Company may by notice in writing determine this Agreement.
11. The said appointee shall not during the continuance of this Agreement, or for a period of 3 (three) years after the termination thereof, without the consent in writing of the Company, either solely or jointly with or as manager or agent for any other person or persons directly or indirectly carry on or be engaged in such business as the Company has been carrying on for the last preceding 3 (three) years.
12. The said appointee hereby agrees that he will not at any time after determination of his employment:
  - (i) Solicit the custom of or deal with any person or Company who has during the three/five years preceding such determination been a customer of the Company; and
  - (ii) Represents himself as being in any way directly or indirectly connected with or interested in the business of the Company.
13. Subject to Section 202 of the Companies Act, 2013 in the event of the Company at any time transferring its undertaking to another Company for any reason whatsoever the Company may make it one of the terms and conditions of such transfer that such other Company shall appoint the said appointee as a member of such other Company upon the same terms and conditions as are herein contained.
14. In the event of the Company being wound up voluntarily and in case it is able to pay its debts, the said appointee shall be paid by the Company or by its liquidator in priority to all other creditors as compensation for the loss of his employment as the appointee the sum equal to his (12) twelve months' remuneration consisting of salary on the basis of the last salary drawn and such compensation shall at all times be the first charge on the assets of the Company.
15. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate this Agreement, at anytime giving the other party 90 (ninety) days notice in writing in that behalf.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby empowered to modify the terms and conditions of the appointment of the said Mr. Nandan M. Chandavarkar, subject to the conditions that such modification complies with relevant sections of the Companies Act, 2013, and Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the agreement dated January 30, 2014, entered into by the Company with Mr. Nandan M. Chandavarkar, with respect to the above terms and conditions be and is hereby approved."

7. To approve the modification in terms and conditions of the agreement entered with Mr. Ashok A. Chandavarkar (DIN:00042719), Whole time Director, dated March 18, 2011 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT in pursuant to the provisions of Sections 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the shareholders be and is hereby accorded for modifying all the clauses of the existing agreement dated March 18, 2011 with Mr. Ashok A. Chandavarkar (DIN:00042719)(“said Agreement”) other than the material clauses pertaining to the Term, Salary and Commission as mentioned under clause 1(i), (ii) & (iii) of the said Agreement which shall remain unchanged till the expiry of the term of the said Agreement of Mr. Ashok A. Chandavarkar (“said appointee”) as follows:

Material terms of Clause 1(Term/Period), & 4(ii)(Salary) & 4(iii)(Commission) of the said Agreement shall remain unchanged, but shall be renamed as clause 1, and shall read as under:

1. The material terms of the said Agreement are as follows:

- i. Term: March 01, 2011 to February 28, 2016.
- ii. Salary: From March 01, 2011 to March 31, 2011 shall be Rs. 1,54,750/-(Rupees One Lakh Fifty Four Thousand Seven Hundred and Fifty Only) p. m.

From April 01, 2011 onwards the salary shall be Rs. 1,62, 250 (Rupees One Lakh Sixty Two Thousand Two Hundred and Fifty only ) p.m. with an annual increment of Rs. 7,500 (Rupees Seven Thousand Five Hundred only) p.m. rising upto Rs. 1,92,250 (Rupees One Lakh Ninety Two Thousand Two Hundred and fifty only) p.m. in the maximum.

Annual increments every year, for the term, will be effective from April.

- iii. Commission: The said appointee shall be entitled to commission not exceeding 0.40 percent of the net profits of the Company in a financial year, computed in the manner laid down in Section 198 of the Companies Act 2013 and subject to the overall ceilings laid-down under Section 197 of the Companies Act, 2013 and Schedule V of the Companies Act, 2013.
2. Perquisites: In addition to the salary and commission as mentioned in clause 1 above, the said appointee shall be entitled to perquisites as under:
- i. Housing: The expenditure incurred by the company on hiring furnished accommodation for the appointee shall be subject to a ceiling of 60% of his salary. However, if the Company does not provide the appointee residential accommodation, the said appointee is entitled to house rent allowance of 60% of his salary. Besides, the Company shall provide amenities such as gas, electricity, water and furnishings subject to a ceiling of 10% of salary, computed as per Income Tax Rules, 1962.
- ii. Medical, hospitalization and health care expenses: Reimbursement of medical, hospital and nursing expenses including mediclaim policy premium paid by the Company and where recommended by a medical practitioner travelling expenses for this purpose in or outside India for himself, his spouse and dependent children actually incurred subject to a ceiling of 1 (one) month's salary per year or 3 (three) months' salary in a block period of 3 (three) years.
- iii. Leave Travel Concession: For the appointee, his wife and dependent children once a year, in accordance with any rules specified by the Company subject to a ceiling of 1 (one) month's salary during leave for holidaying in any place or places in India not more frequently than once in a year, including travelling expenses by air and/or air- conditioned first class by rail, subject to a condition that he will not be entitled to any expenses of stay at any holiday resort.
- iv. Club Fees: Reimbursement of club fees, subject to a maximum of 2 (two) clubs, excluding life membership and admission fees.
- v. Personal Accident Insurance: As per any rules specified by the Company.
- vi. Health Mediclaim Insurance: As per any rules specified by the Company.



- vii. Provident Fund : Company's contribution to provident fund shall be as per the scheme applicable to the employee's of the Company, but not exceeding 12% of the salary or such other limits as prescribed by the Government.
  - viii. Contribution to Superannuation Fund and Pension Scheme: The Company's contribution towards pension and/or superannuation fund shall be an amount equivalent to 15% of the salary, as applicable to the other senior officers of the Company. Contribution to provident fund, superannuation fund will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act.
  - ix. Gratuity: As per the rules of the Company, payable in accordance with the approved gratuity fund which shall not exceed half month's salary for each completed year of service.
  - x. Ex- Gratia: In accordance with the Company's rules and regulations in force from time to time.
  - xi. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the said appointee.
  - xii. Land line telephone/mobile phone/internet for official use.
3. Where in any financial year during the currency of the tenure of the said appointee, the Company has no profit or inadequacy of profits, the remuneration by way of salary, commission and perquisites shall not exceed, the maximum limits prescribed in Schedule V of the Companies Act, 2013, except with the approval of the Central Government wherever necessary.
4. The said appointee shall be eligible for annual privilege leave on full salary for a period of 21 (twenty one) days and such leave shall be allowed to be accumulated for not more than 90 (ninety) days during the tenure of his appointment. Encashment of unavailed privilege leave at the end of the tenure of appointment will not be included in the computation of the ceiling on perquisites.
5. The said appointee shall be entitled to :
- (i) Reimbursement of expenses actually and properly incurred for the business of the Company as well as other expenses incurred by the appointee in the performance of duties on behalf of the Company.
  - (ii) The reimbursement of travelling, hotel and other expenses incurred by the appointee in India and abroad exclusively for the business of the Company.
6. The said appointee shall unless prevented by ill-health throughout the said term devote his whole time attention and abilities to the business of the Company and shall carry out the directions issued from time to time by the board of directors and shall in all respects conform to and comply with the directions and regulations made by the Board and shall well and faithfully serve the Company and use his utmost endeavors to promote the interests of the Company.
7. The salary payable to the said appointee in terms of clause 1, hereof shall continue to be paid to him in full during the first 6 (six) months of his illness or for causes beyond his control which would enforce his absence from duties and thereafter at the rate of one half of such salary during such absence until he shall have been so absent for a continuous period of 12 (twelve) months or until this Agreement is determined as hereinafter provided, whichever is earlier.
8. The said appointee shall not at any time or times during or after the continuance of his employment divulge, disclose or make public any of the secrets regarding the accounts, transactions or processes or regarding specifications, technical and patent information, formulae and know-how to be used for the manufacture or processing of drugs and products of the Company or any of the secrets regarding its plant, facilities, machinery and equipments, information and organization of production and material flow as well as methods and procedures of production or dealings of the Company which shall come to his knowledge whether the same shall be confided to him or become known to him as Director or in any other manner whatsoever during the course of his employment.

9. In the case of death of the said appointee in the course of his employment, the Company shall pay to his legal representatives the remuneration for the then current month in addition to such other sum as the Board may determine.
10. If the said appointee shall, in the opinion of the Board of Directors, fail for 6 (six) consecutive months to perform or be negligent in his duty to the Company, the Company may by notice in writing determine this Agreement.
11. The said appointee shall not during the continuance of this Agreement, or for a period of 3 (three) years after the termination thereof, without the consent in writing of the Company, either solely or jointly with or as manager or agent for any other person or persons directly or indirectly carry on or be engaged in such business as the Company has been carrying on for the last preceding 3 (three) years.
12. The said appointee hereby agrees that he will not at any time after determination of his employment:
  - (i) Solicit the custom of or deal with any person or Company who has during the three/five years preceding such determination been a customer of the Company; and
  - (ii) Represents himself as being in any way directly or indirectly connected with or interested in the business of the Company.
13. Subject to Section 202 of the Companies Act, 2013 in the event of the Company at any time transferring its undertaking to another Company for any reason whatsoever the Company may make it one of the terms and conditions of such transfer that such other Company shall appoint the said appointee as a member of such other Company upon the same terms and conditions as are herein contained.
14. In the event of the Company being wound up voluntarily and in case it is able to pay its debts, the said appointee shall be paid by the Company or by its liquidator in priority to all other creditors as compensation for the loss of his employment as the appointee the sum equal to his (12) twelve months' remuneration consisting of salary on the basis of the last salary drawn and such compensation shall at all times be the first charge on the assets of the Company.
15. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate this Agreement, at anytime giving the other party 90 (ninety) days notice in writing in that behalf.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby empowered to modify the terms and conditions of the appointment of the said Mr. Ashok A. Chandavarkar, subject to the conditions that such modification complies with relevant sections of the Companies Act, 2013, and schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the agreement dated January 30, 2014, entered into by the Company with Mr. Ashok A. Chandavarkar, with respect to the above terms and conditions be and is hereby approved.”

8. To approve the modification in terms and conditions of the agreement entered with Mr. Ameya A. Chandavarkar (DIN:00043238), Whole time Director, dated October 29, 2009 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT in pursuant to the provisions of Sections 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the shareholders be and is hereby accorded for modifying all the clauses of the existing agreement dated October 29, 2009 with Mr. Ameya A. Chandavarkar (DIN:00043238) (“said Agreement”) other than the material clauses pertaining to the Term, Salary and Commission as mentioned under clause 1(i), (ii) & (iii) of the said Agreement which shall remain unchanged till the expiry of the term of the said Agreement of Mr. Ameya A. Chandavarkar (“said appointee”) as follows:

Material terms of Clause 1(Term/Period), & 4(ii)(Salary) & 4(iii)(Commission) of the said Agreement shall remain unchanged, but shall be renamed as clause 1, and shall read as under:

1. The material terms of the said Agreement are as follows:
  - i. Term: November 01, 2009 to October 31, 2014.

- ii. Salary: The salary of the said appointee shall be Rs.150,000/- (Rupees One Lakh Fifty Thousand only) p.m. commencing from November 01, 2009 with an annual increment of Rs. 5,000/- (Rupees Five Thousand Only) p.m. rising upto Rs. 170,000/- (Rupees One Lac Seventy Thousand Only) p.m. in the maximum.

Annual increments every year for the term shall be effective from November.

- iii. Commission: The said appointee shall be entitled to commission not exceeding 0.25 percent of the net profits of the Company in a Financial Year, computed in the manner laid down in Section 198 of the Companies Act 2013 and subject to the overall ceilings laid-down under Section 197 of the Companies Act, 2013 and Schedule V of the Companies Act, 2013.

- 2. Perquisites: In addition to the salary and commission as mentioned in clause 1 above, the said appointee shall be entitled to perquisites as under:

- i. Housing: The expenditure incurred by the company on hiring furnished accommodation for the appointee shall be subject to a ceiling of 60% of his salary. However, if the Company does not provide the appointee residential accommodation, the said appointee is entitled to house rent allowance of 60% of his salary. Besides, the Company shall provide amenities such as gas, electricity, water and furnishings subject to a ceiling of 10% of salary, computed as per Income Tax Rules, 1962.

- ii. Medical, hospitalization and health care expenses: Reimbursement of medical, hospital and nursing expenses including mediclaim policy premium paid by the Company and where recommended by a medical practitioner travelling expenses for this purpose in or outside India for himself, his spouse and dependent children actually incurred subject to a ceiling of 1 (one) month's salary per year or 3 (three) months' salary in a block period of 3 (three) years.

- iii. Leave Travel Concession: For the appointee, his wife and dependent children once a year, in accordance with any rules specified by the Company subject to a ceiling of 1 (one) month's salary during leave for holidaying in any place or places in India not more frequently than once in a year, including travelling expenses by air and/or air-conditioned first class by rail, subject to a condition that he will not be entitled to any expenses of stay at any holiday resort.

- iv. Club Fees: Reimbursement of club fees, subject to a maximum of 2 (two) clubs, excluding life membership and admission fees.

- v. Personal Accident Insurance: As per any rules specified by the Company.

- vi. Health Mediclaim Insurance: As per any rules specified by the Company.

- vii. Provident Fund : Company's contribution to provident fund shall be as per the scheme applicable to the employee's of the Company, but not exceeding 12% of the salary or such other limits as prescribed by the Government.

- viii. Contribution to Superannuation Fund and Pension Scheme: The Company's contribution towards pension and/or superannuation fund shall be an amount equivalent to 15% of the salary, as applicable to the other senior officers of the Company.

Contribution to provident fund, superannuation fund will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act.

- ix. Gratuity: As per the rules of the Company, payable in accordance with the approved gratuity fund which shall not exceed half month's salary for each completed year of service.

- x. Ex- Gratia: In accordance with the Company's rules and regulations in force from time to time.

- xi. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the said appointee.

- xii. Land line telephone/mobile phone/internet for official use.

3. Where in any financial year during the currency of the tenure of the said appointee, the Company has no profit or inadequacy of profits, the remuneration by way of salary, commission and perquisites shall not exceed, the maximum limits prescribed in Schedule V of the Companies Act, 2013, except with the approval of the Central Government wherever necessary.
4. The said appointee shall be eligible for annual privilege leave on full salary for a period of 21 (twenty one) days and such leave shall be allowed to be accumulated for not more than 90 (ninety) days during the tenure of his appointment. Encashment of unavailed privilege leave at the end of the tenure of appointment will not be included in the computation of the ceiling on perquisites.
5. The said appointee shall be entitled to :
  - (i) Reimbursement of expenses actually and properly incurred for the business of the Company as well as other expenses incurred by the appointee in the performance of duties on behalf of the Company.
  - (ii) The reimbursement of travelling, hotel and other expenses incurred by the appointee in India and abroad exclusively for the business of the Company.
6. The said appointee shall unless prevented by ill-health throughout the said term devote his whole time attention and abilities to the business of the Company and shall carry out the directions issued from time to time by the board of directors and shall in all respects conform to and comply with the directions and regulations made by the Board and shall well and faithfully serve the Company and use his utmost endeavors to promote the interests of the Company.
7. The salary payable to the said appointee in terms of clause 1, hereof shall continue to be paid to him in full during the first 6 (six) months of his illness or for causes beyond his control which would enforce his absence from duties and thereafter at the rate of one half of such salary during such absence until he shall have been so absent for a continuous period of 12 (twelve) months or until this Agreement is determined as hereinafter provided, whichever is earlier.
8. The said appointee shall not at any time or times during or after the continuance of his employment divulge, disclose or make public any of the secrets regarding the accounts, transactions or processes or regarding specifications, technical and patent information, formulae and know-how to be used for the manufacture or processing of drugs and products of the Company or any of the secrets regarding its plant, facilities, machinery and equipments, information and organization of production and material flow as well as methods and procedures of production or dealings of the Company which shall come to his knowledge whether the same shall be confided to him or become known to him as Director or in any other manner whatsoever during the course of his employment.
9. In the case of death of the said appointee in the course of his employment, the Company shall pay to his legal representatives the remuneration for the then current month in addition to such other sum as the Board may determine.
10. If the said appointee shall, in the opinion of the Board of Directors, fail for 6 (six) consecutive months to perform or be negligent in his duty to the Company, the Company may by notice in writing determine this Agreement.
11. The said appointee shall not during the continuance of this Agreement, or for a period of 3 (three) years after the termination thereof, without the consent in writing of the Company, either solely or jointly with or as manager or agent for any other person or persons directly or indirectly carry on or be engaged in such business as the Company has been carrying on for the last preceding 3 (three) years.
12. The said appointee hereby agrees that he will not at any time after determination of his employment:
  - (i) Solicit the custom of or deal with any person or Company who has during the three/five years preceding such determination been a customer of the Company; and
  - (ii) Represents himself as being in any way directly or indirectly connected with or interested in the business of the Company.
13. Subject to Section 202 of the Companies Act, 2013 in the event of the Company at any time transferring its undertaking to

another Company for any reason whatsoever the Company may make it one of the terms and conditions of such transfer that such other Company shall appoint the said appointee as a member of such other Company upon the same terms and conditions as are herein contained.

14. In the event of the Company being wound up voluntarily and in case it is able to pay its debts, the said appointee shall be paid by the Company or by its liquidator in priority to all other creditors as compensation for the loss of his employment as the appointee the sum equal to his (12) twelve months' remuneration consisting of salary on the basis of the last salary drawn and such compensation shall at all times be the first charge on the assets of the Company.

15. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate this Agreement, at anytime giving the other party 90 (ninety) days notice in writing in that behalf.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby empowered to modify the terms and conditions of the appointment of the said Mr. Ameya A. Chandavarkar, subject to the conditions that such modification complies with relevant sections of the Companies Act, 2013, and Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the agreement dated January 30, 2014, entered into by the Company with Mr. Ameya A. Chandavarkar, with respect to the above terms and conditions be and is hereby approved.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Nagam H. Atthreya (DIN: 00043899), Director of the Company, who retires by rotation at the forthcoming Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years upto the conclusion of the 79th Annual General Meeting of the Company in the calendar year 2019 and not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, CA Girish C. Sharedalal (DIN: 00066058), Director of the Company, whose period of office was liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years upto the conclusion of the 79th Annual General Meeting of the Company in the calendar year 2019 and not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, CA Vinod G. Yennemadi (DIN: 00137039), Director of the Company, whose period of office was liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years upto the conclusion of the 79th Annual General Meeting of the Company in the calendar year 2019 and not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

12. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Rahim H. Muljiani (DIN: 00043975) , Director of the Company, whose period of office was liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years upto the conclusion of the 79th Annual General Meeting of the Company in the calendar year 2019 and not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

13. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Satish S. Ugrankar (DIN: 00043783), Director of the Company, whose period of office was liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years upto the conclusion of the 79th Annual General Meeting of the Company in the calendar year 2019 and not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

14. Appointment of Ms. Nomita R. Chandavarkar(DIN: 00042332) as a Director liable to retire by rotation and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Ms. Nomita R. Chandavarkar (DIN: 00042332) who was appointed as an Additional Director of the Company with effect from June 02, 2014 and who, in terms of Section 161 of the Companies Act, 2013, and Article 65 of the Articles of Association of the Company, holds office of directorship up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Ms. Nomita R. Chandavarkar, as a candidate for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT in pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the shareholders be and is hereby accorded for the appointment of Ms. Nomita R. Chandavarkar (DIN:00042332) as the Executive Director of the Company for a period of 5 (five) years with effect from June 02, 2014, on the following terms and conditions, remuneration and perquisites upto a maximum as may be permitted under Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof as in force for the period covered under the Agreement to be entered into by the Company with Ms. Nomita R. Chandavarkar or on the basis of such other law or notification as may be permissible or applicable (“said appointee”):

1. The material terms of the said appointment are as follows:

i. Term: June 02, 2014 to June 01, 2019

ii. Salary: Rs. 1,00,000 (Rupees One Lac Only) p.m. with effect from June 02,2014 with an annual increment of Rs. 5,000 (Rupees Five Thousand Only) p.m. upto to maximum salary of Rs.1,20,000 (Rupees One Lac Twenty Thousand only) p.m.

Annual increments every year, for the term, will be effective from June.

- iii. Commission: In addition to salary and perquisites, commission not exceeding 0.15 percent of the net profits of the Company in a financial year, computed in the manner laid down in Section 198 of the Companies Act 2013 and subject to the overall ceilings laid-down under Sections 197 of the Companies Act, 2013 and Schedule V of the Companies Act, 2013.
2. Perquisites: In addition to the salary and commission as mentioned in clause 1, the appointee shall be entitled to perquisites as under:
    - i. Housing: The expenditure incurred by the appointee on hiring unfurnished accommodation for herself shall be subject to a ceiling of 60% of her salary over and above 10% payable by the appointee. However, if the Company does not provide the appointee residential accommodation, the said appointee is entitled to house rent allowance of 60% of her salary. Besides, the Company shall provide amenities such as gas, electricity, water and furnishings subject to a ceiling of 10% of salary, computed as per Income Tax Rules, 1962.
    - ii. Medical, hospitalization and health care expenses: Reimbursement of medical, hospital and nursing expenses including mediclaim policy premium paid by the Company and where recommended by a medical practitioner travelling expenses for their purpose in or outside India for herself, her spouse and dependent children actually incurred subject to a ceiling of 1 (one) month's salary per year or 5 (five) months' salary in a block period of 5 (five) years.
    - iii. Leave Travel Concession: For the appointee, her spouse and dependent children once a year, in accordance with any rules specified by the Company subject to a ceiling of (1) one month's salary during leave for holidaying in any place or places in India not more frequently than once in a year, including travelling expenses by air and/or air-conditioned first class by rail, subject to a condition that she will not be entitled to any expenses of stay at any holiday resort.
    - iv. Personal Accident Insurance: As per any rules specified by the Company.
    - v. Health Mediclaim Insurance: As per any rules specified by the Company.
    - vi. Provident Fund: Company's contribution to provident fund shall be as per the scheme applicable to the employee's of the Company, but not exceeding 12% of the salary or such other limits as prescribed by the Government.
    - viii. Gratuity: As per the rules of the Company, payable in accordance with the approved Gratuity fund which shall not exceed half month's salary for each completed year of service.
    - ix. Ex- Gratia: In accordance with the Company's rules and regulations in force from time to time.
    - x. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the said appointee.
    - xi. Land line telephone/mobile phone/internet for official use.
  3. Where in any financial year during the currency of the tenure of the said appointee the Company has no profit or inadequacy of profits, the remuneration by way of salary, commission and perquisites shall not exceed, the maximum limits prescribed in Schedule V of the Companies Act, 2013, except with the approval of the Central Government wherever necessary.
  4. The said appointee shall be eligible for annual privilege leave on full salary for a period of 21 (twenty one) days and such leave shall be allowed to be accumulated for not more than 90 (ninety) days during the tenure of her appointment. Encashment of unavailed privilege leave at the end of the tenure of appointment will not be included in the computation of the ceiling on perquisites.
  5. The said appointee shall be entitled to :
    - (i) Reimbursement of expenses actually and properly incurred for the business of the Company as well as other

expenses incurred by the appointee in the performance of duties on behalf of the Company.

- (ii) The reimbursement of travelling, hotel and other expenses incurred by the appointee in India and abroad exclusively for the business of the Company.
6. The said appointee shall unless prevented by ill-health throughout the said term devote her whole time attention and abilities to the business of the Company and shall carry out the directions issued from time to time by the Board of Directors and shall in all respects conform to and comply with the directions and regulations made by the Board and shall well and faithfully serve the Company and use her utmost endeavors to promote the interests of the Company.
  7. The salary payable to the said appointee in terms of clause 1 hereof shall continue to be paid to her in full during the first 6 (six) months of her illness or for causes beyond her control which would enforce her absence from duties and thereafter at the rate of one half of such salary during such absence until he shall have been so absent for a continuous period of 12 (twelve) months or until the Agreement is determined as hereinafter provided, whichever is earlier.
  8. The said appointee shall not at any time or times during or after the continuance of her employment divulge, disclose or make public any of the secrets regarding the accounts, transactions or processes or regarding specifications, technical and patent information, formulae and know-how to be used for the manufacture or processing of drugs and products of the Company or any of the secrets regarding its plant, facilities, machinery and equipments, information and organization of production and material flow as well as methods and procedures of production or dealings of the Company which shall come to her knowledge whether the same shall be confided to her or become known to her as Director or in any other manner whatsoever during the course of her employment.
  9. In the case of death of the said appointee in the course of her employment, the Company shall pay to her legal representatives the remuneration for the then current month in addition to such other sum as the Board may determine.
  10. If the said appointee shall, in the opinion of the Board of Directors, fail for 6 (six) consecutive months to perform or be negligent in her duty to the Company, the Company may by notice in writing determine the Agreement.
  11. The said appointee shall not during the continuance of the Agreement, or for a period of 3 (three) years after the termination thereof, without the consent in writing of the Company, either solely or jointly with or as manager or agent for any other person or persons directly or indirectly carry on or be engaged in such business as the Company has been carrying on for the last preceding 3 (three) years.
  12. The said appointee hereby agrees that he will not at any time after determination of her employment:
    - (i) Solicit the custom of or deal with any person or Company who has during the three /five years preceding such determination been a customer of the Company; and
    - (ii) Represent herself as being in any way directly or indirectly connected with or interested in the business of the Company.
  13. Subject to Section 202 of the Companies Act, 2013 in the event of the Company at any time transferring its undertaking to another Company for any reason whatsoever the Company may make it one of the terms and conditions of such transfer that such other Company shall appoint the said appointee as a member of such other Company upon the same terms and conditions as are herein contained.

In the event of the Company being wound up voluntarily and in case it is able to pay its debts, the said appointee shall be paid by the Company or by its liquidator in priority to all other creditors as compensation for the loss of her employment as the appointee, the sum equal to her 12 (twelve) months' remuneration consisting of salary on the basis of the last salary drawn and such compensation shall at all times be the first charge on the assets of the Company.

14. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate their Agreement, at anytime giving the other party 90 (ninety) days notice in writing in that behalf.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby empowered to modify the terms and conditions of the appointment of Ms. Nomita R. Chandavarkar, subject to the conditions that such modification



complies with relevant sections and Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

15. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2015 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such guidelines and approval as may be required from the Central Government, Mr. Prakash A. Sevekari, Cost Accountants (Membership No. - 5978) appointed as Cost Auditors to audit the cost records maintained by the Company for the financial year ending March 31, 2015, on a remuneration of Rs.4,00,000/- (Rupees Four Lacs Only) excluding taxes and out of pocket expenses as recommended by the Audit Committee and approved by the Board of Directors at their meeting held on May 29, 2014 be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds and things as may be required “

By Order of the Board

Place: Mumbai  
Date: May 29, 2014

**Varsharani Katre**  
Company Secretary

**NOTES:**

**1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON HIS/HER BEHALF ON A POLL ONLY. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. A Proxy form, in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than forty eight hours before the commencement of the aforesaid meeting.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at this Annual General Meeting, forms integral part of the Notice and is given under the Explanatory Statement. The Directors have furnished the requisite declarations for their appointment.
6. The register of members and share transfer books of the Company will remain closed from July 31, 2014 to August 09, 2014 (both days inclusive) for the purpose of annual general meeting and dividend, if any, declared by the shareholders at the ensuing meeting.

7. Members are requested to:

- a. notify any change in their address to the Registrar and 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.
  - b. bring the attendance slips along with the copies of the annual report to the meeting.
8. In compliance with Sections 205A & 205C of the Companies Act, 1956, unpaid/unclaimed final dividend for the year 2005 – 2006 and unpaid/unclaimed interim dividend for the year 2006 – 2007 has been transferred to the "Investor Education and Protection Fund" established by the Central Government. Members shall not be able to register their claim in respect of their unencashed dividend with regard to the said dividends. Unclaimed dividends for all the subsequent years will be transferred to the "Investor Education and Protection Fund" according to the statutory stipulations. Members are requested to contact the Company at its corporate office, in respect of their outstanding dividends for the succeeding years.
9. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 31, 2013 (date of last Annual General Meeting) on the website of the Company - [www.fdcindia.com](http://www.fdcindia.com) and also on the website of the Ministry of Corporate Affairs.
10. The notice of the 74th Annual General Meeting of the Company along with printed Attendance Slips is being dispatched to all Members. Electronic copy of the Annual Report for the year ended March 31, 2014 is being sent to all the members whose e-mail address is registered with the Company / Depository Participant(s) unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, the Annual Report for the year ended March 31, 2014 is physically sent along with the Notice. Members who have not yet registered their e-mail address are encouraged to submit their request with their respective Depository Participant of the Company, as the case may be.

Members may also note that the Notice of the 74th Annual General Meeting and the Annual Report for the year ended March 31, 2014 will also be available on the Company's website- [www.fdcindia.com](http://www.fdcindia.com) for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon receipt of request for the same to the Company, by post free of cost.

11. All the documents referred to in the notice are open for inspection at the registered office of the Company at B-8, M.I.D.C, Industrial Estate, Waluj Dist., Aurangabad 431 136 between 10.00 a.m. to 12.00 noon on all days except Friday and holidays, prior to the date of the meeting and at the venue of the annual general meeting during the meeting hours.

12. Voting through electronic means

- a. In compliance with the provisions of Section 108 of the Companies Act, 2013, and the Rules made thereunder, the Company is pleased to provide its shareholders with the facility to exercise their right to vote at the 74th Annual General Meeting of the Company by electronic means and the business may be transacted through e-Voting services provided by the Central Depository with the Company / Depository Participant Services Limited (CDSL).

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

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the Electronic Voting Sequence Number(EVSN) – "140702009" along with "FDC Limited" from the drop down menu and click on "SUBMIT".
- (iv) Now Enter your User ID (For CDSL: 16 digits Beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the

Captcha Code as displayed and Click on Login.

(v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.

(vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system for e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

\* Members who have not updated their PAN with the Company / Depository Participant are requested to use the default PAN number as ABCDE1234Z in the PAN field

# Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the value 01/01/1990 in the DOB column or 0123456789 in the Dividend Bank details field.

(vii) After entering these details appropriately, click on “SUBMIT” tab.

(viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the Electronic Voting Sequence Number(EVSN) – “140702009” of FDC Limited, on which you choose to vote.

(xi) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.

(xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

(xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link

the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

- b. The voting period begins on August 04, 2014 at 10.00 a.m. IST and ends on August 06,2014 at 6.00 p.m. IST. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date June 30, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- c. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- d. The Voting rights of shareholders shall be in proportion to their shares of the paid up capital of the Company as on the cut off date of June 30, 2014.
- e. Sanjay Dholakia & Associates, Practising Company Secretary (C.P.No.2655) has been appointed as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- f. The Scrutinizer shall within a period not exceeding 2 (two) working days from the conclusion of the E-Voting period unlock the votes in the presence of atleast two witnesses not in the employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- g. The results shall be declared at the AGM of the Company. The results declared alongwith the scrutinizers report shall be placed on the Company' website -[www.fdcindia.com](http://www.fdcindia.com) and on the website of CDSL within 2 (two) days of the passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges where the shares of the Company are listed.

By Order of the Board

Place: Mumbai  
Date: May 29, 2014

**Varsharani Katre**  
Company Secretary

#### **Annexure to Notice**

#### **STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”)**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

#### **Item No. 5**

The Board of Directors of the Company at its meeting held on January 30, 2014 has re-appointed Mr. Mohan A. Chandavarkar as Managing Director, for a period of 5 (five) years with effect from April 01, 2014.

It is proposed to seek the members' approval at the forthcoming Annual General Meeting, for the re-appointment of and remuneration payable to Mr. Mohan A. Chandavarkar as Managing Director, in terms of all the applicable provisions of the Companies Act, 2013.

Mr. Mohan A. Chandavarkar is the Managing Director of the Company since 1967. He is a graduate in Bachelor of Science (Honours). He has to his credit a rich experience of 46 years in the field of Commercial, Marketing Operations and International Business of the Company. His professional knowledge and vast experience will be of immense benefit to the Company.

He is the member of the Audit Committee of the Company. He is a Director in Transgene Trading and Investment Company Private Limited

Mr. Mohan A. Chandavarkar holds 11,222,770 shares of the Company in his name as on March 31, 2014.

The terms and conditions of his re-appointment including the remuneration payable to Mr. Mohan A. Chandavarkar, Managing Director is laid out in the resolution mentioned in Item No. 5 of the Notice.

Mr. Mohan A. Chandavarkar satisfies all the conditions set out in Part-I of Schedule V of the Companies Act, 2013 and the conditions set out under sub-section (3) of Section 196 of the Act for being eligible for re-appointment as Managing Director. He is also not disqualified from being appointed as Director in terms of Section 164 of the Act.

The agreement entered into with the Managing Director dated January 30, 2014, is open for inspection at the registered office of the Company between 10.00 a.m. to 12.00 noon on all days except Friday and holidays, prior to the date of the meeting and at the venue of the annual general meeting during the meeting hours.

This Explanatory Statement together with the accompanying Notice is to be regarded as an abstract of the terms of the agreement and Memorandum of Concern or Interest under Section 190 of the Companies Act, 2013 and a disclosure under clause 49 of the listing agreement with Stock Exchanges.

Mr. Nandan M. Chandavarkar and Mr. Ashok A. Chandavarkar being related to Mr. Mohan A. Chandavarkar and Mr. Mohan A. Chandavarkar himself are deemed to be interested or concerned in the resolution as enumerated above.

The relatives of Mr. Mohan A. Chandavarkar may be deemed to be interested in the resolution set out at Item No.5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

#### **Item No. 6**

The Board of Directors of the Company at its meeting held on January 30, 2014 has re-appointed Mr. Nandan M. Chandavarkar as Joint Managing Director, for a period of 5 (five) years with effect from March 01, 2014.

It is proposed to seek the members' approval at the forthcoming Annual General Meeting, for the re-appointment of and remuneration payable to Mr. Nandan M. Chandavarkar as Joint Managing Director, in terms of all the applicable provisions of the Companies Act, 2013.

Mr. Nandan M. Chandavarkar is the Joint Managing Director of the Company since 1993. He is a graduate in Bachelor of Pharmacy. He is actively involved in Technical and Regulatory Operations and International Business of the Company. His professional knowledge and vast experience will be of immense benefit to the Company.

He is neither the Chairman nor member of any Committee of the Company. He is a Director in Transgene Trading and Investment Company Private Limited.

Mr. Nandan M. Chandavarkar holds 5,018,000 shares of the Company in his name as on March 31, 2014.

The terms and conditions of his re-appointment including the remuneration payable to Mr. Nandan M. Chandavarkar, Joint Managing Director is laid out in the resolution mentioned in Item No. 6 of the Notice.

Mr. Nandan M. Chandavarkar satisfies all the conditions set out in Part-I of Schedule V to the Act and the conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment as Joint Managing Director. He is also not disqualified from being appointed as Director in terms of Section 164 of the Act.

The agreement entered into with the Joint Managing Director dated January 30, 2014 , is open for inspection at the registered office of the Company between 10.00 a.m. to 12.00 noon on all days except Friday and holidays, prior to the date of the meeting and at the venue of the annual general meeting during the meeting hours.

This explanatory statement together with the accompanying Notice is to be regarded as an abstract of the terms of the agreement and Memorandum of Concern or Interest under Section 190 of the Companies Act, 2013 and a disclosure under clause 49 of the listing agreement with Stock Exchanges.

Mr. Mohan A. Chandavarkar being related to Mr. Nandan M. Chandavarkar and Mr. Nandan M. Chandavarkar himself are deemed to be interested or concerned in the resolution as enumerated above.

The relatives of Mr. Nandan M. Chandavarkar may be deemed to be interested in the resolution set out at Item No.6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

#### **Item No. 7**

The Board of Directors of the Company vide Circular Resolution No. 313 passed on February 28, 2011, had re-appointed Mr. Ashok A. Chandavarkar as the Whole time Director, for a period of 5 (five) years, with effect from March 01, 2011 and the said appointment was approved by the shareholders at the Annual General Meeting of the Company held on September 24, 2011.

The Board of Directors of the Company at its meeting held on January 30, 2014 has modified all the clauses of the existing agreement dated March 18, 2011 with Mr. Ashok A. Chandavarkar ("said Agreement"), other than the material clauses pertaining to the Term, Salary and Commission as mentioned under clause 1, 4(ii) & (iii) of the said Agreement which shall remain unchanged till the expiry of the term of the Agreement, subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting.

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 also a director in Soven Trading and Investment Company Private Limited. He is neither the Chairman nor member of any committee of the Company.

The terms and conditions of the appointment of Mr. Ashok A. Chandavarkar, Whole time Director is laid out in the resolution mentioned in Item No. 7 of the Notice.

Mr. Ashok A. Chandavarkar holds 10,530,360 shares of the Company in his name as on March 31, 2014.

The agreement entered into with Mr. Ashok A. Chandavarkar, Whole time Director, dated January 30, 2014, is open for inspection at the registered office of the Company between 10.00 a.m. to 12.00 noon on all days except Friday and holidays, prior to the date of the meeting and at the venue of the annual general meeting during the meeting hours.

This Explanatory Statement together with the accompanying Notice is to be regarded as an abstract of the terms of the agreement and Memorandum of Concern or Interest under Section 190 of the Companies Act, 2013 and a disclosure under clause 49 of the listing agreement with Stock Exchanges.

Mr. Mohan A. Chandavarkar and Mr. Ameya A. Chandavarkar being related to Mr. Ashok A. Chandavarkar and Mr. Ashok A. Chandavarkar himself are deemed to be interested or concerned in the resolution as enumerated above.

The relatives of Mr. Ashok A. Chandavarkar may be deemed to be interested in the resolution set out at Item No.7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

## **Item No. 8**

The Board of Directors of the Company at its meeting held on October 29, 2009 had appointed Mr. Ameya A. Chandavarkar as the Whole time Director, for a period of 5 (five) years, with effect from November 01, 2009 and the said appointment was approved by the shareholders at the Annual General Meeting of the Company held on August 21, 2010.

The Board of Directors of the Company at its meeting held on January 30, 2014 has modified all the clauses of the existing agreement dated October 29, 2009 with Mr. Ameya A. Chandavarkar, ("said Agreement"), other than the material clauses pertaining to the Term, Salary and Commission as mentioned under clause 1, 4(ii) & (iii) of the said Agreement which shall remain unchanged till the expiry of the term of the Agreement, subject to the approval of the shareholders of the Company at its forthcoming annual general meeting.

Mr. Ameya A. Chandavarkar is a Graduate in Information Systems and Marketing Management from Florida Southern College, Lakeland, USA. He joined FDC Limited in the year 2000 as Manager- Corporate Affairs and thereafter was appointed as a wholetime director of the Company in the year 2002. In 2007, he earned an MBA from INSEAD in France and Singapore. He is actively involved in International Business, Information Technology, Human Resource Development and other Business affairs of the Company.

The terms and conditions of the appointment to Mr. Ameya A. Chandavarkar, Whole time Director is laid out in the resolution mentioned in Item No. 8 of the Notice.

Mr. Ameya A. Chandavarkar holds 5,308,746 shares of the Company in his name as on March 31, 2014.

The agreement entered into with Mr. Ameya A. Chandavarkar, Whole time Director, dated January 30, 2014, is open for inspection at the registered office of the Company between 10.00 a.m. to 12.00 noon on all days except Friday and holidays, prior to the date of the meeting and at the venue of the annual general meeting during the meeting hours.

This explanatory statement together with the accompanying Notice is to be regarded as an abstract of the terms of the agreement and Memorandum of Concern or Interest under Section 190 of the Companies Act, 2013 and a disclosure under clause 49 of the listing agreement with Stock Exchanges.

Mr. Ashok A. Chandavarkar being related to Mr. Ameya A. Chandavarkar and Mr. Ameya A. Chandavarkar himself are deemed to be interested or concerned in the resolution as enumerated above.

The relatives of Mr. Ameya A. Chandavarkar may be deemed to be interested in the resolution set out at Item No.8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

## **Item No. 9**

In accordance with Article 60 of the Articles of Association and the relevant provisions of the Companies Act, 1956, Dr. Nagam H. Athreya was liable to retire by rotation at the forthcoming Annual General Meeting, under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Sections 149 and 152 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Dr. Nagam H. Athreya is now being appointed as an Independent and Non Executive Director for a term of 5 (five) consecutive years upto the conclusion of the 79th Annual General Meeting of the Company in the calendar year 2019, not liable to retire by rotation.

Dr. Nagam H. Athreya is a Non-Executive Independent Director of the Company. He is a leading management consultant having vast experience in the field of business administration. Dr. Nagam H. Athreya is a member of the Audit Committee of the Company. He holds directorship in a Company, namely TVS Srichakra Limited and is also a member of its audit committee. Dr. Athreya is not related to any directors of the company. Dr. Athreya does not hold any shares of the Company in his name as on March 31, 2014.

Dr. Nagam H. Atthreya is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Company has received notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Dr. Nagam H. Atthreya for the office of Director of the Company.

The Company has also received declaration from Dr. Nagam H. Atthreya that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Dr. Nagam H. Atthreya fulfills the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement. Dr. Nagam H. Atthreya is independent of the management.

Copy of the draft letter for appointment of Dr. Nagam H. Atthreya as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Dr. Nagam H. Atthreya is interested in the resolution set out at Item No. 9 of the Notice with regard to his appointment.

The relatives of Dr. Nagam H. Atthreya may be deemed to be interested in the resolution set out at Item No. 9 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions..

The Board recommends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

#### **Item No. 10**

CA Girish C. Sharedalal is a Non Executive Independent Director whose period of office was liable to be determined by retirement of directors by rotation, under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Sections 149 and 152 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder, CA Girish C. Sharedalal is now being appointed as an Independent and Non Executive Director for term of 5 (five) consecutive years upto the conclusion of the 79th Annual General Meeting of the Company in the calendar year 2019, not liable to retire by rotation.

CA Girish C. Sharedalal is a Fellow Member of the Institute of Chartered Accountants of India. He has vast professional experience in the field of accounts, finance, audit and taxation. He is also the Chairman of the Audit Committee of the Company. CA Girish C. Sharedalal holds directorship in Stovec Industries Limited and is also the member of the audit committee and Stakeholders Relationship Committee of Stovec Industries Limited. He is not related to any directors of the company.

CA Girish C. Sharedalal holds 10,000 shares of the Company in his name as on March 31, 2014.

CA Girish C. Sharedalal is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Company has received notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of CA Girish C. Sharedalal for the office of Director of the Company.

The Company has also received declaration from CA Girish C. Sharedalal that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, CA Girish C. Sharedalal fulfills the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement. CA Girish C. Sharedalal is independent of the management.

Copy of the draft letter for appointment of CA Girish C. Sharedalal as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.



This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

CA Girish C. Sharedalal is interested in the resolution set out at Item No. 10 of the Notice with regard to his appointment.

The relatives of CA Girish C. Sharedalal may be deemed to be interested in the resolution set out at Item No. 10 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolution set out at Item No. 10 of the Notice for approval by the shareholders.

#### **Item No. 11**

CA Vinod G. Yennemadi, is a Non Executive Independent Director whose period of office was liable to be determined by retirement of directors by rotation, under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Sections 149 and 152 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder, CA Vinod G. Yennemadi is now being appointed as an Independent and Non Executive Director for term of 5 (five) consecutive years upto the conclusion of the 79th Annual General Meeting of the Company in the calendar year 2019, not liable to retire by rotation.

CA Vinod G. 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. 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 the Chairman of the Nomination and Remuneration Committee of the Company. He is also a member of the Audit Committee of the Company. He is not a director in any other Company.

CA Vinod G. Yennemadi holds 13,975 shares of the Company in his name as on March 31, 2014.

CA Vinod G. Yennemadi is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Company has received notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of CA Vinod G. Yennemadi for the office of Director of the Company.

The Company has also received declaration from CA Vinod G. Yennemadi that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, CA Vinod G. Yennemadi fulfills the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement. CA Vinod G. Yennemadi is independent of the management.

Copy of the draft letter for appointment of CA Vinod G. Yennemadi as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

CA Vinod G. Yennemadi is interested in the resolution set out at Item No. 11 of the Notice with regard to his appointment.

The relatives of CA Vinod G. Yennemadi may be deemed to be interested in the resolution set out at Item No. 11 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolution set out at Item No. 11 of the Notice for approval by the shareholders.

#### **Item No. 12**

Dr. Rahim H. Muljiani is a Non Executive Independent Director whose period of office was liable to be determined by retirement of directors by rotation, under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Sections 149 and 152 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Dr. Rahim H. Muljiani is now being appointed as an Independent and Non Executive Director for term of 5 (five) consecutive years upto the conclusion of the 79th Annual General Meeting of the Company in the calendar year 2019, not liable to retire by rotation.

Dr. Rahim H. Muljiani is a reputed and one of the senior most Ophthalmologists in India. He is actively associated with the Company and provides advice and guidance to the Company on its varied range of Ophthalmic Products. Dr. Rahim H. Muljiani is the member of the Audit Committee, Investor Grievance Committee and Nomination and Remuneration Committee of the Company. He is not holding directorship in any other Company nor is he related to any director of the Company.

Dr. Rahim H. Muljiani holds 4,000 shares of the Company in his name as on March 31, 2014.

Dr. Rahim H. Muljiani is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Company has received notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Dr. Rahim H. Muljiani for the office of Director of the Company.

The Company has also received declaration from Dr. Rahim H. Muljiani that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Dr. Rahim H. Muljiani fulfills the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement. Dr. Rahim H. Muljiani is independent of the management.

Copy of the draft letter for appointment of Dr. Rahim H. Muljiani as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Dr. Rahim H. Muljiani is interested in the resolution set out at Item No. 12 of the Notice with regard to his appointment.

The relatives of Dr. Rahim H. Muljiani may be deemed to be interested in the resolution set out at Item No. 12 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolution set out at Item No. 12 of the Notice for approval by the shareholders.

#### **Item No. 13**

Dr. Satish S. Ugrankar is a Non Executive Independent Director whose period of office was liable to be determined by retirement of directors by rotation, under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Sections 149 and 152 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Dr. Satish S. Ugrankar is now being appointed as an Independent and Non Executive Director for term of 5 (five) consecutive years upto the conclusion of the 79th Annual General Meeting of the Company in the calendar year 2019, not liable to retire by rotation.

Dr. Satish S. Ugrankar is a renowned consulting Orthopedic Surgeon. Dr. Satish S. Ugrankar is a member of the Nomination and Remuneration Committee of the Company. Dr. Satish S. Ugrankar is not holding directorship in any other Company. He is not related to any director of the Company.

Dr. Satish S. Ugrankar is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Company has received notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Dr. Satish S. Ugrankar for the office of Director of the Company.

The Company has also received declaration from Dr. Satish S. Ugrankar that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Dr. Satish S. Ugrankar fulfills the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement. Dr. Satish S. Ugrankar is independent of the management.

Copy of the draft letter for appointment of Dr. Satish S. Ugrankar as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Dr. Satish S. Ugrankar is interested in the resolution set out at Item No. 13 of the Notice with regard to his appointment.

The relatives of Dr. Satish S. Ugrankar may be deemed to be interested in the resolution set out at Item No. 13 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolution set out at Item No. 13 of the Notice for approval by the shareholders.

#### **Item No. 14**

The Board of Directors of the Company at its meeting held on May 29, 2014, has appointed, Ms. Nomita R. Chandavarkar as an Additional and Executive Director of the Company with effect from June 02, 2014, subject to the approval of the shareholders at the forthcoming Annual General Meeting. The remuneration of Ms. Nomita R. Chandavarkar, as recommended by the Nomination & Remuneration Committee, was also approved by the Board at its meeting held on May 29, 2014.

Brief resume of Ms. Nomita R. Chandavarkar

Ms. Nomita R. Chandavarkar, aged 48 years, is a commerce graduate from M.M.K. College of Commerce and Economics, Mumbai. Ms. Nomita R. Chandavarkar holds 15,81,940 equity shares of the Company. Being a part of FDC for around 13 years, she is actively involved in various functions of the Company. She is the Chairperson of Internal Committee formed under the Sexual Harassment of Women at Workplace Act 2013. She is also an active member of website committee which is involved in website development, redesigning and content management. Ms. Chandavarkar also looks after the various charitable activities undertaken by the Company.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Nomita R. Chandavarkar for the office of Director of the Company.

Ms. Nomita R. Chandavarkar is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

Ms. Nomita R. Chandavarkar is a Director of Sudipta Trading and Investment Company Private Limited.

Ms. Nomita R. Chandavarkar may be deemed to be concerned or interested, financially or otherwise, to the extent of the aforesaid shareholding in respect of her appointment as a Director.

The relatives of Ms. Nomita R. Chandavarkar may be deemed to be interested in the resolution set out at Item No. 14 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 14 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 14 of the Notice for approval by the shareholders.

**Item No. 15**

The Board of Directors on the recommendation of the Audit Committee, has approved the appointment of the Cost Auditors, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, on a remuneration of Rs.4,00,000/- (Rupees Four Lacs Only) excluding taxes and out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 15 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 15 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 15 of the Notice for approval by the shareholders.

By Order of the Board

Place: Mumbai  
Date: May 29, 2014

**Varsharani Katre**  
Company Secretary

## 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

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- |    |   |  |
|----|---|--|
| 1. | Date of annual general meeting            | Saturday, August 09, 2014  |
| 2. | Venue and time                            | WelcomHotel Rama International<br>R-3, Chikalthana, Aurangabad 431 210<br>at 10.00 a.m.  |
| 3. | Book closure                              | July 31, 2014 to August 09, 2014<br>(both days inclusive)  |
| 4. | Dividend                                  | Recommended final dividend of Rs. 2.25 (225%) per equity share   |
| 5. | Investors' complaints may be addressed to | The Secretarial Department<br>FDC Limited<br>142-48, Swami Vivekananda Road<br>Jogeshwari (West), Mumbai 400 102<br>Tel.: (022) 3071 9215, 3071 9100<br>Fax.: (022) 2678 8123<br>E-mail ID.: investors@fdcindia.com<br>Website: www.fdcindia.com |

**FDC Limited**

CIN: L24239MH1940PLC003176

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

**Ramdas 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. Atthreya

CA Vinod G. Yennemadi

**COMPANY SECRETARY**

Ms. Varsharani Katre

**AUDITORS**

S.R. Batliboi & Co. LLP, Mumbai

**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

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

**PLANTS**

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

**IN HOUSE R & D CENTRES APPROVED BY  
DEPARTMENT OF SCIENTIFIC & INDUSTRIAL  
RESEARCH**

- Jogeshwari R & D Centre at 142-48, S.V. Road, Jogeshwari (W), Mumbai - 400 102
- Roha R & D Centre at Plot No. 19 & 20/2, MIDC Area Road, Roha, Dist. Raigad
- Goa Unit III R & D Centre at Plant Phase III/A, Plot No. L-121/B, Salcette, Verna Industrial Estate, Verna, Goa

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## DIRECTORS' REPORT including Management Discussion and Analysis Report\_\_\_\_\_

Your Directors are pleased to present their report on the business and operations of your Company for the year ended March 31, 2014.

### 1. FINANCIAL PERFORMANCE

Your Company's net sales have increased by 9.2% as compared to the last financial year. Your Company continues its efforts to deliver long term sustainable profitable growth by initiating various steps. The various measures undertaken by the Company has helped in maintaining working capital cycle and efforts for improving the same is an ongoing exercise. Cost controls across all levels of functions are a continuous exercise.

	2013-2014 Rupees in lacs	2012-2013 Rupees in lacs
<b>Revenue from operations (Net)</b>	<b>83,701.84</b>	76,459.51
Other income	<b>3,816.37</b>	4,756.08
<b>Profit (before finance costs &amp; depreciation/amortisation)</b>	<b>24,454.87</b>	23,007.86
Finance costs	<b>301.38</b>	151.05
Depreciation and amortisation	<b>2,454.35</b>	2,751.19
<b>Profit Before Tax</b>	<b>21,699.14</b>	20,105.62
<b>Less: Taxation</b>		
- Current Tax	<b>6,000.00</b>	4,100.00
- Deferred Tax	<b>7.11</b>	163.15
- MAT credit entitlement	-	-
- Tax adjustments for earlier years (current tax)	<b>2,250.00</b>	9.30
<b>Profit After Tax</b>	<b>13,442.03</b>	15,833.17
Balance of profit from prior years	<b>40,568.18</b>	34,460.00
Surplus available for appropriation	<b>54,010.21</b>	50,293.17
<b>Appropriations:</b>		
Transfer to general reserve	<b>5,000.00</b>	5,000.00
Final dividend proposed	<b>4,001.24</b>	4,038.63
Tax on dividend	<b>680.01</b>	686.36
Reversal of excess provision of dividend	<b>(43.71)</b>	-
Balance carried to Balance Sheet	<b>44,372.67</b>	40,568.18
	<b>54,010.21</b>	50,293.17

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 are pleased to recommend a final dividend of Rs. 2.25/- (225%) per equity share of Re.1 each for the financial year ended March 31, 2014. 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 09, 2014. 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 August 16, 2013. During the said period, the Company has bought back 5,087,343 equity shares of Re.1 each and the total outlay for the buyback was Rs. 4,651.17 lacs. All the equity shares bought back in the buyback offer have been extinguished as on August 31, 2013.

### 4. PHARMA INDUSTRY- OVERVIEW & OUTLOOK

The global pharmaceutical market is dominated by USA, which accounts for about 28 percent of global sales followed by the European Union, accounting for nearly 15 percent, and Japan for 12 percent. Together, these three markets represent nearly 55 percent of the global market. The global pharmaceutical market is expected to grow at a Compounded Annual Growth Rate of 6.5% throughout the year 2014.

The Indian Pharmaceutical Market grew by 6.2% to touch the market size of Rs.75,727 crores, during the year ended March 31, 2014. Around 1,603 products were introduced during the year (Source: AIOCD Pharnasofttech AWACS Private Limited- Moving Annual Total Turnover- March 2014).

### 5. OPPORTUNITIES, THREATS, RISKS & CONCERNS

Your Company has launched two new divisions namely Pixel and Dil Se. The Pixel division will exclusively cater to Ophthalmologist with premium range of Ophthalmics. Your Company, being pioneers in Ophthalmological, Pixel is an initiative to regain the Company's leadership position in Ophthalmology in India.

The Dil Se division will primarily cater to the growing Cardio-diabetic segment with an aim of putting patients at ease. Their major brands being Zivast, Zilos and Ziglim.

Your Company expects that the changes made in the business model will improve our ability to act vigorously and cohesively as an organisation and attract the right talent and address the needs of our markets.



The Indian Pharmaceutical Industry has witnessed a lot of turmoil in the past year in terms of pricing regulations, cloud on irrational combinations, trade related issues & other regulatory issues. The rate at which, new introductions were being launched a couple of years back has also slowed down. In spite of all these hurdles, the Indian Pharmaceutical Industry is still growing at a Compounded Annual Growth Rate of 12%.

The new drug price control regime enacted vide Drug Price Control Order (DPCO), 2013 has become law from May' 2013. The new DPCO is based on average market pricing of top 99% formulators as against cost based pricing under old DPCO 1995. The number of formulations of our Company covered under price control has doubled under new DPCO whereas percentage of formulations covered under price control has increased over six fold under new DPCO 2013. The impact of new DPCO on pricing of various companies in the industry would differ from company to company depending upon their basket of formulations.

## 6. SEGMENT-WISE / PRODUCT-WISE PERFORMANCE

### a. MARKETING

Your Company is ranked at 25<sup>th</sup> position, recording a growth of 3.1% and attaining a market share of 1.07% (Source: AIOCD Pharmasofttech AWACS Private Limited- Moving Annual Total Turnover- March 2014).

The various steps initiated by the Company have resulted in improving the performance of the Company. The Company continues its efforts to improve the performance through operational efficiencies by way of enlarging geographical coverage.

Your Company's Pioneer Oral Rehydration Salts (ORS)- Electral is the No.1 ORS Brand in the market. Newly introduced Calcium-Phosphorus Supplement, Calyumm-P suspension was launched at Paediatricians with much aplomb. Calyumm-P with its unique name & yummy flavour was well accepted and appreciated and was able to garner a good prescriber base at Paediatricians in the very first year of its launch.

Your Company's premium brand Zocon 150 grew by 47% and has become the fastest growing brand among top ten Fluconazole brands (Source: AIOCD Pharmasofttech AWACS Private Limited-Moving Annual Total Turnover- March 2014).

### b. RESEARCH & DEVELOPMENT

#### i. FORMULATIONS

FDC's capabilities of research and innovation are an important component of its strategy for sustainable growth. Focus of Pharmaceutical Research is on

creation of value added dosage forms to improve the patient convenience, compliance and therapy. FDC is committed to further strengthen its R & D base to develop niche products for both domestic and global markets and augment the organization's business goals. We have created a state of the art research facility for development and validation of pelletization technique based products. Two products based on pelletization techniques were developed.

Two generics products got approval from European regulatory agencies. A number of products were developed for registration in CIS, African countries and ROW.

#### ii. SYNTHETICS

Your Company's 'Research & Development – Synthetics' centre, set up in the year 1972, is a state-of-the-art facility with a well equipped Organic Chemistry and Analytical Chemistry Laboratory. The Organic Chemistry Laboratory has an aggressive and ambitious Active Pharmaceutical Ingredient (API) development program. Through the API development program, the Company has developed 3 APIs for commercial scale, several APIs are in advanced stages of commercialization and a research and development program for new APIs is also underway.

R&D Centers at Jogeshwari and Roha (Dist. Raigad), duly recognized by the Department of Science & Technology, carry out research and development in reducing the lead time of processes, making the processes more efficient and cost effective. In addition, constant evaluation of cheaper alternative raw materials meeting regulatory requirements for improving productivity and cost effectiveness is also studied.

Apart from sustaining the current APIs, the Company plans to continue to develop new and cost effective APIs, study the feasibility of new manufacturing processes, for existing APIs and optimization of process parameters with respect to quality and cost control.

#### iii. NUTRACEUTICALS

Your Company's reputed energy drink "Enerzal" has grown by 14% viz-a-viz market growth of 1% (Source: AIOCD Pharmasofttech AWACS Private Limited-Moving Annual Total Turnover- March 2014).

Your Company is also in the process of launching "Enerzal" in PET bottles (Orange and Apple Flavour).

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 HACCP Recertification Audit and ISO22000:2005 Surveillance audit for Roha plant.

#### iv. 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, we have received permit letter from department of Biotechnology to approach Drug Controller General of India (DCGI) for approval to conduct appropriate phase of Human Clinical Trials. Your Company is in the process of finalizing cGMP approved external facility to conduct manufacturing of our clinical grade recombinant protein that can then be used for Human Clinical trials.

Your Company has also been granted a patent entitled "Method for Determining the Potency of G-CSF" by Indian patent office.

#### c. EXPORTS

Developed markets such as UK, US & Australia are driving growth in the generics segment. We continue to rely upon our strengths viz. wide portfolio of Ophthalmic products, Anti-diarrheal, Anti-bacterial, dermatological prescription products and product promotion skills to execute our international plans, while we slowly gain expertise in handling tender/government business in each of the countries we are present in. We have registered an Export Sales turnover of Rs. 11,382.20 Lacs for the year ended March 31, 2014 with a growth of 19.30% over last year's turnover of Rs. 9,541.05 Lacs.

Apart from the developed markets, we have established a good presence in other fast growing markets like Ukraine, Africa, South East Asia and Latin America.

Going forward, we will strongly focus on USA, Canada, Australia, Latin America, South-East Asia, South Africa and the CIS region to register growth in the international markets.

#### d. INTELLECTUAL PROPERTY

Your Company has been honored by the Pharmaceuticals Export Promotion Council (PHARMEXCIL) with "**NEW CHEMICAL ENTITIES (NCEs) – SILVER AWARD**" on May 21, 2014, for its outstanding contribution in the field of pharmaceutical research by patenting innovations, both in India and abroad, during the year 2012-13. Your Company has received this prestigious PHARMEXCIL award for the third consecutive year. Similarly, your Company has also shown its presence in Indian Drug Manufacturers' Associations (IDMA) by achieving the "**BEST NEW CHEMICAL ENTITY PATENT AWARD 2012-13**" on

January 4, 2014, in recognition and appreciation of its best granted patents for innovative research in India and globally, during the year 2012-13.

#### 7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has clearly laid down policies, guidelines and procedures that form part of internal control system, which provide for checks and balances. Your Company has maintained a proper and adequate system of internal controls. This is to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and that transactions are authorized, recorded and reported diligently. Your Company's internal control systems are commensurate with the nature and size of its business operations.

#### 8. HUMAN RESOURCES

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.

#### 9. CAUTIONARY NOTE

Certain statements in respect to Management Discussion and Analysis Report may be forward looking and are stated as required by the applicable laws and regulations. The future results of the Company may be affected by many factors, which could be different from what the Directors envisage in terms of future performance and outlook.

#### 10. SOCIAL RESPONSIBILITIES

Your Company has always been a socially responsible corporate citizen who is well aware and sensitive to the needs of the underprivileged people around it.

Your Company has been contributing towards the development of society through various charitable trusts helping the needy people for their education, medical, healthcare etc. Your Company's Education initiatives include scholarships for deserving and needy students, and allowing greater access to quality education.

#### 11. DIRECTORS

Mr. Mohan A. Chandavarkar has been re-appointed as the Managing Director of the Company for a period of

five years with effect from April 01, 2014 and Mr. Nandan M. Chandavarkar has been re-appointed as the Joint Managing Director of the Company for a period of five years with effect from March 01, 2014, subject to the approval of the shareholders at the ensuing Annual General Meeting.

At the Board meeting held on May 29, 2014, Ms. Nomita R. Chandavarkar is appointed as an Additional Director of the Company with effect from June 02, 2014, to hold office upto the ensuing annual general meeting, at which she shall be eligible for appointment as a Director, liable to retire by rotation.

In terms of the Articles of Association of the Company and the relevant provisions of the Companies Act, 2013, Mr. Ameya A. Chandavarkar, Director will retire by rotation in the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Pursuant to Sections 149 and 152 of the Companies Act, 2013 and the Rules made thereunder, your Board of Directors seek appointment of CA Girish C. Sharedalal, Dr. Rahim H. Muljiani, Dr. Nagam H. Atthreya, Dr. Satish S. Ugrankar and CA Vinod G. Yennemadi, as Independent and Non Executive Directors, at the ensuing Annual General Meeting for a term of five consecutive years. Details of the proposal for their appointment are mentioned in the Explanatory statement of the Notice of the 74th Annual General Meeting. Further, these Independent Directors will not be liable to retire by rotation.

## **12. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors based on the information and documents made available to them, confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed;
- b. they 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, 2014 and of the Statement of Profit and Loss for that period;
- c. they 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. they have prepared the annual accounts on a going concern basis.

## **13. 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.

## **14. AUDITORS REPORT**

With reference to Point no. (vii) in the Annexure of the Companies (Auditors Report) Order, 2003, the Company is taking effective steps for enlarging the scope and coverage of internal audit activities to make it commensurate with the size and nature of the business of the Company.

## **15. STATUTORY AUDITORS**

The existing statutory auditors of the Company, M/s.S.R. Batliboi & Co. LLP, 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 at the ensuing Annual General Meeting.

The Board of Directors recommend the appointment of M/s. S R B C & Co. LLP, Chartered Accountants, as the statutory auditors of the Company in place of the retiring auditors, from the conclusion of the ensuing Annual General Meeting.

The Company has also received a certificate pursuant to provisions of Section 139 and 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014, from M/s. S R B C & Co. LLP, certifying their eligibility for appointment as statutory auditors of the Company.

Both, M/s. S R B C & Co. LLP and M/s. S.R.Batliboi & Co. LLP are part of the same network of firms.

## **16. COST AUDITORS**

The Audit Committee has recommended and the Board of Directors have appointed Shri. Prakash A. Sevekari, Cost Auditor, to conduct the Cost Audit for any of the Products covered under Cost Audit for the financial year ending March 31, 2015, subject to the approval of Central Government. The requisite applications for approval of his appointment will be submitted to the Central Government.

## **17. PUBLIC DEPOSITS**

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

**18. SUBSIDIARIES AND ITS OPERATIONS**

Your Company's wholly owned subsidiary Anand Synthochem Limited has reported a loss of Rs.4.66 lacs.

Your Company's wholly owned subsidiary at USA, namely FDC Inc., reported a loss of USD 1,510 (i.e. profit of Rs. 4.28 lacs on account of exchange gain on currency translation).

Your Company's wholly owned subsidiary at UK, namely FDC International Ltd., has reported a profit of £ 171,828 (Rs. 219.25 lacs).

Your Company's joint venture business at South Africa namely Fair Deal Corporation Pharmaceutical SA (Pty) Ltd., has reported a loss of ZAR 22,81,820 (i.e. loss of Rs. 140.02 lacs on account of difference in rates taken for Stock & Deferred tax).

As per the directions of the Central Government vide its general notification dated February 08, 2011, the financial data of the subsidiaries have been furnished under "Notes to the Consolidated Financial Statements".

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.

**19. 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.

**20. ACKNOWLEDGEMENTS**

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 : May 29, 2014

**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, 2014.

## A. CONSERVATION OF ENERGY

## a. Energy conservation measures undertaken at various plants

- Replaced old window/split air conditioners with energy efficient inverter based technology air conditioners.
- Old window / split lower capacity air conditioners replaced with new energy efficient star rating air conditioners.
- Variable frequency drives are installed for HVAC applications.
- New energy efficient Trane chiller procured for centralized air conditioning.
- New energy efficient air compressor procured with HOC type dryer.
- Evaporative cooling introduced for comfort air conditioning.
- New energy efficient fluidized bed boiler procured with auto firing mechanism.

## b. Proposals for energy conservation

- Energy efficient centralized air conditioners will be used in place of normal split or window air conditioners for upcoming projects.
- Old air conditioner used for comfort air conditioning will be changed to energy efficient inverter air conditioners.
- Installation of solar photovoltaic modules in phases at plants in Maharashtra.
- Old steam boiler with external furnace to be replaced with auto feed briquette fired boiler.

## 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

	2013-2014	2012-2013
<b>1. Electricity</b>		
a. Purchased unit (kwh)	17,937,336	17,169,903
Total amount (Rs.)	134,728,281	121,962,514
Rate/unit (Rs.)	7.51	7.10
b. Own Generation		
i. Through diesel generator unit (kwh)	710,342	627,516
Unit per litre of diesel oil (Rs.)	3.26	3.09
Cost/unit (Rs.)	17.51	14.36
ii. Through steam turbine/generator	NA	NA
<b>2. Coal</b>	NA	NA
<b>3. Furnace Oil</b>		
Quantity (Kilo litre)	267	305
Total cost (Rs.)	13,248,215	14,698,183
Rate/unit (Rs.)	49.54	48.19
<b>4. Bagasse</b>		
Quantity (Kgs)	2,793,979	2,628,002
Total Cost (Rs.)	16,144,343	13,420,359
Rate/unit (Rs.)	5.78	5.11
<b>5. Others/Internal Generation</b>	NA	NA

## B. TECHNOLOGY ABSORPTION

## FORM B

## Form for disclosure of particulars with respect to absorption of Research &amp; Development (R&amp;D)

## a. Specific areas in which R&amp;D is carried out by the Company

- Process development and improvement for the existing range of products such as Flurbiprofen, Brimonidine Tartarate, Rupatadine Fumarate, Olopatadine, Salbutamol sulphate and Latanoprost.
- New Process development for APIs such as Bimatoprost, Betaxolol, Telmisartan, Tioconazole, Duloxetine etc are underway.
- In house developed cell line based assays for testing of new chemical entities for anticancer activity.
- Development of biotherapeutics such as colony stimulating factor and third generation thrombolytics

using recombinant DNA based technology.

- Development of Generic APIs and their intermediates.
- Development of processes to synthesize enantio pure drugs.
- Synthesis of new chemical entities and lead compounds.
- Development of Analytical methods for APIs which have not been listed in Pharmacopeia

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

- Designed cost effective process. Reduction in time cycles of conversion and raw material consumption.
- Improvement in quality and yields of the product.
- Substitute for Import.
- Patent granted by Indian patent office for Novel use of human cell line for biological assay of our recombinant product.
- Environmental friendly coating system for products.

**c. Future plan of action**

- To continue to design economically viable sequences to manufacture Active Pharmaceutical Ingredients (APIs) with local as well as export potential.
- Development of APIS based on patent expiry.
- To file process and product patents.
- Cell culture related projects such as testing of new chemical entities for anticancer activity.
- To develop and launch Novel Drug Delivery Systems for different molecules.

**d. Expenditure on R&D**

	2013-2014 Rupees in lacs	2012-2013 Rupees in lacs
i. Capital	*297.81	*202.84
ii. Recurring	1,987.31	2,082.45
iii. Total	<u>2,285.12</u>	<u>2,285.29</u>
iv. Total R&D expenditure as a percentage of total turnover	2.70%	2.88%

\*Including C.W.I.P.

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

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

- Bioavailability enhancement of poorly soluble drugs by using technologies like solid dispersion, colloidal dispersion.
- Nanotechnology for better Ophthalmic suspension.
- Innovative and value added immediate release formulation with enhanced stability, safety and efficacy.

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

- Product development and cost competitiveness.

**c. 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**

**a. 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. 11,461.13 lacs for the year 2013-2014 against Rs.9,590.18 lacs in 2012-2013. The Company is continuously exploring possibilities of exporting more of its products to different markets.

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

	2013-2014 Rupees in lacs	2012-2013 Rupees in lacs
i. Earnings	11,461.13	9,590.18
ii. Outgo	3,552.87	3,474.37

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

For and on behalf of the Board

Place: Mumbai  
Date : May 29, 2014

**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	
CA Vinod G. Yennemadi	

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

During the year under review, five Board Meetings were held on May 24, 2013, August 03, 2013, September 25, 2013, November 1, 2013 and January 30, 2014. The last AGM of the Company was held on August 31, 2013.

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	5	Present
Mr. Ashok A. Chandavarkar	3	Present
Mr. Nandan M. Chandavarkar	5	Present
Mr. Ameya A. Chandavarkar	4	Absent
CA Girish C. Sharedalal	5	Present
Dr. Satish S. Ugrankar	5	Present
Dr. Rahim H. Muljiani	5	Present
Dr. Nagam H. Atthreya	4	Absent
CA Vinod G. Yennemadi	5	Absent

#### 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	1	2	Nil
Dr. Satish S. Ugrankar	Nil	Nil	Nil
Dr. Rahim H. Muljiani	Nil	Nil	Nil
Dr. Nagam H. Atthreya	1	1	Nil
CA Vinod G. Yennemadi	Nil	Nil	Nil

\*The listing above excludes private & foreign companies.

#### d. Code of Conduct

##### Declaration as required under Clause 49 of the Listing Agreement

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, 2014. The said code is posted on the website of the Company- [www.fdcindia.com](http://www.fdcindia.com).

Place: Mumbai  
Date : May 29, 2014

**MOHANA. CHANDAVARKAR**  
Chairman and Managing Director

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

The details of directors seeking appointed / re-appointment has been aptly covered in the notice of the Annual General Meeting and the same may be treated as a disclosure under Clause 49 of the Listing Agreement.

### 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. Dr. Rahim H. Muljiani, Dr. Nagam H. Atthreya, CA Vinod G. Yennemadi and Mr. Mohan A. Chandavarkar are the other members of the committee.

CA Girish C. Sharedalal and CA Vinod G. Yennemadi are Chartered Accountants by profession and have considerable accounting and financial management expertise.

Dr. Rahim H. Muljiani, Dr. Nagam H. Atthreya and Mr. Mohan A. Chandavarkar are financially literate.

The Company Secretary of the Company acted as the Secretary to the committee. During the year under review, four audit committee meetings were held on May 24, 2013, August 03, 2013, November 01, 2013 and January 30, 2014.

The attendance of members at the meetings was as follows:

Name of the member attended	Status	No. of meetings
CA Girish C. Sharedalal	Chairman	4
Dr. Rahim H. Muljiani	Member	4
Dr. Nagam H. Atthreya	Member	4
CA Vinod G. Yennemadi	Member	4
Mr. Mohan A. Chandavarkar	Member	4

**4. REMUNERATION TO DIRECTORS**

During the year under review, Remuneration Committee, being a non-mandatory requirement was not formed by the Company.

Pursuant to provisions of section 178(1) of the Companies Act, 2013, the Company has formed the Nomination and Remuneration Committee at its board meeting held on May 29, 2014. The committee comprises of three Independent Non-Executive Directors. The said committee will function under the chairmanship of CA Vinod G. Yennemadi. Dr. Rahim H. Muljiani and Dr. Satish S. Ugrankar are the other members of the committee.

**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	4,089,600	19,032	690,120	10,045,337
Mr. Ashok A. Chandavarkar	3,403,200	43,525	574,290	8,036,269
Mr. Nandan M. Chandavarkar*	4,128,000	309,693	696,600	8,036,269
Mr. Ameya A. Chandavarkar	3,208,000	71,035	541,350	5,022,668

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

\* The remuneration payable to Mr. Nandan M. Chandavarkar with effect from March 01, 2014 is subject to shareholders' approval at the ensuing Annual General Meeting.

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	1,506,801	75,000	80,000
Dr. Satish S Ugrankar	200,000	75,000	NA
#Dr. Rahim H. Muljiani	200,000	75,000	80,000
#Dr. Nagam H. Atthreya	200,000	60,000	80,000
#CA Vinod G. Yennemadi	200,000	75,000	80,000

**# 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	401,990
Dr. Rahim H. Muljiani	4,000
Dr. Nagam H. Atthreya	Nil
CA 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 29, 2014. All the members of the committee attended the above meeting.

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

Mrs. Shalini Kamath, Company Secretary, resigned from the services of the Company on 15th March 2014 and in her place Ms. Varsharani Katre, has been appointed as the Company Secretary and the Compliance Officer of the Company.

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

During the year under review, the Company received Twenty Five 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, 2014. 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
2010-11	WelcomHotel Rama International R-3, Chikalthana Aurangabad 431 210 Maharashtra	September 24, 2011	10.00 a.m.	One
2011-12	WelcomHotel Rama International R-3, Chikalthana Aurangabad 431 210 Maharashtra	August 17, 2012	10.00 a.m.	Three
2012-13	WelcomHotel Rama International R-3, Chikalthana Aurangabad 431 210 Maharashtra	August 31, 2013	10.00 a.m.	None

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

**c. None of the resolutions proposed for the ensuing Annual General Meeting needs to be passed by postal ballot.**

**7. ADOPTION OF WHISTLE BLOWER POLICY**

Whistle Blower Policy, being a non-mandatory requirement was not adopted by the Company.

**8. 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.

**9. MEANS OF COMMUNICATION**

a. The Company publishes its annual, half yearly and quarterly financial results in the following newspapers:

- i. Business Standard (English)
- ii. Sakal (Marathi)
- iii. Free Press Journal (English)
- iv. Navshakti (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.

**10. GENERAL SHAREHOLDER INFORMATION**

**a. Annual General Meeting**

Date : August 09, 2014  
 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, 2014	First week of August 2014
Unaudited results of the second quarter and half year ending September 30, 2014	First week of November 2014
Unaudited results of the third quarter and nine months ending December 31, 2014	First week of February 2015
Audited results for the year ending March 31, 2015	Last week of May, 2015

**c. Dates of book closure**

July 31, 2014 to August 09, 2014  
(both days inclusive)

**d. Dividend payment date**

Latest by August 31, 2014

**e. Stock Exchanges where listed**

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

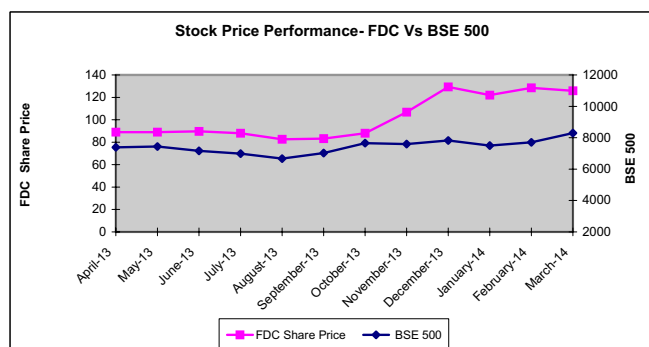
**f. Stock Code: BSE - 531599, NSE – FDC EQ**

**g. Market Price Data**

Month	BSE		NSE	
	High	Low	High	Low
April, 2013	92.80	87.50	92.90	87.20
May, 2013	95.00	85.00	95.25	84.00
June, 2013	93.45	87.05	93.95	87.40
July, 2013	92.00	85.20	91.95	85.50
August, 2013	90.50	79.00	90.75	79.85
September, 2013	93.00	81.60	86.35	81.55
October, 2013	89.75	82.55	89.90	81.00
November, 2013	109.50	88.00	109.80	88.00
December, 2013	143.45	102.40	143.65	102.25
January, 2014	140.55	112.10	140.50	111.80
February, 2014	129.50	115.00	129.65	115.00
March, 2014	135.80	120.90	135.70	120.35

(Source: BSE website/NSE trade statistics)

**h. Performance of the Company's stock in comparison to BSE 500**



Note: Based on monthly closing price of FDC and monthly closing index point of BSE 500.

**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 fifteen days of receipt of transfer documents, provided the documents are complete and the shares under transfer are not under dispute.

**k. Shareholding Pattern as on March 31, 2014**

Category	No. of Shares	% holding
Promoters & Promoters Group	122,504,656	68.89
Mutual Funds, Banks, Insurance Companies, Venture Capital Funds and Central/ State Govt. Institutions	8,824,722	4.96
Foreign Institutional Investors	12,905,436	7.26
Private Corporate Bodies	4,470,252	2.51
Indian Public	27,108,233	15.24
Others	2,019,785	1.14
<b>Total</b>	<b>177,833,084</b>	<b>100.00</b>

**Distribution of Shareholding as on March 31, 2014**

Equity shares of face value of Re. 1 each	Shareholders		Equity shares	
	Number	% of total	Number	% to total
Upto 5,000	23,231	97.59	10,659,570	5.99
5,001 to 10,000	320	1.34	2,391,538	1.34
10,001 to 20,000	100	0.42	1,490,706	0.84
20,001 to 30,000	38	0.16	940,809	0.53
30,001 to 40,000	19	0.08	697,993	0.39
40,001 to 50,000	13	0.05	595,231	0.34
50,001 to 1,00,000	19	0.08	1,351,229	0.76
Above 1,00,001	66	0.28	159,706,008	89.81
<b>Total</b>	<b>23,806</b>	<b>100.00</b>	<b>177,833,084</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, 2014, 173,314,369 equity shares aggregating to 97.46% of the total number of fully paid 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 : May 29, 2014

**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 ('the Company') for the year ended on March 31, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to 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 & CO. LLP**  
Chartered Accountants  
Firm Registration No. 301003E

**per VIJAY MANIAR**  
Partner  
Membership No.: 36738

Place: Mumbai  
Date : May 29, 2014

## INDEPENDENT AUDITOR'S REPORT

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To the Members of FDC Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of FDC Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4th April 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ("the Act") 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 31st March 2014;
- (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 the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act, read with General Circular 8/2014 dated 4th April 2014 issued by the Ministry of Corporate Affairs;
- (e) On the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

**For S.R. BATLIBOI & CO. LLP**  
Chartered Accountants  
Firm Registration No. 301003E

**per Vijay Maniar**  
Partner  
Membership No. 36738

Place : Mumbai  
Date : May 29, 2014

**Annexure referred to in 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 disposal of a substantial part 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 read with the explanations given to us, having regard to the explanation that certain items of inventory are purchased from strategic vendors and accordingly, Company does not obtain comparable quotations, 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) The Company has an internal audit system, *the scope and coverage of which, in our opinion, requires to be enlarged to be 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. We have not, however, made a detailed examination of the same.
- (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.
- (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 material 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 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 income-tax, 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	46.84
	Apr 2002 - Mar 2003	Revisional Board - Commercial Tax	14.30
	Apr 2003 - Mar 2004	Sales Tax Appellate Tribunal	13.15
	Apr 2005 - Mar 2006	Revisional Board - Commercial Tax	27.43
	Apr 2006 - Mar 2007	Joint Commissioner (Appeals)	0.58
	Apr 2006 - Mar 2007	Joint Commissioner (Appeals)	4.80
	Apr 2007 - Mar 2008	Sales Tax Appellate Tribunal	2.00
	Apr 2008 - Mar 2009	Sales Tax Appellate Tribunal	3.14
	Apr 2008 - Mar 2009	Joint Commissioner (Appeals)	73.72
	Apr 2008 - Mar 2009	Joint Commissioner (Appeals)	2.10
	Apr 2009 - Mar 2010	Sales Tax Appellate Tribunal	3.37
	Apr 2010 - Mar 2011	Sales Tax Appellate Tribunal	2.48
	<b>(I) Total</b>		<b>193.91</b>
Central Excise Act/ Service Tax (Duty/Penalty / Interest)	Apr 2000 – Dec 2001	Custom Excise & Service tax Appellate Tribunal	8.80
	Oct 2000 – Nov 2001	Custom Excise & Service tax Appellate Tribunal	58.16
	Nov 2002 – Jun 2003	Custom Excise & Service tax Appellate Tribunal	32.88
	Dec 2003 - Oct 2004	Custom Excise & Service tax Appellate Tribunal	84.51
	Apr 2004 - Mar 2005	Custom Excise & Service tax Appellate Tribunal	2.12
	Apr 2005 - Sep 2006	Custom Excise & Service tax Appellate Tribunal	28.56
	Apr 2007 - Mar 2008	Custom Excise & Service tax Appellate Tribunal	3.30
	<b>Sub-total (a)</b>		<b>218.33</b>
	Apr 2005 - Sep 2005	Assistant Commissioner of Service Tax	24.88
	Jun 2011 - Oct 2011	Deputy Commissioner	0.67
	Apr 2009 - Mar 2010	Additional Commissioner	17.05
	Feb 2011 - Nov 2011	Deputy Commissioner	1.44
	<b>Sub-total (b)</b>		<b>44.04</b>
<b>(II) Total (a+b)</b>		<b>262.37</b>	
Income tax	AY 2010 -2011	Commissioner of Income Tax - Appeals	494.26
	<b>(III) Total</b>		<b>494.26</b>
<b>Total (I + II + III)</b>			<b>950.54</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 our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (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 & CO. LLP**  
Chartered Accountants  
Firm Registration No. 301003E

**per Vijay Maniar**  
Partner  
Membership No.36738

Place: Mumbai  
Date : May 29, 2014



## BALANCE SHEET AS AT 31ST MARCH 2014

PARTICULARS	Note No.	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	1,786.19	1,816.19
(b) Reserves and surplus	3	82,263.09	76,154.37
		<u>84,049.28</u>	<u>77,970.56</u>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	4	107.07	124.47
(b) Deferred tax liabilities (net)	5	3,009.50	3,002.39
		<u>3,116.57</u>	<u>3,126.86</u>
<b>3 Current liabilities</b>			
(a) Trade payables	7	7,814.41	5,975.55
(b) Other current liabilities	7	4,199.53	3,542.22
(c) Short-term provisions	6	5,596.38	5,243.74
		<u>17,610.32</u>	<u>14,761.51</u>
<b>TOTAL</b>		<u><u>104,776.17</u></u>	<u><u>95,858.93</u></u>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	8		
(i) Tangible assets		27,012.70	27,341.03
(ii) Intangible assets		200.51	314.45
(iii) Capital work-in-progress			
Tangible assets		1,779.96	722.43
Intangible assets		30.52	-
(b) Non-current investments	9	19,331.78	25,154.51
(c) Long-term loans and advances	10	12,985.27	1,662.31
(d) Other non-current assets	15	65.74	51.65
		<u>61,406.48</u>	<u>55,246.38</u>
<b>2 Current assets</b>			
(a) Current investments	11	22,990.45	17,090.96
(b) Inventories	12	10,059.21	9,744.55
(c) Trade receivables	13	5,862.45	4,476.49
(d) Cash and bank balances	14	2,001.53	3,490.27
(e) Short-term loans and advances	10	2,013.08	4,907.93
(f) Other current assets	15	442.97	902.35
		<u>43,369.69</u>	<u>40,612.55</u>
<b>TOTAL</b>		<u><u>104,776.17</u></u>	<u><u>95,858.93</u></u>

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

1

2 to 40

As per our report of even date

For S.R. BATLIBOI & CO. LLP  
Chartered Accountants  
Firm Registration No. 301003E

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR  
Chairman and Managing Director

ASHOK A. CHANDAVARKAR  
Director

per VIJAY MANIAR  
Partner  
Membership No. 36738

VARSHARANI KATRE  
Company Secretary

Place : Mumbai  
Date : May 29, 2014

Place : Mumbai  
Date : May 29, 2014

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014 \_\_\_\_\_

PARTICULARS	Note No.	2013-2014 Rupees in lacs	2012-2013 Rupees in lacs
I. Revenue from operations (gross)	16	85,375.89	78,027.62
Less: Excise duty		1,674.05	1,568.11
Revenue from operations (net)		83,701.84	76,459.51
II. Other income	17	3,816.37	4,756.08
<b>III. Total Revenue (I + II)</b>		<b>87,518.21</b>	<b>81,215.59</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	18	24,024.60	21,000.50
Purchases of stock-in-trade	19	8,301.02	8,652.39
Changes in inventories of finished goods/ stock-in-trade and work-in-progress	20	(313.05)	746.60
Employee benefits expense	21	12,073.75	10,642.87
Finance costs	22	301.38	151.05
Depreciation and amortisation expense	8	2,462.37	2,759.21
Less: Recoupment from revaluation reserve	3	8.02	8.02
		2,454.35	2,751.19
Other expenses	23	18,977.02	17,165.37
<b>Total expenses</b>		<b>65,819.07</b>	<b>61,109.97</b>
<b>V. Profit before tax (III- IV)</b>		<b>21,699.14</b>	<b>20,105.62</b>
<b>VI. Tax expense:</b>			
(1) Current tax		6,000.00	4,100.00
(2) Deferred tax		7.11	163.15
(3) Tax adjustments for earlier years - Current tax		2,250.00	9.30
<b>Total tax expense</b>		<b>8,257.11</b>	<b>4,272.45</b>
<b>VII. Profit for the year (V - VI)</b>		<b>13,442.03</b>	<b>15,833.17</b>
VIII. Earnings per equity share:	24		
Par value Re.1 per share (Previous year - Re.1 per share)			
(1) Basic (Rs.)		7.54	8.68
(2) Diluted (Rs.)		7.54	8.68

Significant accounting policies

1

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

2 to 40

As per our report of even date

For S.R. BATLIBOI & CO. LLP  
Chartered Accountants  
Firm Registration No. 301003E

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR  
Chairman and Managing Director

ASHOK A. CHANDAVARKAR  
Director

per VIJAY MANIAR  
Partner  
Membership No. 36738

VARSHARANI KATRE  
Company Secretary

Place : Mumbai  
Date : May 29, 2014

Place : Mumbai  
Date : May 29, 2014

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

PARTICULARS	2013-2014 Rupees in lacs		2012-2013 Rupees in lacs	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>NET PROFIT BEFORE TAXATION</b>		21,699.14		20,105.62
Non-cash adjustments to reconcile profit before tax to net cash flows:				
Depreciation and amortisation	2,454.35		2,751.19	
Interest expense	255.10		104.01	
Premium income on Non Convertible Debentures	-		(45.44)	
Interest income	(1,526.01)		(1,330.04)	
Profit on fixed assets sold/ scrapped (net)	(11.53)		(19.98)	
Amortisation of premium on Non Convertible Debentures/ Bonds	5.26		14.43	
Dividend income	(49.29)		(228.29)	
Provision for diminution in value of current investments	-		4.77	
Profit on sale of investments (net)	(1,857.71)		(2,534.24)	
Unrealised foreign exchange gain on restatement	91.76		36.26	
Provision for doubtful debts	17.38		-	
Provision for doubtful advances	2.05		-	
Provision for expenses no longer required, written back	(117.17)		(93.42)	
Provision for doubtful debts/ advances no longer required, written back	-		(11.11)	
Provision for diminution in value of current investments, written back	(4.77)	(740.58)	(313.33)	(1,665.19)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		20,958.56		18,440.43
Movements in Working Capital:				
Increase in trade receivables	(1,461.55)		(404.60)	
Increase/ (Decrease) in inventories	(314.66)		357.98	
Increase in loans & advances and other current assets	(321.84)		(708.55)	
Increase in trade payables and other current liabilities	2,538.55		942.37	
Increase/ (Decrease) in provisions	175.45	615.95	(1.16)	186.04
<b>CASH GENERATED FROM OPERATIONS</b>		21,574.51		18,626.47
Direct taxes paid (net of refunds)		(6,816.07)		(3,721.53)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>		14,758.44		14,904.94
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>				
Purchase of fixed assets, including CWIP and capital advances		(15,115.85)		(2,339.21)
Proceeds from sale of fixed assets		52.76		90.92
Inter-corporate deposits given		(500.00)		(1,000.00)
Repayment of inter corporate deposit given		2,000.00		1,000.00
Investments in bank deposits (net)		2,488.12		(3,145.53)
Decrease in fixed and margin deposits		14.86		5.40
Purchase of investments		(49,379.56)		(45,165.25)
Proceeds from sale of investments		52,736.46		38,342.86
Premium paid on Non Convertible Debentures/ Bonds purchased		(0.75)		(6.54)
Dividend received		49.29		228.29
Interest received		1,459.28		1,481.56
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		(6,195.39)		(10,507.51)
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>				
Repayment of deferred sales tax loan		(19.48)		(27.75)
Payment towards buy back of shares		(2,717.75)		(1,933.41)
Dividend paid		(4,001.27)		(3,658.41)
Dividend tax paid		(680.01)		(593.48)
Interest paid		(74.17)		(14.82)
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>		(7,492.68)		(6,227.87)
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>		1,070.37		(1,830.44)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		256.89		2,087.33
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		1,327.26		256.89
(Refer Note 1 below)				

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014****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:

<b>PARTICULARS</b>	<b>31st March 2014 Rupees in lacs</b>	<b>31st March 2013 Rupees in lacs</b>
Cash on hand	<b>13.18</b>	15.66
Balance with scheduled banks:		
In current accounts	<b>1,228.45</b>	192.07
In unpaid dividend accounts (Refer Note 2 below)	<b>91.14</b>	93.13
Unrealised foreign exchange gain on restatement of cash and cash equivalents	<b>(5.51)</b>	(43.97)
	<b>1,327.26</b>	256.89

2. Rs.91.14 lacs (Previous year Rs. 93.13 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 & CO. LLP**  
Chartered Accountants  
Firm Registration No. 301003E

For and on behalf of the Board of Directors

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

**ASHOK A. CHANDAVARKAR**  
Director

**per VIJAY MANIAR**  
Partner  
Membership No. 36738

**VARSHARANI KATRE**  
Company Secretary

Place: Mumbai  
Date : May 29, 2014

Place: Mumbai  
Date : May 29, 2014

## 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.

### 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 except for the below mentioned assets where higher rates are considered based on the useful life of the assets as estimated by the management:

ASSETS	RATES
Laboratory testing machines	10.00%
R & D equipments	10.00%
Vehicles	16.67%

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.

*Marketing Rights and Software*

Cost relating to marketing rights and software, which are acquired, are capitalized 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 traded goods 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 recognized 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. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. 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 2014

## 2. Share Capital

	31st March 2014 Rupees in lacs	31st March 2013 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>		
180,978,084 (Previous year - 183,977,995) Equity shares of Re. 1 each, fully paid-up	<u>1,809.78</u>	<u>1,839.78</u>
<b>Subscribed and Paid-up shares</b>		
177,833,084 (Previous year - 180,832,995) Equity shares of Re. 1 each, fully paid-up	<u>1,778.33</u>	<u>1,808.33</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>1,786.19</u>	<u>1,816.19</u>

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

	31st March 2014		31st March 2013	
	No. in lacs	Rupees in lacs	No. in lacs	Rupees in lacs
At the beginning of the period	1,808.33	1,808.33	1,829.20	1,829.20
Less: Buy back during the period	30.00	30.00	20.87	20.87
<b>Outstanding at the end of the period</b>	<u>1,778.33</u>	<u>1,778.33</u>	<u>1,808.33</u>	<u>1,808.33</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 31 March 2014, the amount of per share dividend recognized as distributions to equity shareholders was Rs. 2.25 (Previous year - Rs. 2.25).

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 2014 No. in lacs	31st March 2013 No. in lacs
Equity shares bought back by the Company	136.28	106.28

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 22nd August 2012, the Company has bought back from open market through stock exchanges 2,999,911 equity shares (Previous year - 2,087,432 equity shares) of Re.1 each during the year for a total consideration of Rs. 2,717.75 lacs (Previous year - Rs. 1933.41 lacs) and the same has been extinguished. Consequently, an amount of Rs. 30 lacs (Previous year - Rs. 20.87 lacs) being the nominal value of equity shares bought back has been transferred to Capital Redemption Reserve from General Reserve. An amount of Rs. 2,687.75 lacs (Previous year - Rs. 1912.54 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 2014		31st March 2013	
	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	12.33	21,925,260	12.10
Transgene Trading and Investment Company Private Limited	17,097,500	9.61	17,097,500	9.43
Sudipta Trading and Investment Company Private Limited	16,365,000	9.20	16,365,000	9.03
Soven Trading and Investment Company Private Limited	16,327,500	9.18	16,327,500	9.01
Mohan Anand Chandavarkar	11,222,770	6.31	11,222,770	6.19
Ashok Anand Chandavarkar	10,530,360	5.92	10,530,360	5.81
Sandhya Mohan Chandavarkar	10,483,480	5.90	10,483,480	5.79

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 2014 Rupees in lacs	31st March 2013 Rupees in lacs
<b>Capital Reserve</b>	(A)	75.01	75.01
<b>Capital redemption reserve</b>			
Opening balance		123.09	102.22
Add: Transfer from general reserve on account of buy back of equity shares (Refer Note No. 2c)		30.00	20.87
<b>Closing balance</b>	(B)	153.09	123.09
<b>Securities premium account</b>	(C)	72.90	72.90
<b>Revaluation reserve</b>			
Opening balance		57.37	65.39
Less: Transfer to statement of profit and loss as reduction from depreciation		8.02	8.02
<b>Closing balance</b>	(D)	49.35	57.37
<b>General reserve</b>			
Opening balance		35,257.82	32,191.23
Less: Premium paid for buy back of equity shares (Refer Note No. 2c)		2,687.75	1,912.54
Less: Transfer to capital redemption reserve account (Refer Note No. 2c)		30.00	20.87
Add: Transfer from surplus balance in the statement of profit and loss		5,000.00	5,000.00
<b>Closing balance</b>	(E)	37,540.07	35,257.82
<b>Surplus in the statement of profit and loss</b>			
Opening balance		40,568.18	34,460.00
Profit for the year		13,442.03	15,833.17
Add: Reversal of excess provision of dividend		43.71	-
Less: <u>Appropriations</u>			
Proposed final equity dividend [Amount per share Rs. 2.25 (Previous year-Rs. 2.25)]		4,001.24	4,038.63
Tax on proposed equity dividend		680.01	686.36
Transfer to general reserve		5,000.00	5,000.00
<b>Net surplus in the statement of profit and loss</b>	(F)	44,372.67	40,568.18
<b>Total (A+B+C+D+E+F)</b>		82,263.09	76,154.37

## 4. Long-term borrowings

	Non-current portion		Current maturities	
	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs
Deferred sales tax loan (unsecured) (Refer note below)	107.07	124.47	18.39	20.47
Amount disclosed under the head "other current liabilities" (Refer Note No. 7)	-	-	(18.39)	(20.47)
<b>Net amount</b>	<b>107.07</b>	<b>124.47</b>	<b>-</b>	<b>-</b>

Note: Under various schemes of Government of Maharashtra, the Company was entitled to interest free 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 2014 Rupees in lacs	31st March 2013 Rupees in lacs
<b>Deferred tax liability</b>		
Depreciation	3,411.01	3,427.58
<b>Less: Deferred tax asset</b>		
Provision for doubtful debts/ advances	12.90	95.71
Provision for diminution in value of investments	-	1.62
Liabilities disallowed under section 43B of IT Act, 1961	322.21	274.02
Expenses disallowed under section 40(a)(ia) of the IT Act, 1961	66.40	53.84
	<b>401.51</b>	<b>425.19</b>
<b>Net deferred tax liability</b>	<b>3,009.50</b>	<b>3,002.39</b>

## 6. Short-term provisions

	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs
<b>Provision for employee benefits</b> (Refer Note No. 26)		
Provision for gratuity	86.23	43.73
Provision for leave benefits	493.10	359.40
	<b>579.33</b>	<b>403.13</b>
<b>Other provisions</b>		
Provision for tax (net of advances) (Refer note below)	326.90	105.97
Provision for wealth tax	8.90	9.65
Proposed equity dividend	4,001.24	4,038.63
Provision for tax on proposed equity dividend	680.01	686.36
	<b>5,017.05</b>	<b>4,840.61</b>
	<b>5,596.38</b>	<b>5,243.74</b>

Note: Provision for tax (net of advances) is net of MAT credit set off of Rs.1307.00 lacs (Previous year - Rs. 353.00 lacs).

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

	<b>31st March 2014</b> <b>Rupees in lacs</b>	31st March 2013 Rupees in lacs
Trade payables (Refer Note a below)	<b>7,814.41</b>	5,975.55
<b>Other current liabilities</b>		
Current maturities of long-term borrowings (Refer Note No. 4)	<b>18.39</b>	20.47
Investor Education and Protection Fund (shall be credited as and when due by the following amount)		
Unpaid dividend (Refer Note b below)	<b>91.14</b>	93.13
Advance from customers	<b>359.93</b>	86.84
Sundry deposits	<b>1,226.04</b>	1,158.11
Employee related liabilities	<b>1,775.29</b>	1,513.09
Others (includes dues to directors, statutory dues, rent deposit, trade advances)	<b>728.74</b>	670.58
	<b>4,199.53</b>	3,542.22
	<b>12,013.94</b>	9,517.77

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 2013	Additions	Deletions	As at 31st March 2014	As at 31st March 2013	For the Year	Deletions	As at 31st March 2014	As at 31st March 2013
<b>TANGIBLE ASSETS</b>									
Leasehold land *	497.65	-	-	497.65	143.89	8.07	-	151.96	345.69
Leasehold Improvements	5.68	-	-	5.68	5.68	-	-	5.68	-
Freehold land **	1,481.60	0.20	5.19	1,476.61	-	-	-	1,476.61	1,481.60
Buildings ***	13,715.07	798.84	25.80	14,488.11	2,534.53	335.59	2.27	2,867.85	11,180.54
Plant and machinery	14,766.33	273.75	11.18	15,028.90	@ 8,242.47	891.26	24.27	@ 9,109.46	5,919.44
Laboratory testing machines	2,747.88	111.05	0.60	2,858.33	1,153.92	347.90	(0.02)	1,501.84	1,356.49
Electrical installations	1,495.35	23.93	-	1,519.28	478.99	70.38	-	549.37	969.91
Furniture, fixtures and fittings	2,735.71	108.18	3.13	2,840.76	1,088.03	184.78	2.52	1,270.29	1,570.47
Office equipments	1,803.66	367.16	2.20	2,168.62	483.52	92.64	1.18	574.98	1,593.64
Vehicles	465.09	59.77	43.18	481.68	251.18	57.54	41.53	267.19	213.91
<b>R&amp;D assets</b>									
Buildings	109.91	-	-	109.91	62.36	3.49	-	65.85	44.06
Equipments	3,134.54	306.18	223.43	3,217.29	1,308.26	346.04	201.73	1,452.57	1,826.28
Furniture and fixtures	200.58	12.27	6.69	206.16	65.19	10.74	6.69	69.24	136.92
<b>Total of Tangible assets (A)</b>	<b>43,159.05</b>	<b>2,061.33</b>	<b>321.40</b>	<b>44,898.98</b>	<b>15,818.02</b>	<b>2,348.43</b>	<b>280.17</b>	<b>17,886.28</b>	<b>27,012.70</b>
Previous year	40,904.82	2,437.00	1,82.77	43,159.05	13,272.39	2,657.46	1,11.83	15,818.02	27,341.03
<b>INTANGIBLE ASSETS</b>									
Marketing rights	216.86	-	-	216.86	79.39	45.79	-	125.18	91.68
Software	107.36	-	-	107.36	10.84	21.47	-	32.31	75.05
<b>R&amp;D assets</b>									
Technical know how	233.38	-	-	233.38	152.92	46.68	-	199.60	33.78
<b>Total of Intangible assets (B)</b>	<b>557.60</b>	<b>-</b>	<b>-</b>	<b>557.60</b>	<b>243.15</b>	<b>113.94</b>	<b>-</b>	<b>357.09</b>	<b>200.51</b>
Previous year	511.13	46.47	-	557.60	141.40	101.75	-	243.15	314.45
<b>Total (A+B)</b>	<b>43,716.65</b>	<b>2,061.33</b>	<b>321.40</b>	<b>45,456.58</b>	<b>16,061.17</b>	<b>2,462.37</b>	<b>280.17</b>	<b>18,243.37</b>	<b>27,213.21</b>
Previous year	41,415.95	2,483.47	182.77	43,716.65	13,413.79	2,759.21	111.83	16,061.17	27,655.48
Capital work in progress - Tangible #									
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 (Previous year - Rs. 640.66 lacs) includes cost of unquoted fully paid shares in various co-operative housing societies.

\*\*\* Building of Rs. 3,151.05 lacs (Previous year - Rs. 2,970.05 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 2014 Rupees in lacs	31st March 2013 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, UK of GBP 0.01 each (Rs 75.24)	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 - 1,740,000) Equity Shares of Anand Synthochem Limited of Rs.10 each	606.16	606.16
<b>(A)</b>	<b>628.16</b>	<b>628.16</b>
<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	11.30	11.30
<b>(B)</b>	<b>11.30</b>	<b>11.30</b>
<b>Sub total (C) = (A+B)</b>	<b>639.46</b>	<b>639.46</b>
<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>(D)</b>	<b>0.09</b>	<b>0.09</b>
<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	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	0.50	0.50
100 (Previous year - 100) Equity Shares of Roha Industries Association Sahakari Grahak Bhandar Ltd. of Rs.25 each	0.03	0.03
<b>(E)</b>	<b>0.63</b>	<b>0.63</b>
<b>Investments in fully paid -up preference instruments</b>		
532,603 (Previous year - 304,376) Preference shares of L&T Finance Holdings Ltd. of Rs.100 each	532.60	304.38
100,000 (Previous year - Nil) Preference shares of Tata Capital Limited of Rs.1,000 each	1,000.00	-
<b>(F)</b>	<b>1,532.60</b>	<b>304.38</b>
<b>Investments in mutual funds</b>		
Nil (Previous year - 3,000,000.000) units of Rs. 10 each in Birla Sunlife Fixed Term Plan Series - GR (399 Days) Regular Growth	-	300.00
Nil (Previous year - 4,287,065.000) units of Rs. 10 each in Birla Sunlife Fixed Term Plan Series - HF (385 Days) Growth Direct	-	428.71
Nil (Previous year - 2,000,000.000) units of Rs.10 each in Baroda Pioneer Fixed Maturity Plan - Series - C Plan A (372 Days) Growth	-	200.00
Nil (Previous year - 6,000,000.000) units of Rs.10 each in BNP Paribas Fixed Term Fund - Series - 24A Growth	-	600.00
Nil (Previous year - 2,692,500.000) units of Rs.10 each in DSP Black Rock Fixed Maturity Plan - Series - 89 - 12M - Growth	-	269.25
Nil (Previous year - 5,509,400.000) units of Rs.10 each in DSP Black Rock Fixed Term Plan - Series - 22 - 14M - Growth	-	550.94
Nil (Previous year - 4,000,000.000) units of Rs.10 each in DWS Fixed Maturity Plan - Series 26 - Regular Plan - Growth	-	400.00
Nil(Previous year - 3,322,440.000 ) units of Rs.10 each in HDFC Fixed Maturity Plan 384D March 2013(1) Series 23 - Direct - Growth	-	332.24
Nil (Previous year - 4,000,000.000) units of Rs.10 each in ICICI Prudential Fixed Maturity Plan Series - 66 - 420 Days Plan A Regular Plan Cumulative	-	400.00
Nil (Previous year - 9,000,000.000) units of Rs.10 each in ICICI Prudential Fixed Maturity Plan Series - 66 - 412 Days Plan E Regular Plan Cumulative	-	900.00
Nil (Previous year - 4,000,000.000) units of Rs.10 each in Kotak Fixed Maturity Plan Series 95 Direct Growth	-	400.00
Nil (Previous year - 4,261,941.000) units of Rs.10 each in Kotak Fixed Maturity Plan Series 97 Direct Growth	-	426.19
Nil (Previous year - 5,000,000.000) units of Rs.10 each in L&T Fixed Maturity Plan - VII (February 511D A ) Direct Plan Growth	-	500.00
Nil (Previous year - 4,415,320.000) units of Rs.10 each in L&T Fixed Maturity Plan - VII (March 13M A) Direct Growth	-	441.53
4,000,000.000 (Previous year - Nil) units of Rs.10 each in L&T Fixed Maturity Plan Series 10 - Plan R - Direct Growth	400.00	-
Nil (Previous year - 2,000,000.000) units of Rs.10 each in Reliance Fixed Horizon Fund - XXII - Series 33 - Growth	-	200.00
Nil (Previous year - 3,000,000.000) units of Rs.10 each in Reliance Fixed Horizon Fund XXIII Series - 5 - Direct Plan Growth	-	300.00

	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs
Nil (Previous year - 3,739,576.325) units of Rs.10 each in Reliance Fixed Horizon Fund XXIII Series - 7 - Direct Plan - Growth	-	373.96
Nil (Previous year - 3,000,000.000) units of Rs.10 each in Religare Fixed Maturity Plan - Series XVII - Plan A (17 months) - Direct	-	300.00
Nil (Previous year - 6,281,304.000) units of Rs.10 each in Religare Fixed Maturity Plan - Series XVIII - Plan E (374 Days ) Direct	-	628.13
<b>(G)</b>	<b>400.00</b>	7,950.95
<b>Investments in fully paid up non convertible debentures</b>		
200 (Previous year - 200) units of Rs.1,000,000 each in Non-Convertible Secured Debentures of India Infoline Finance Limited	200.00	200.00
1,990 Units (Previous year - 1,990) of Rs.1,000 each in Non-Convertible Secured Debentures of Shriram Transport Finance Limited	19.90	19.90
<b>(H)</b>	<b>219.90</b>	219.90
<b>Investments in fully paid up Bonds (Quoted unless otherwise stated)</b>		
500 (Previous year - 500) of Rs.100,000 each in Indian Railway Finance Corporation Limited	500.00	500.00
290,000 (Previous year - 290,000) of Rs.1,000 each in Housing & Urban Development Corporation Limited	2,900.00	2,900.00
2,700 (Previous year - 2,700) of Rs.100,000 each in Housing & Urban Development Corporation Limited	2,700.00	2,700.00
1,500 (Previous year - 1,500) of Rs.100,000 each in Power Finance Corporation Limited	1,500.00	1,500.00
62,653 (Previous year - 62,653) of Rs.1,000 each in Power Finance Corporation Limited	626.53	626.53
111,257 (Previous year - 111,257) of Rs.1,000 each in National Highways Authority Of India	1,112.57	1,112.57
130,000 (Previous year - 130,000) of Rs.1,000 each in Housing & Urban Development Corporation Limited	1,300.00	1,300.00
320,000 (Previous year - 320,000) of Rs.1,000 each in India Infrastructure Finance Company Limited	3,200.00	3,200.00
220,000 (Previous year - 220,000) of Rs.1,000 each in Indian Railway Finance Corporation Limited	2,200.00	2,200.00
50 (Previous year - Nil) of Rs.10,00,000 each in Indian Infrastructure Finance Corporation Limited	500.00	-
<b>(I)</b>	<b>16,539.10</b>	16,039.10
<b>Sub total (J) = (D+E+F+G+H+I)</b>	<b>18,692.32</b>	24,515.05
<b>Total = (C+J)</b>	<b>19,331.78</b>	25,154.51
Aggregate amount of quoted investment [Market value - Rs.15,842.70 lacs (Previous year - Rs. 16,283.21 lacs)]	16,539.10	16,039.10
Aggregate amount of unquoted investments	2,792.68	9,115.41

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 Sales Tax authorities.

10. Loans and advances

	Non-current		Current	
	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs
<b>Capital advances</b>				
Unsecured, considered good (Refer note below)	12,421.71	455.24	-	-
(A)	12,421.71	455.24	-	-
<b>Security deposit</b>				
Unsecured, considered good	411.31	384.71	14.71	43.26
Unsecured, considered doubtful	-	0.53	2.04	4.05
	411.31	385.24	16.75	47.31
Less: Provision for doubtful security deposit	-	0.53	2.04	4.05
(B)	411.31	384.71	14.71	43.26
<b>Loans and advances to related parties</b>				
Unsecured, considered good (Refer Note No. 29)	-	-	242.68	251.05
(C)	-	-	242.68	251.05
<b>Advances recoverable in cash or kind</b>				
Unsecured, considered good	-	-	309.80	296.10
Unsecured, considered doubtful	-	-	16.53	16.53
	-	-	326.33	312.63
Less: Provision for doubtful advances	-	-	16.53	16.53
(D)	-	-	309.80	296.10
<b>Share/ mutual fund application money pending allotment</b>				
Unsecured, considered good	-	-	-	1,046.42
(E)	-	-	-	1,046.42
<b>Inter corporate deposits</b>				
Secured, considered good	-	-	-	500.00
Unsecured, considered good	-	-	25.00	1,025.00
(F)	-	-	25.00	1,525.00
<b>Other loans and advances</b>				
Unsecured, considered good				
MAT credit entitlement	-	622.00	-	685.00
Prepaid expenses	113.89	149.38	364.69	233.17
Loans/ advances to employees	38.36	50.98	77.14	83.12
Balances with statutory/ government authorities	-	-	979.06	744.81
(G)	152.25	822.36	1,420.89	1,746.10
<b>Total (A+B+C+D+E+F+G)</b>	<b>12,985.27</b>	<b>1,662.31</b>	<b>2,013.08</b>	<b>4,907.93</b>

Note: Capital advances includes Rs. 11,500.00 lacs (Previous year- Rs.Nil) in escrow accounts towards purchase of land.



## 11. Current investments

	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs
<b>Current Portion of Long Term Investments (at cost) (unquoted)</b>		
<b>Investments in mutual funds</b>		
1,554,196.000 (Previous year - Nil) units of Rs. 10 each in Axis Fixed Term Plan - Series 56(370 Days) Direct Growth	155.42	-
3,000,000.000 (Previous year - Nil) units of Rs. 10 each in Birla Sunlife Fixed Term Plan Series - GR (399 Days) Regular Growth	300.00	-
4,287,065.000 (Previous year - Nil) units of Rs. 10 each in Birla Sunlife Fixed Term Plan Series - HF (385 Days) Growth Direct	428.71	-
4,500,000.000 (Previous year - Nil) units of Rs. 10 each in Birla Sunlife Fixed Term Plan Series - HL (366 Days) Growth Direct	450.00	-
2,000,000.000 (Previous year - Nil) units of Rs. 10 each in Birla Sunlife Fixed Term Plan Series - KF (368 Days) Growth Direct	200.00	-
2,000,000.000 (Previous year - Nil) units of Rs.10 each in Baroda Pioneer Fixed Maturity Plan - Series C Plan A (372 Days) Growth	200.00	-
2,000,000.000 (Previous year - Nil) units of Rs.10 each in Baroda Pioneer Fixed Maturity Plan - Series E Plan B (369 Days) Direct Growth	200.00	-
2,500,000.000 (Previous year - Nil) units of Rs.10 each in Baroda Pioneer Fixed Maturity Plan - Series J Plan B (366 Days) Direct Growth	250.00	-
1,000,000.000 (Previous year - Nil) units of Rs.10 each in Baroda Pioneer Fixed Maturity Plan - Series K Plan B (370 Days) Growth	100.00	-
1,040,595.826 (Previous year - Nil) units of Rs.10 each in Baroda Pioneer Fixed Maturity Plan - Series L Plan B (368 Days) Growth	104.06	-
6,000,000.000 (Previous year - Nil) units of Rs.10 each in BNP Paribas Fixed Term Fund - Series 24A Growth	600.00	-
5,000,000.000 (Previous year - Nil) units of Rs.10 each in BNP Paribas Fixed Term Fund - Series 29 B Direct Growth	500.00	-
Nil (Previous year - 3,000,000.000) units of Rs.10 each in BNP Paribas Fixed Term Fund - Series 23 E Growth	-	300.00
Nil (Previous year - 2,000,000.000) units of Rs.10 each in DSP Black Rock Fixed Maturity Plan - Series - 81 - 12M - Growth	-	200.00
5,509,400.000 (Previous year - Nil) units of Rs.10 each in DSP Black Rock Fixed Maturity Plan - Series - 22 - 14M - Direct Growth	550.94	-
2,692,500.000 (Previous year - Nil) units of Rs.10 each in DSP Black Rock Fixed Maturity Plan - Series - 89 - 12M - Growth	269.25	-
3,000,000.000 (Previous year - Nil) units of Rs.10 each in DSP Black Rock Fixed Maturity Plan - Series - 104 - 12M - Direct Growth	300.00	-
4,000,000.000 (Previous year - Nil) units of Rs.10 each in DWS Fixed Maturity Plan - Series 26 - Regular Plan - Growth	400.00	-
3,322,440.000 (Previous year - Nil) units of Rs.10 each in HDFC Fixed Maturity Plan 384D March 2013(1) Series 23 - Direct - Growth	332.24	-
Nil (Previous year - 2,500,000.000) units of Rs.10 each in HDFC Fixed Maturity Plan 370D May 2012(2) - Growth - Series 22	-	250.00
Nil (Previous year - 2,000,000.000) units of Rs.10 each in HDFC Fixed Maturity Plan 370D December 2012(1) - Growth - Series 23	-	200.00
4,000,000.000 (Previous year - Nil) units of Rs.10 each in ICICI Prudential Fixed Maturity Plan Series 66 - 420 Days Plan A Regular Plan Cumulative	400.00	-
9,000,000.000 (Previous year - Nil) units of Rs.10 each in ICICI Prudential Fixed Maturity Plan Series 66 - 412 Days Plan E Regular Plan Cumulative	900.00	-
1,500,000.000 (Previous year - Nil) units of Rs.10 each in ICICI Prudential Fixed Maturity Plan Series 73 - 366 Days Plan B Direct Growth	150.00	-
2,000,000.000 (Previous year - Nil) units of Rs.10 each in IDBI Fixed Maturity Plan Series - III - 366 Days (July 2013) A Growth Direct	200.00	-
Nil (Previous year - 3,302,490.000) units of Rs.10 each in IDBI Fixed Maturity Plan - 367 Days Series - III (February 2013) A Growth Direct	-	330.25
Nil (Previous year - 2,500,000.000) units of Rs.10 each in IDBI Fixed Maturity Plan - 366 Days Series - II (May 2012) I Growth	-	250.00
Nil (Previous year - 2,500,000.000) units of 10 each in IDFC Fixed Maturity Plan 366 Days Series - 73 - Growth	-	250.00
1,500,000.000 (Previous year - Nil) units of 10 each in J P Morgan India Fixed Maturity Plan Series 32 - Direct - Growth	150.00	-
4,000,000.000 (Previous year - Nil) units of Rs.10 each in Kotak Fixed Maturity Plan Series 95 Direct Growth	400.00	-
4,261,941.000 (Previous year - Nil) units of Rs.10 each in Kotak Fixed Maturity Plan Series 97 Direct Growth	426.19	-
4,000,000.000 (Previous year - Nil) units of Rs.10 each in Kotak Fixed Maturity Plan Series 139 Direct Growth	400.00	-
Nil (Previous year - 1,999,990.000) units of Rs.10 each in Kotak Fixed Maturity Plan Series 80 - Growth	-	200.00
5,000,000.000 (Previous year - Nil) units of Rs.10 each in L&T Fixed Maturity Plan - VII (February 511D A) Direct Plan Growth	500.00	-
4,415,320.000 (Previous year - Nil) units of Rs.10 each in L&T Fixed Maturity Plan - VII (March 13M A) Direct Growth	441.53	-
4,000,000.000 (Previous year - Nil) units of Rs.10 each in L&T Fixed Maturity Plan - Series 8 Plan G - Direct Growth	400.00	-
2,000,000.000 (Previous year - Nil) units of Rs.10 each in Reliance Fixed Horizon Fund - XXII - Series 33 - Growth	200.00	-
3,000,000.000 (Previous year - Nil) units of Rs.10 each in Reliance Fixed Horizon Fund XXIII Series - 5 - Direct Plan Growth	300.00	-
3,739,576.330 (Previous year - Nil) units of Rs.10 each in Reliance Fixed Horizon Fund XXIII Series - 7 - Direct Plan - Growth	373.96	-
Nil (Previous year - 2,000,000.000) units of Rs.10 each in Reliance Fixed Horizon Fund - XXII - Series 9 - Growth	-	200.00
Nil (Previous year - 3,000,000.000) units of Rs.10 each in Reliance Fixed Horizon Fund - XXII - Series 31 - Growth	-	300.00
Nil (Previous year - 5,499,600.000) units of Rs.10 each in Reliance Yearly Interval Fund Series 2 - Growth Plan (Y2-GP)	-	549.96
3,000,000.000 (Previous year - Nil) units of Rs.10 each in Religare Fixed Maturity Plan - Series XVII - Plan A (17 months) - Direct	300.00	-
6,281,304.000 (Previous year - Nil) units of Rs.10 each in Religare Fixed Maturity Plan - Series XVIII - Plan E (374 Days) Direct	628.13	-
3,000,000.000 (Previous year - Nil) units of Rs.10 each in Religare Fixed Maturity Plan - Series XX - Plan C (369 Days) Direct	300.00	-
2,500,000.000 (Previous year - Nil) units of Rs.10 each in Religare Fixed Maturity Plan - Series 23 - Plan D (370 Days) Direct Plan Growth	250.00	-
2,500,000.000 (Previous year - Nil) units of Rs.10 each in Religare Fixed Maturity Plan - Series 22 - Plan K (367 Days) Direct Plan Growth	250.00	-
<b>(A)</b>	<b>12,310.43</b>	<b>3,030.21</b>
<b>Other Current investments (valued at lower of cost and fair value)</b>		
<b>Investments in mutual funds (unquoted)</b>		
Nil (Previous year - 1,620,128.476) units of Rs.10 each in Axis Short Term Fund Institutional Growth (STGP)	-	200.00
21,606.390 (Previous year - Nil) units of Rs.1000 each in Axis Banking Debt Fund - Direct Plan - Growth	250.00	-
2,000,000.000 (Previous year - Nil) units of Rs. 10 each in Axis Fixed Term Plan - Series 63(91 Days) Direct Growth	200.00	-
Nil (Previous year - 2,448,473.241) units of Rs.10 each in Birla Sunlife Dynamic Bond Fund Growth Regular	-	450.00
Nil (Previous year - 491,971.033) units of Rs.10 each in Birla Sunlife Short Term Fund - Growth Regular	-	199.00
5,21,840.776 (Previous year - Nil) units of Rs.100 each in Birla Sunlife Treasury Optimizer Plan Growth Direct Plan	750.00	-
2,35,139.202 (Previous year - Nil) units of Rs.100 each in Birla Sunlife Floating Rate Fund Short Term Plan Growth Direct Plan	400.00	-
Nil (Previous year - 24,721.647) units of Rs.1000 each in Baroda Pioneer Treasury Advantage Fund Plan A - Growth	-	308.36
Nil (Previous year - 1,585,929.632) units of Rs.10 each in BNP Paribas Short Term Income Fund Growth	-	198.30
Nil (Previous year - 1,603,969.289) units of Rs.10 each in BNP Paribas Flexi Debt Fund Growth	-	300.00

	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs
Nil (Previous year - 2,739,226.716) units of Rs.10 each in BNP Paribas Flexi Debt Fund Direct Plan Growth	-	535.73
5,000,000.000 (Previous year - Nil) units of Rs.10 each in BOI Axa Equity Debt Rebalancer Fund Direct Plan Growth	50.00	-
Nil (Previous year - 36,654.820) units of Rs.1000 each in DSP BlackRock Strategic Bond Fund - Direct Plan - Growth	-	500.00
Nil (Previous year - 250,389.355) units of Rs.100 each in DWS Treasury Fund - Cash - Institutional Plan - Growth	-	300.00
1,154,286.559 (Previous year - Nil) units of Rs.10 each in DWS Short Maturity Fund Direct Plan Annual Bonus	166.67	-
1,022,083.825 (Previous year - Nil) units of Rs.10 each in DWS Ultra Short Term Fund Direct Plan Growth	150.00	-
831,190.880 (Previous year - Nil) units of Rs.10 each in DWS Cash Opportunities Fund Direct Plan Annual Bonus	81.33	-
Nil (Previous year - 2,079,690.130) units of Rs.100 each in DWS Money Plus Fund Regular Plan Bonus	-	202.87
Nil (Previous year - 1,976,167.421) units of Rs.10 each in DWS Short Maturity Fund - Regular Plan - Growth	-	400.00
3,177,616.127 (Previous year - Nil) units of Rs.10 each in Edelweiss Short Term Income Fund - Direct Plan - Growth	450.00	-
Nil (Previous year - 2,284,064.539) units of Rs.10 each in HDFC High Interest Fund - Short Term Plan - Growth	-	497.40
1,613,244.185 (Previous year - 3,095,856.845) units of Rs.10 each in HDFC Income Fund - Growth	434.81	834.40
Nil (Previous year - 2,269,397.133) units of Rs.10 each in HDFC Gilt Fund long Term - Growth	-	531.37
Nil (Previous year - 3,076,544.425) units of Rs.10 each in HSBC Flexi Debt Fund Growth Direct Plan	-	500.00
Nil (Previous year - 866,543.617) units of Rs.10 each in ICICI Prudential Short Term - Regular Plan - Growth Option	-	200.00
5,370,255.085 (Previous year - Nil) units of Rs.10 each in IDBI Gilt Fund Direct Plan Growth	546.42	-
7,454.781 (Previous year - Nil) units of Rs.1000 each in IDBI Liquid Fund Direct Plan Bonus	75.00	-
Nil (Previous year - 2,000,000.000) units of Rs.10 each in IDBI Gilt Fund Growth	-	200.00
3,532,195.966 (Previous year - Nil) units of 10 each in IDFC Dynamic Bond Fund Growth Direct Plan	500.00	-
3,060,125.343 (Previous year - Nil) units of 10 each in IDFC Ultra Short Term Fund Growth Direct Plan	512.03	-
Nil (Previous year - 1,330,698.550) units of 10 each in IDFC Arbitrage Fund - Plan B Growth	-	200.00
81,581.321 (Previous year - Nil) units of Rs.10 each in IndiaBulls Short Term Fund Direct Plan Growth	815.81	-
2,043,219.85 (Previous year - Nil) units of Rs.10 each in J M Money Manager Fund Super Plan Direct Bonus	200.00	-
Nil (Previous year - 1,194,341.805) units of Rs.10 each in J M High Liquidity Fund - Bonus Option	-	117.07
2,548,533.637 (Previous year - Nil) units of Rs.10 each in J P Morgan India Treasury Fund Direct Plan Growth	400.00	-
2,000,000.000 (Previous year - Nil) units of Rs.10 each in J P Morgan Europe Dynamic Equity Offshore Fund Direct Growth	200.00	-
Nil (Previous year - 1,624,840.563) units of Rs.10 each in J P Morgan India Active Bond Fund Retail Growth	-	200.00
Nil (Previous year - 1,407,499.156) units of Rs.10 each in Kotak Bond (Short Term) Growth	-	300.00
Nil (Previous year - 1,723,989.311) units of Rs.10 each in Kotak Gilt (Investment Regular) - Growth	-	699.99
Nil (Previous year - 1,834,245.361) units of Rs.10 each in Kotak Equity Arbitrage Fund Growth	-	300.00
13,798.660 (Previous year - Nil) units of Rs.1000 each in L&T Cash Fund Direct Plan Bonus	140.00	-
Nil (Previous year - 3,921,286.536) units of Rs.10 each in L&T Short Term Opportunities Fund Growth	-	400.00
Nil (Previous year - 1,100,820.478) units of Rs.10 each in L&T Gilt Fund Direct Plan Growth	-	299.93
5,266,102.524 (Previous year - Nil) units of Rs.10 each in Peerless Ultra Short Term Fund Direct Plan Growth	700.00	-
2,058,162.171 (Previous year - Nil) units of Rs.10 each in Peerless Fixed Maturity Plan Series 6 Direct Plan Growth	205.82	-
Nil (Previous year - 29,777.311) units of Rs.1000 each in PineBridge India Short Term Fund Standard Growth	-	398.76
Nil (Previous year - 32,734.007) units of Rs.1000 each in PineBridge India Short Term Fund Standard WDR	-	330.39
35,058.779 (Previous year - 35,579.574) units of Rs.1000 each in PineBridge India Short Term Fund Direct Growth	496.31	500.00
Nil (Previous year - 38,471.107) units of Rs.1000 each in PineBridge India Total Return Bond Fund Standard Growth	-	587.80
Nil (Previous year - 10,151.441) units of Rs.1000 each in Principal Cash Management Fund - Regular Plan -Growth	-	112.50
3,173,857.570 (Previous year - Nil) units of Rs.10 each in Reliance Dynamic Bond Fund Direct Growth	500.00	-
4,372,834.449 (Previous year - Nil) units of Rs.10 each in Reliance Fixed Horizon Fund - XXV - Series 29 - Direct Plan Growth	437.28	-
Nil (Previous year - 3,805,509.146) units of Rs.10 each in Reliance Income Fund Growth Plan Bonus Option	-	415.02
Nil (Previous year - 3,989,660.566) units of Rs.10 each in Reliance Dynamic Bond Fund Growth	-	600.00
Nil (Previous year - 3,476,803.130) units of Rs.10 each in Reliance Gilt Securities Fund Growth	-	510.11
11,906.389 (Previous year - Nil) units of Rs.1000 each in Religare Invesco Ultra Short Term Fund Direct Plan Growth	200.00	-
3,694,290.105 (Previous year - Nil) units of Rs.10 each in SBI Short Term Debt Fund - Direct Plan - Growth	500.00	-
Nil (Previous year - 5,378,173.714) units of Rs.10 each in SBI Short Term Fund - Regular Plan - Growth	-	700.00
Nil (Previous year - 1,337,279.795) units of Rs.10 each in SBI Magnum Gilt Fund - Long Term - Regular Plan -Growth	-	300.00
1,257,857.886 (Previous year - Nil) units of Rs.10 each in Sundaram Money Fund Direct Plan Bonus	193.85	-
4,805,763.695 (Previous year - Nil) units of Rs.10 each in Sundaram Select Debt ST Asset Direct Bonus	500.00	-
1,276,164.581 (Previous year - Nil) units of Rs.10 each in Sundaram Flexi Fund ST Plan Direct Plan Bonus	124.69	-
Nil (Previous year - 829,175.937) units of Rs.10 each in Sundaram Bond Saver Institutional Plan Growth	-	300.00
Nil (Previous year - 1,211,438.401) units of Rs.10 each in Sundaram Monthly Income Plan Moderate Bonus (Bonus Units)	-	133.33
Nil (Previous year - 1,475,343.584) units of Rs.10 each in Tata Income Fund Plan A - Appreciation Option Bonus	-	155.56
3,203,772.763 (Previous year - Nil) units of Rs.10 each in Templeton India Ultra Short Bond Fund Super institutional Plan Direct Growth	500.00	-
Nil (Previous year - 11,614.935) units of Rs.10 each in UTI Treasury Advantage Fund - Institutional Plan - Bonus	-	142.86
<b>(B)</b>	<b>10,680.02</b>	<b>14,060.75</b>
<b>Total = (A+B)</b>	<b>22,990.45</b>	<b>17,090.96</b>
Aggregate amount of unquoted investments	22,990.45	17,090.96
Aggregate provision for diminution in value of current investments	-	4.77

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

	<b>31st March 2014</b> Rupees in lacs	31st March 2013 Rupees in lacs
Raw materials [Including stock in transit Rs.59.55 lacs (Previous year - Rs.79.88 lacs)]	<b>2,204.16</b>	2,211.42
Packing materials [Including stock in transit Rs.100.35 lacs (Previous year - Rs. 56.52 lacs)]	<b>554.52</b>	545.65
Work-in-progress	<b>1,243.04</b>	1,234.86
Finished goods/ stock-in-trade	<b>6,057.49</b>	5,752.62
	<b>10,059.21</b>	9,744.55
<b>Details of Work-in-progress</b>		
Formulations	<b>867.97</b>	750.63
Bulk drugs	<b>330.95</b>	458.89
Foods	<b>44.12</b>	25.34
	<b>1,243.04</b>	1,234.86

**13. Trade receivables**

	<b>31st March 2014</b> Rupees in lacs	31st March 2013 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	<b>5.56</b>	22.79
Doubtful	<b>17.38</b>	259.60
	<b>22.94</b>	282.39
Less: Provision for doubtful receivables	<b>17.38</b>	259.60
	<b>(A) 5.56</b>	22.79
Other receivables		
Unsecured, considered good	<b>5,856.89</b>	4,453.70
	<b>(B) 5,856.89</b>	4,453.70
<b>Total (A + B)</b>	<b>5,862.45</b>	4,476.49

**14. Cash and bank balances**

	<b>Non-current</b>		<b>Current</b>	
	<b>31st March 2014</b> Rupees in lacs	31st March 2013 Rupees in lacs	<b>31st March 2014</b> Rupees in lacs	31st March 2013 Rupees in lacs
<b>Cash and cash equivalents</b>				
Balances with banks:				
On current accounts	-	-	<b>1,228.45</b>	192.07
On unpaid dividend account	-	-	<b>91.14</b>	93.13
Cash on hand	-	-	<b>13.18</b>	15.66
	-	-	<b>1,332.77</b>	300.86
Other bank balances:				
Bank deposits with original maturity for more than 12 months	-	0.24	-	-
Bank Deposits with original maturity for less than 12 months	-	-	<b>657.41</b>	3,145.53
Margin money deposits	<b>18.89</b>	0.98	<b>11.35</b>	43.88
	<b>18.89</b>	1.22	<b>668.76</b>	3,189.41
Amount disclosed under "Other non-current assets" (Refer Note No. 15)	<b>(18.89)</b>	(1.22)	-	-
	-	-	<b>2,001.53</b>	3,490.27

15. Other assets

	Non-current		Current	
	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs
<b>Unsecured, considered good</b>				
Bank deposits with original maturity for more than 12 months (Refer Note No. 14)	-	0.24	-	-
Margin money deposits (Refer Note No. 14)	18.89	0.98	-	-
Receivable towards mutual funds redemptions	-	-	-	524.76
Interest/ premium accrued on investments	-	-	389.77	312.67
Interest accrued on others	-	-	48.90	59.69
Unamortised premium on investments	46.85	50.43	4.30	5.23
	<b>65.74</b>	<b>51.65</b>	<b>442.97</b>	<b>902.35</b>

16. Revenue from operations

	2013-2014 Rupees in lacs	2012-2013 Rupees in lacs
Sale of products (Refer Note a below)	84,759.32	77,653.79
Other operating revenue (Refer Note b below)	616.57	373.83
<b>Revenue from operations (gross)</b>	<b>85,375.89</b>	<b>78,027.62</b>
Less: Excise duty	1,674.05	1,568.11
<b>Revenue from operations (net)</b>	<b>83,701.84</b>	<b>76,459.51</b>
<b>a. Details of products sold</b>		
Formulations	75,197.67	69,156.24
Bulk drugs	5,203.06	4,692.11
Foods	4,358.59	3,805.44
	<b>84,759.32</b>	<b>77,653.79</b>
<b>b. Details of other operating revenue</b>		
Export Incentives	330.02	279.41
Other miscellaneous receipts	286.55	94.42
	<b>616.57</b>	<b>373.83</b>

17. Other income

	2013-2014 Rupees in lacs	2012-2013 Rupees in lacs
<b>Interest income on</b>		
Long-term investments	1,281.82	868.09
Others (Refer note below)	244.19	461.95
<b>Dividend Income on</b>		
Current investments	1.67	35.80
Long-term investments [Includes Rs. Nil (Previous year - Rs. 192.39 lacs) from subsidiaries]	47.62	192.49
<b>Net gain on sale of investments</b>		
Current investments	1,571.16	1,553.56
Long-term investments	286.55	980.68
<b>Premium on non convertible debentures</b>		
Long-term investments	-	45.44
Net exchange gain on foreign currency transactions	178.05	111.51
Provision for diminution in value of current investments sold, written back	4.77	313.33
Other non operating income	200.54	193.23
[(Net of expenses directly attributable to such income Rs. 71.94 lacs (Previous year - Rs.Nil)]		
	<b>3,816.37</b>	<b>4,756.08</b>

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>2013-2014</b> <b>Rupees in lacs</b>	2012-2013 Rupees in lacs
Inventory at the beginning of the year	2,757.07	2,368.45
Add: Purchases	<u>24,026.21</u>	<u>21,389.12</u>
	26,783.28	23,757.57
Less: Inventory at the end of the year	<u>2,758.68</u>	<u>2,757.07</u>
<b>Cost of materials consumed</b>	<b><u>24,024.60</u></b>	<b><u>21,000.50</u></b>

**Details of materials consumed**

	<b>2013-2014</b> <b>Rupees in lacs</b>	2012-2013 Rupees in lacs
Active Pharma Ingredients	<u>18,145.86</u>	<u>15,820.94</u>
Packing materials	<u>5,878.74</u>	<u>5,179.56</u>
	<b><u>24,024.60</u></b>	<b><u>21,000.50</u></b>

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

	<b>2013-2014</b> <b>Rupees in lacs</b>	2012-2013 Rupees in lacs
Formulations	<u>8,060.82</u>	<u>8,383.77</u>
Bulk drugs	<u>25.82</u>	<u>12.88</u>
Foods	<u>214.38</u>	<u>255.74</u>
	<b><u>8,301.02</u></b>	<b><u>8,652.39</u></b>

**20. Changes in inventories**

	<b>2013-2014</b> <b>Rupees in lacs</b>	2012-2013 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	6,057.49	5,752.62	<b>(304.87)</b>
Work-in-progress	<u>1,243.04</u>	<u>1,234.86</u>	<b>(8.18)</b>
	7,300.53	6,987.48	<b>(313.05)</b>
<b>Inventory at the beginning of the year</b>			
Finished goods/ stock-in-trade	5,752.62	6,494.29	
Work-in-progress	<u>1,234.86</u>	<u>1,239.79</u>	
	6,987.48	7,734.08	
	<b><u>(313.05)</u></b>	<u>746.60</u>	

**21. Employee benefits expense**

	<b>2013-2014</b> <b>Rupees in lacs</b>	2012-2013 Rupees in lacs
Salaries, wages and bonus	<u>10,703.08</u>	<u>9,343.78</u>
Contribution to provident and other funds (Refer Note No. 26)	<u>949.65</u>	<u>920.93</u>
Staff welfare expenses	<u>421.02</u>	<u>378.16</u>
	<b><u>12,073.75</u></b>	<b><u>10,642.87</u></b>

**22. Finance costs**

	<b>2013-2014</b> <b>Rupees in lacs</b>	2012-2013 Rupees in lacs
Interest (Refer note below)	<u>255.10</u>	<u>104.01</u>
Bank charges	<u>46.28</u>	<u>47.04</u>
	<b><u>301.38</u></b>	<b><u>151.05</u></b>

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

**23. Other expenses**

	<b>2013-2014</b>	2012-2013
	<b>Rupees in lacs</b>	Rupees in lacs
Processing charges	<b>857.16</b>	751.81
Power, fuel and water charges	<b>1,842.44</b>	1,683.26
Repairs and maintenance:		
Building	<b>484.47</b>	357.83
Plant and machinery	<b>533.01</b>	442.04
Other assets	<b>516.99</b>	348.45
Stores and spares	<b>587.33</b>	384.15
Rent (Refer Note No. 30)	<b>39.94</b>	44.91
Rates and taxes	<b>133.70</b>	184.33
Insurance	<b>135.79</b>	126.02
Travelling and conveyance	<b>3,102.32</b>	2,885.63
Communication expenses	<b>111.00</b>	134.05
Carriage, freight and forwarding	<b>1,974.34</b>	1,612.05
Advertisement and sales promotion	<b>255.70</b>	245.00
Publicity expenses	<b>2,403.93</b>	2,805.61
Increase/ (Decrease) in excise duty on finished products	<b>(19.68)</b>	55.81
Sales tax/ Value added tax	<b>79.98</b>	81.47
Commission and Incentives to distributors	<b>1,129.36</b>	870.86
Auditors' remuneration (Including service tax):		
As Audit fee	<b>23.27</b>	21.19
For other services	<b>12.62</b>	6.01
Directors sitting fees	<b>7.00</b>	5.67
Bad debts written off	<b>264.19</b>	3.56
Less: Transfer from provision for doubtful debts & advances	<b>(264.19)</b>	(3.56)
Provision for doubtful debts	<b>17.38</b>	-
Provision for doubtful advances	<b>2.05</b>	-
Provision for diminution in value of current investments	<b>-</b>	4.77
Amortisation of premium on Non Convertible Debentures	<b>5.26</b>	14.43
Donation	<b>34.32</b>	34.65
Miscellaneous expenses	<b>4,707.34</b>	4,065.37
	<b><u>18,977.02</u></b>	<u>17,165.37</u>

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

	<b>2013-2014</b>	2012-2013
Profit after tax for the year (Rupees in lacs)	<b>13,442.03</b>	15,833.17
Weighted average number of shares *	<b>178,296,713</b>	182,408,576
Nominal value per share (Rupees)	<b>1.00</b>	1.00
Earnings per share - Basic (Rupees)	<b>7.54</b>	8.68
- Diluted (Rupees)	<b>7.54</b>	8.68

\* 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 2014</b>	31st March 2013
	<b>Rupees in lacs</b>	Rupees in lacs
<b>a. Disputed tax matters</b>		
Income tax (Appealed by tax authorities)	10.29	10.29
Income tax (Appealed by the Company)	499.63	-
Excise duty (Appealed by excise authorities)	2.12	2.00
Excise duty (Appealed by the Company)	260.25	229.25
Sales tax (Appealed by the Company)	234.82	232.44
<b>b. In respect of guarantees given by banks</b>	<b>371.20</b>	316.62
<b>c. Letter of credit issued by bankers</b>	<b>274.64</b>	91.69
<b>d. Estimated amount of duty payable on export obligation against outstanding advances licences</b>	<b>6.41</b>	31.50
<b>e. During the year, the Company has received notices of demand (including interest) from the National Pharmaceutical Pricing Authority, Government of India on account of alleged overcharging in respect of certain formulations under the Drug Price Control Order, 1995. The Company has filed a writ petition before the Hon'ble Supreme Court of India for stay of the demand and other matters. The Company has been legally advised that on the basis of the facts and circumstances and grounds raised by the Company, the possibility of an adverse ruling in this case is unlikely. Hence no provision is considered necessary in this respect.</b>	<b>846.88</b>	-
<b>Commitments</b>		
Estimated amount of capital contracts remaining to be executed and not provided for (net of advances paid)	721.71	699.21

**26. 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>2013-2014</b>	2012-2013
	<b>Rupees in lacs</b>	Rupees in lacs
Employer's Contribution to Provident Fund	312.56	281.65
Employer's Contribution to Pension Scheme	263.80	247.65
Employer's Contribution to Superannuation Fund	50.95	48.23

**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 2014</b>	<b>31st March 2013</b>
<b>I Change in Benefit Obligation</b>		
Liability at the beginning of the year	977.21	882.67
Interest Cost	75.73	70.62
Current Service Cost	97.33	96.47
Benefit Paid	(101.02)	(78.90)
Actuarial (gain)/ loss on obligations	(11.52)	6.35
Liability at the end of the year	<u>1,037.73</u>	<u>977.21</u>
<b>II Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	933.48	816.38
Expected Return on Plan Assets	81.21	70.21
Contributions	65.32	152.00
Benefit Paid	(101.02)	(78.90)
Actuarial gain/ (loss) on Plan Assets	(27.49)	(26.21)
Fair Value of Plan Assets at the end of the year	<u>951.50</u>	<u>933.48</u>
Total Actuarial gain/ (loss)	(15.97)	(32.56)
<b>III Actual Return on Plan Assets</b>		
Expected Return on Plan Assets	81.21	70.21
Actuarial gain/ (loss) on Plan Assets	(27.49)	(26.21)
Actual Return on Plan Assets	<u>53.72</u>	<u>44.00</u>
<b>IV Amount recognised in the Balance Sheet</b>		
Liability at the end of the year	(1,037.73)	(977.21)
Fair Value of Plan Assets at the end of the year	951.50	933.48
Amount recognised in the Balance Sheet	<u>(86.23)</u>	<u>(43.73)</u>
<b>V Expenses recognised in the Statement of Profit and Loss</b>		
Current Service Cost	97.33	96.47
Interest Cost	75.73	70.62
Expected Return on Plan Assets	(81.21)	(70.21)
Net Actuarial (gain)/ loss	15.97	32.56
Expense recognised in the Statement of Profit and Loss	<u>107.82</u>	<u>129.44</u>
<b>VI Balance Sheet Reconciliation</b>		
Opening Net Liability	43.73	66.29
Expense as above	107.82	129.44
Employers Contribution	(65.32)	(152.00)
Amount recognised in the Balance Sheet	<u>86.23</u>	<u>43.73</u>
<b>VII Investment Details</b>		
Government of India Assets	312.89	318.55
Corporate Bonds	372.66	353.41
State Government	178.70	178.70
Equity	71.87	71.86
Others	15.38	10.96
Total	<u>951.50</u>	<u>933.48</u>
<b>VIII Actuarial Assumptions</b>		
Discount Rate Current	8.75%	7.75%
Rate of Return on Plan Assets Current	8.70%	8.70%
Salary Escalation Current	7.00%	7.00%



**IX. Experience Adjustments**

Rupees in lacs

	<b>31st March 2014</b>	31st March 2013	31st March 2012	31st March 2011	31st March 2010
Defined benefit obligation	<b>1,037.73</b>	977.21	882.67	730.88	607.25
Plan assets	<b>951.50</b>	933.48	816.38	703.06	396.41
Deficit / (Surplus)	<b>86.23</b>	43.73	66.29	27.82	210.84
Net Actuarial (Gain)/ Loss due to Experience adjustments on Plan Liabilities	<b>24.06</b>	(17.94)	(103.18)	8.41	(63.99)
Net Actuarial Gain/ (Loss) due to Experience adjustments on Plan Assets	<b>(27.49)</b>	(26.21)	(2.63)	(9.28)	(19.79)

**X. Salary Escalation Rate**

The estimates of future salary increases considered in actuarial valuation is taken on 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. 191.12 lacs to gratuity in next year (Previous year - Rs. 141.05 lacs).

The liability for Leave Encashment as at the year end is Rs. 433.13 lacs (Previous year - Rs. 322.17 lacs) and provision for sick leave as at the year end is Rs. 59.97 lacs (Previous year - Rs. 37.23 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>71,795.30</b> (66,620.24)	<b>11,906.54</b> (9,839.27)	<b>83,701.84</b> (76,459.51)
Carrying amount of assets by location of assets	<b>58,150.19</b> (43,514.02)	<b>2,797.70</b> (1,778.53)	<b>60,947.89*</b> (45,292.55)
Additions to tangible and intangible assets	<b>3,149.38</b> (2,489.05)	- (-)	<b>3,149.38</b> (2,489.05)

Previous year's figures are shown in brackets.

\*Segments assets include the following:

PARTICULARS	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs
<u>Fixed Assets</u>		
i) Tangible assets	27,012.70	27,341.03
ii) Intangible assets	200.51	314.45
iii) Capital work-in-progress		
Tangible assets	1,779.96	722.43
Intangible assets	30.52	-
Loans and advances (Long term & short term)	14,730.67	2,440.77
Inventories	10,059.21	9,744.55
Trade receivables	5,862.45	4,476.49
Cash and bank balances	1,252.98	251.61
Other current assets	18.89	1.22
<b>Total</b>	<b>60,947.89</b>	<b>45,292.55</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

**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**

- 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>1,218.10</b> (530.63)	- (-)	- (-)	- (-)	- (-)	<b>1,218.10</b> (530.63)
Dividend received	- (192.39)	- (-)	- (-)	- (-)	- (-)	- (192.39)
Reimbursements of expenses	- (4.96)	<b>0.25</b> (-)	- (-)	- (-)	- (-)	<b>0.25</b> (4.96)
Interest income	- (-)	<b>10.21</b> (10.63)	- (-)	- (-)	- (-)	<b>10.21</b> (10.63)
Managerial remuneration*	- (-)	- (-)	<b>489.15</b> (446.45)	- (-)	- (-)	<b>489.15</b> (446.45)
Donation paid	- (-)	- (-)	- (-)	- (-)	<b>30.00</b> (30.00)	<b>30.00</b> (30.00)
Dividend on equity shares paid	- (-)	- (-)	<b>721.80</b> (641.60)	<b>385.37</b> (342.55)	<b>752.06</b> (668.50)	<b>1,859.23</b> (1,652.65)
<b>Outstanding balances</b>						
- Payable	- (-)	- (-)	<b>323.81</b> (285.97)	- (-)	- (-)	<b>323.81</b> (285.97)
- Loans granted	<b>38.42</b> (38.42)	<b>204.26</b> (212.63)	- (-)	- (-)	- (-)	<b>242.68</b> (251.05)
- Interest on loans granted	- (-)	<b>20.43</b> (10.63)	- (-)	- (-)	- (-)	<b>20.43</b> (10.63)
- Receivable against sales	<b>686.07</b> (317.36)	- (-)	- (-)	- (-)	- (-)	<b>686.07</b> (317.36)

\* 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>2013-2014</b> <b>Rupees in lacs</b>	2012-2013 Rupees in lacs
<b>1</b>		
<b><u>Sale of goods</u></b>		
FDC International Limited	<b>1,218.10</b>	530.63
<b>2</b>		
<b><u>Dividend received</u></b>		
FDC International Limited	-	192.39
<b>3</b>		
<b><u>Reimbursement of expenses</u></b>		
FDC International Limited	-	4.96
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	<b>0.25</b>	-
<b>4</b>		
<b><u>Interest received</u></b>		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	<b>10.21</b>	10.63
<b>5</b>		
<b><u>Managerial remuneration</u></b>		
Mr. Mohan A. Chandavarkar	<b>148.44</b>	134.39
Mr. Nandan M. Chandavarkar	<b>131.71</b>	119.74
Mr. Ashok A. Chandavarkar	<b>120.57</b>	111.03
Mr. Ameya A. Chandavarkar	<b>88.43</b>	81.29
<b>6</b>		
<b><u>Donation paid</u></b>		
Anand Chandavakar Foundation	<b>30.00</b>	30.00
<b>7</b>		
<b><u>Dividend paid</u></b>		
Mr. Mohan A. Chandavarkar	<b>252.51</b>	224.46
Mr. Ashok A. Chandavarkar	<b>236.93</b>	210.61
Ms. Sandhya M. Chandavarkar	<b>235.88</b>	209.67
Soven Trading and Investment Company Private Limited	<b>367.37</b>	326.55
Transgene Trading and Investment Company Private Limited	<b>384.69</b>	341.95
<b>8</b>		
<b><u>Outstanding balances payable</u></b>		
Mr. Mohan A. Chandavarkar	<b>103.86</b>	91.64
Mr. Ashok A. Chandavarkar	<b>83.20</b>	73.43
Mr. Nandan M. Chandavarkar	<b>83.80</b>	74.06
Mr. Ameya A. Chandavarkar	<b>52.95</b>	46.84
<b>9</b>		
<b><u>Outstanding balances against loans granted</u></b>		
Anand Synthochem Limited	<b>38.42</b>	38.42
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd	<b>204.26</b>	212.63
<b>10</b>		
<b><u>Outstanding balances against interest on loans granted</u></b>		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	<b>20.43</b>	10.63
<b>11</b>		
<b><u>Outstanding balances receivable against debtors</u></b>		
FDC International Limited	<b>686.07</b>	317.36

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

Anand Synthochem Limited

Balance as at 31st March 2014 Rs. 38.42 lacs (Previous year- Rs. 38.42 lacs).

Maximum balance outstanding during the year Rs. 38.42 lacs (Previous year- Rs. 38.42 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. 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 2014	Percentage of Ownership Interest as on 31st March 2013
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 2014 Rupees in lacs	31st March 2013 Rupees in lacs
Current assets	219.05	327.50
Non current assets	80.85	102.09
<b>Total assets</b>	<b>299.90</b>	<b>429.59</b>
Current liabilities	(271.68)	(336.05)
Non current liabilities	-	-
<b>Total liabilities</b>	<b>(271.68)</b>	<b>(336.05)</b>
Shareholders' fund	28.22	93.54

Statement of Profit and Loss	2013-2014 Rupees in lacs	2012-2013 Rupees in lacs
<b>Income</b>		
Revenue from operations	437.32	709.37
Other Income	0.06	(0.08)
<b>Expenditure</b>		
Purchases of stock-in-trade	370.49	591.79
Changes in inventories of finished goods, work in progress and stock-in-trade	48.54	35.73
Employee benefit expense	30.37	27.70
Other expense	18.07	18.13
Finance costs	12.87	13.31
Depreciation	23.55	25.16
<b>Total Expenditure</b>	<b>503.89</b>	<b>711.82</b>
<b>Provision for taxation</b>		
Current tax	4.41	5.05
Deferred tax	(2.31)	(0.26)

No contingent liabilities and capital commitments have been incurred as at 31st March 2014 in relation to the Company's interest in the JV along with the other venturers (Previous year - Rs. Nil).

32. 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 2014	31st March 2013	31st March 2014	31st March 2013
Bank balances	USD	1,325,916	822,735	787.22	442.97
	EUR	43,561	58,306	35.33	39.92
	GBP	353,703	12,880	347.82	10.43
	JPY	18,200,000	-	105.56	-
Trade receivables	USD	3,302,588	2,256,137	1,964.87	1,201.57
	EUR	67,308	116,920	54.82	80.22
	GBP	697,580	437,989	686.07	355.17
	JPY	-	7,950,000	-	45.29
Loans and advances	USD	108,258	140,300	63.98	75.20
	EUR	4,925	-	3.99	-
	ZAR	4,184,142	3,993,953	224.69	223.26
Trade payables	USD	865,362	482,822	524.19	265.90
	EUR	108,763	95,196	91.28	67.49
	GBP	3,224	6,222	3.28	5.21
Investment in subsidiaries/ joint venture entity	USD	50,000	50,000	22.00	22.00
	GBP	1	1	-	-
	ZAR	159,250	159,250	11.30	11.30

33. Revenue expenditure on research and development (including depreciation and amortisation) aggregating to Rs.1,987.31 lacs (Previous year - Rs. 2,082.45 lacs) is included under relevant heads in the Statement of Profit and Loss.
34. Costs of samples, manufactured and purchased, have been included in cost of materials consumed and purchases of Stock - in - trade respectively.

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

	<u>Rupees in lacs</u>	<u>Percentage</u>
Indigenous	<b>15,553.47</b> (13,728.10)	<b>85.71</b> (86.77)
Imported	<b>2,592.39</b> (2,092.84)	<b>14.29</b> (13.23)
<b>Total</b>	<b>18,145.86</b> <u>(15,820.94)</u>	<b>100.00</b> <u>(100.00)</u>

Previous year's figures are shown in brackets.

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

	<u>Rupees in lacs</u>	<u>Percentage</u>
Indigenous	<b>424.48</b> (347.66)	<b>67.22</b> (85.73)
Imported	<b>207.01</b> (57.88)	<b>32.78</b> (14.27)
<b>Total</b>	<b>631.49</b> <u>(405.54)</u>	<b>100.00</b> <u>(100.00)</u>

Previous year's figures are shown in brackets.

**37. CIF value of imports:**

	<u>2013-2014</u> <u>Rupees in lacs</u>	<u>2012-2013</u> <u>Rupees in lacs</u>
Raw material	<b>2,071.95</b>	1,954.81
Packing material	<b>139.47</b>	324.56
Components, stores and spares	<b>207.01</b>	57.88
Capital goods	<b>383.13</b>	451.36
Intangible	<b>26.44</b>	-
<b>Total</b>	<b>2,828.00</b> <u></u>	<u>2,788.61</u>

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

	<u>2013-2014</u> <u>Rupees in lacs</u>	<u>2012-2013</u> <u>Rupees in lacs</u>
FOB value of exports	<b>11,256.60</b>	9,364.94
Interest	<b>10.21</b>	10.63
Dividend from subsidiary	<b>-</b>	192.39
Others	<b>194.32</b>	22.22
<b>Total</b>	<b>11,461.13</b> <u></u>	<u>9,590.18</u>

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

	<b>2013-2014</b>	2012-2013
	<b>Rupees in lacs</b>	Rupees in lacs
Miscellaneous expenses (Export)	<b>465.12</b>	258.40
Commission to distributors	<b>119.88</b>	91.35
Legal and professional fees	<b>99.25</b>	304.12
Travelling and conveyance	<b>11.81</b>	6.07
Others (gross)	<b>28.81</b>	25.82
<b>Total</b>	<b>724.87</b>	685.76

**40.** 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 & CO. LLP**  
Chartered Accountants  
Firm Registration No. 301003E

For and on behalf of the Board of Directors

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

**ASHOK A. CHANDAVARKAR**  
Director

**per VIJAY MANIAR**  
Partner  
Membership No. 36738

**VARSHARANI KATRE**  
Company Secretary

Place : Mumbai  
Date : May 29, 2014

Place : Mumbai  
Date : May 29, 2014



**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	31.03.2014	31.03.2014	31.03.2014
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 2014	GBP 171,828	(USD 1,510)	(INR 466,316)
	ii. For the financial years since they became subsidiaries	GBP 539,195	USD 38,244	(INR 1,123,302)
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 2014	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

**VARSHARANI KATRE**  
Company Secretary

Place: Mumbai  
Date : May 29, 2014

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

### INDEPENDENT AUDITOR'S REPORT

#### To the Board of Directors of FDC Limited

We have audited the accompanying consolidated financial statements of FDC Limited ("the Company") and its subsidiaries and its joint venture, which comprise the Consolidated Balance Sheet as at 31st March 2014, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 Company as at 31st March 2014;
- (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.

#### Other Matter

We did not audit total assets of Rs. 2,272.64 lacs as at 31st March 2014, total revenues of Rs. 2,101.46 lacs and net cash outflows amounting to Rs. 57.74 lacs for the year then ended, included in the accompanying consolidated financial statements in respect of all subsidiaries and a joint venture, whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiaries and a joint venture is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

**For S.R. BATLIBOI & CO. LLP**  
Chartered Accountants  
Firm Registration No. 301003E

**per Vijay Maniar**  
Partner  
Membership No. 36738

Place: Mumbai  
Date : May 29, 2014

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

PARTICULARS	Note No.	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share capital	2	1,786.19	1,816.19
(b) Reserves and surplus	3	82,743.50	76,608.22
		<u>84,529.69</u>	<u>78,424.41</u>
<b>2. Non-current liabilities</b>			
(a) Long-term borrowings	4	107.07	146.63
(b) Deferred tax liabilities (net)	5	3,018.93	3,011.82
		<u>3,126.00</u>	<u>3,158.45</u>
<b>3. Current liabilities</b>			
(a) Short-term borrowings	7	110.57	114.07
(b) Trade payables	8	7,882.21	6,103.73
(c) Other current liabilities	8	4,287.03	3,598.29
(d) Short-term provisions	6	5,639.26	5,228.05
		<u>17,919.07</u>	<u>15,044.14</u>
<b>TOTAL</b>		<u><u>105,574.76</u></u>	<u><u>96,627.00</u></u>
<b>II. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Fixed assets	9		
(i) Tangible assets		28,187.36	28,529.42
(ii) Intangible assets		252.38	389.72
(iii) Capital work-in-progress			
Tangible assets		1,779.96	722.43
Intangible assets		30.52	-
(b) Non-current investments	10	18,692.32	24,515.05
(c) Deferred tax assets	11	28.70	26.39
(d) Long-term loans and advances	12	12,985.32	1,662.36
(e) Other non-current assets	17	65.74	51.65
		<u>62,022.30</u>	<u>55,897.02</u>
<b>2. Current assets</b>			
(a) Current investments	13	22,990.45	17,090.96
(b) Inventories	14	10,300.22	9,970.66
(c) Trade receivables	15	5,716.29	4,322.64
(d) Cash and bank balances	16	2,219.33	3,650.33
(e) Short-term loans and advances	12	1,893.21	4,798.25
(f) Other current assets	17	432.96	897.14
		<u>43,552.46</u>	<u>40,729.98</u>
<b>TOTAL</b>		<u><u>105,574.76</u></u>	<u><u>96,627.00</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 & CO. LLP  
Chartered Accountants  
Firm Registration No. 301003E

For and on behalf of the Board of Directors

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

**ASHOK A. CHANDAVARKAR**  
Director

per VIJAY MANIAR  
Partner  
Membership No. 36738

**VARSHARANI KATRE**  
Company Secretary

Place: Mumbai  
Date: May 29, 2014

Place: Mumbai  
Date: May 29, 2014

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

PARTICULARS	Note No.	2013-2014 Rupees in lacs	2012-2013 Rupees in lacs
I. Revenue from operations (gross)	18	86,259.41	78,850.61
Less: Excise duty		1,674.05	1,568.11
Revenue from operations (net)		84,585.36	77,282.50
II. Other income	19	3,935.54	4,632.90
<b>III. Total Revenue (I + II)</b>		<b>88,520.90</b>	<b>81,915.40</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	20	24,024.60	21,000.50
Purchases of stock-in-trade		8,818.37	9,345.76
Changes in inventories of finished goods/ stock-in-trade and work-in-progress	21	(327.95)	709.46
Employee benefits expense	22	12,205.09	10,752.14
Finance costs	23	310.13	160.44
Depreciation and amortisation expense	9	2,499.50	2,798.16
Less: Recoupment from Revaluation Reserve	3	8.02	8.02
		2,491.48	2,790.14
Other expenses	24	19,162.93	17,385.27
<b>Total expenses</b>		<b>66,684.65</b>	<b>62,143.71</b>
<b>V. Profit before tax (III- IV)</b>		<b>21,836.25</b>	<b>19,771.69</b>
<b>VI. Tax expense:</b>			
(1) Current tax		6,050.66	4,107.18
(2) Deferred tax		4.80	162.89
(3) Tax adjustments for earlier years - Current tax		2,248.95	(15.43)
<b>Total tax expense</b>		<b>8,304.41</b>	<b>4,254.64</b>
<b>VII. Profit for the year (V - VI)</b>		<b>13,531.84</b>	<b>15,517.05</b>
VIII. Earnings per equity share:	25		
Par value Re. 1 per share (Previous year - Re. 1 per share)			
(1) Basic (Rs.)		7.59	8.51
(2) Diluted (Rs.)		7.59	8.51

### 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 & CO. LLP**  
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For and on behalf of the Board of Directors

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Chairman and Managing Director

**ASHOK A. CHANDAVARKAR**  
Director

per **VIJAY MANIAR**  
Partner  
Membership No. 36738

**VARSHARANI KATRE**  
Company Secretary

Place: Mumbai  
Date: May 29, 2014

Place: Mumbai  
Date: May 29, 2014

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

PARTICULARS	2013-2014 Rupees in lacs		2012-2013 Rupees in lacs	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>NET PROFIT BEFORE TAXATION</b>		21,836.25		19,771.69
Non-cash adjustments to reconcile Profit before tax to Net Cash flows:				
Depreciation and amortisation	2,491.48		2,790.14	
Interest expense	263.27		112.97	
Premium income on Non Convertible Debentures	-		(45.44)	
Interest income	(1,521.10)		(1,324.83)	
Profit on fixed assets sold/ scrapped (net)	(11.53)		(19.98)	
Amortisation of premium on Non Convertible Debentures/ Bonds	5.26		14.43	
Dividend income	(49.29)		(35.90)	
Provision for diminution in value of current investments	-		4.77	
Profit on sale of investments (net)	(1,857.71)		(2,534.24)	
Translation adjustment on consolidation	(63.25)		31.44	
Unrealised foreign exchange loss on restatement	78.63		4.73	
Bad debts written off	-		0.18	
Provision for doubtful debts	17.38		-	
Provision for doubtful advances	2.05		-	
Provision for expenses no longer required, written back	(117.17)		(93.42)	
Provision for doubtful debts/ advances no longer required, written back	-		(11.11)	
Provision for diminution in value of current investments sold, written back	(4.77)	(766.75)	(313.33)	(1,419.59)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		21,069.50		18,352.10
Movements in Working Capital:				
Increase in trade receivables	(1,456.54)		(116.86)	
(Increase)/ Decrease in inventories	(329.56)		320.84	
Increase in loans & advances and other current assets	(314.83)		(740.83)	
Increase in trade payables and other current liabilities	2,511.55		951.81	
Increase/ (Decrease) in provisions	175.45	586.07	(1.16)	413.80
<b>CASH GENERATED FROM OPERATIONS</b>		21,655.57		18,765.90
Direct taxes paid (net of refunds)		(6,807.11)		(3,771.87)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>		14,848.46		14,994.03
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>				
Purchase of fixed assets, including CWIP and capital advances	(15,115.85)		(2,339.55)	
Proceeds from sale of fixed assets	52.76		90.92	
Inter corporate deposits given	(500.00)		(1,000.00)	
Repayment of inter corporate deposits given	2,000.00		1,000.00	
Investment in bank deposits (net)	2,488.12		(3,145.53)	
Decrease in fixed and margin deposits	14.86		5.40	
Purchase of investments	(49,379.56)		(45,165.26)	
Proceeds from sale of investments	52,736.46		38,342.86	
Premium paid on Non Convertible Debentures/ Bonds purchased	(0.75)		(6.54)	
Dividend received	49.29		35.90	
Interest/ Premium received	1,459.38		1,463.97	
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		(6,195.29)		(10,717.83)
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>				
Repayment of term loan taken from bank	(29.37)		(32.15)	
Repayment of deferred sales tax loan	(19.48)		(27.75)	
Payment towards buy back of shares	(2,717.75)		(1,933.41)	
Dividend paid	(4,001.27)		(3,658.41)	
Dividend tax paid	(680.01)		(593.48)	
Interest paid	(77.08)		(37.41)	
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>		(7,524.96)		(6,282.61)
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>		1,128.21		(2,006.41)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		416.75		2,423.16
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		1,544.96		416.75
(Refer Note 1 below)				

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

### Notes to the Consolidated Cash Flow Statement

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

PARTICULARS	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs
Cash on hand	13.37	15.81
Balance with scheduled banks:		
In current accounts	1,446.06	351.98
In unpaid dividend accounts (Refer Note 2 below)	91.14	93.13
Unrealised foreign exchange gain on restatement of cash and cash equivalents	(5.61)	(44.17)
	1,544.96	416.75

2. Rs. 91.14 lacs (Previous year - Rs. 93.13 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 & CO. LLP**  
Chartered Accountants  
Firm Registration No. 301003E

For and on behalf of the Board of Directors

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

**ASHOK A. CHANDAVARKAR**  
Director

**per VIJAY MANIAR**  
Partner  
Membership No. 36738

**VARSHARANI KATRE**  
Company Secretary

Place : Mumbai  
Date : May 29, 2014

Place : Mumbai  
Date : May 29, 2014

## 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.

### b. USE OF ESTIMATES

The preparation of consolidated 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, all of its subsidiaries and its joint venture (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 equipments 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 except for the below mentioned assets where higher rates are considered based on the useful life of the assets as estimated by the management:

<b>ASSETS</b>	<b>RATES</b>
Laboratory testing machines	10.00%
R&D Equipments	10.00%
Vehicles	16.67%

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.

***Marketing Rights and Software***

Cost relating to marketing rights 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 2014

### 2. Share capital

	31st March 2014 Rupees in lacs	31st March 2013 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> 180,978,084 (Previous year - 183,977,995) Equity shares of Re.1 each, fully paid-up	<u>1,809.78</u>	<u>1,839.78</u>
<b>Subscribed and Paid-up Shares</b> 177,833,084 (Previous year - 180,832,995) Equity shares of Re.1 each, fully paid-up	<u>1,778.33</u>	<u>1,808.33</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>1,786.19</u>	<u>1,816.19</u>

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

	31st March 2014		31st March 2013	
	No. in lacs	Rupees in lacs	No. in lacs	Rupees in lacs
At the beginning of the period	<u>1,808.33</u>	<u>1,808.33</u>	1,829.20	1,829.20
Less: Buy back during the period	<u>30.00</u>	<u>30.00</u>	20.87	20.87
<b>Outstanding at the end of the period</b>	<u>1,778.33</u>	<u>1,778.33</u>	<u>1,808.33</u>	<u>1,808.33</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 2014, the amount of per share dividend recognised as distributions to equity shareholders was Rs. 2.25 (Previous year - Rs. 2.25).

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 2014 No. in lacs</b>	31st March 2013 No. in lacs
Equity shares bought back by the Company	<b>136.28</b>	106.28

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 22nd August 2012, the Company has bought back from open market through stock exchanges 2,999,911 equity shares (Previous year - 2,087,432 equity shares) of Re. 1 each during the year for a total consideration of Rs. 2,717.75 lacs (Previous year - Rs. 1,933.41 lacs) and the same has been extinguished. Consequently, an amount of Rs. 30.00 lacs (Previous year - Rs. 20.87 lacs) being the nominal value of equity shares bought back has been transferred to Capital Redemption Reserve from General Reserve. An amount of Rs. 2,687.75 lacs (Previous year - Rs. 1,912.54 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 2014</b>		31st March 2013	
	<b>Numbers</b>	<b>% holding in the class</b>	Numbers	% holding in the class
<b>Equity shares of Re. 1 each fully paid</b>				
Meera Ramdas Chandavarkar	21,925,260	12.33	21,925,260	12.10
Transgene Trading and Investment Company Pvt. Ltd.	17,097,500	9.61	17,097,500	9.43
Sudipta Trading and Investment Company Pvt. Ltd.	16,365,000	9.20	16,365,000	9.03
Soven Trading and Investment Company Pvt. Ltd.	16,327,500	9.18	16,327,500	9.01
Mohan Anand Chandavarkar	11,222,770	6.31	11,222,770	6.19
Ashok Anand Chandavarkar	10,530,360	5.92	10,530,360	5.81
Sandhya Mohan Chandavarkar	10,483,480	5.90	10,483,480	5.79

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 2014 Rupees in lacs	31st March 2013 Rupees in lacs
<b>Capital Reserve</b> (A)	268.27	268.27
<b>Capital Redemption Reserve</b>		
Opening Balance	123.09	102.22
Add: Transfer from General Reserve on account of buy back of equity shares (Refer Note No. 2c)	30.00	20.87
<b>Closing Balance</b> (B)	153.09	123.09
<b>Securities Premium Account</b> (C)	72.90	72.90
<b>Revaluation Reserve</b>		
Opening Balance	57.37	65.39
Less: Transfer to Statement of Profit and Loss as reduction from depreciation	8.02	8.02
<b>Closing Balance</b> (D)	49.35	57.37
<b>General Reserve</b>		
Opening Balance	35,257.82	32,191.23
Less: Premium paid for buy back of equity shares (Refer Note No. 2c)	2,687.75	1,912.54
Less: Transfer to Capital Redemption Reserve Account (Refer Note No. 2c)	30.00	20.87
Add: Transfer from surplus balance in the Statement of Profit and Loss	5,000.00	5,000.00
<b>Closing Balance</b> (E)	37,540.07	35,257.82
<b>Surplus in the Statement of Profit and Loss</b>		
Opening Balance	40,855.43	35,063.37
Profit for the year	13,531.84	15,517.05
Add: Reversal of excess provision of dividend	43.71	-
Less: <u>Appropriations</u>		
Proposed final equity dividend [Amount per share Rs. 2.25 (Previous year - Rs. 2.25)]	4,001.24	4,038.63
Tax on proposed equity dividend	680.01	686.36
Transfer to General Reserve	5,000.00	5,000.00
<b>Net surplus in the Statement of Profit and Loss</b> (F)	44,749.73	40,855.43
<b>Translation Reserve</b>		
Opening Balance	(26.66)	(58.10)
Add/ (Less): Movement during the year	(63.25)	31.44
<b>Closing Balance</b> (G)	(89.91)	(26.66)
<b>Total (A+B+C+D+E+F+G)</b>	82,743.50	76,608.22

## 4. Long-term borrowings

	Non-current portion		Current maturities	
	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs
Term loan from Bank (Refer Note a below) (Secured by a charge on FDC International Limited, U.K.'s property)	-	22.16	26.91	34.12
Deferred sales tax loan (unsecured) (Refer Note b below)	107.07	124.47	18.39	20.47
	107.07	146.63	45.30	54.59
Amount disclosed under the head "Other current liabilities" (Refer Note No. 8)	-	-	(45.30)	(54.59)
<b>Net amount</b>	<b>107.07</b>	<b>146.63</b>	<b>-</b>	<b>-</b>

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 interest free 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 2014 Rupees in lacs	31st March 2013 Rupees in lacs
<b>Deferred tax liability</b>		
Depreciation	3,420.44	3,437.01
<b>Less: Deferred tax asset</b>		
Provision for doubtful debts/ advances	12.90	95.71
Provision for diminution in value of investments	-	1.62
Liabilities disallowed under Section 43B of the IT Act, 1961	322.21	274.02
Expenses disallowed under Section 40(a)(ia) of the IT Act, 1961	66.40	53.84
	401.51	425.19
<b>Net deferred tax liability</b>	<b>3,018.93</b>	<b>3,011.82</b>

## 6. Short-term provisions

	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs
<b>Provision for employee benefits</b> (Refer Note No. 28)		
Provision for gratuity	86.23	43.73
Provision for leave benefits	493.10	359.40
	579.33	403.13
<b>Other provisions</b>		
Provision for tax (net of advances) (Refer note below)	369.78	90.28
Provision for wealth tax	8.90	9.65
Proposed equity dividend	4,001.24	4,038.63
Provision for tax on proposed equity dividend	680.01	686.36
	5,059.93	4,824.92
	5,639.26	5,228.05

Note: Provision for tax (net of advances) is net of MAT credit set off of Rs. 1,307.00 lacs (Previous year - Rs. 353.00 lacs).

**7. Short-term borrowings**

	<b>31st March 2014</b> <b>Rupees in lacs</b>	31st March 2013 Rupees in lacs
Loan from others (unsecured) (Refer note below)	<b>110.57</b>	114.07
	<b>110.57</b>	114.07

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

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

	<b>31st March 2014</b> <b>Rupees in lacs</b>	31st March 2013 Rupees in lacs
Trade payables (Refer Note a below)	<b>7,882.21</b>	6,103.73
<b>Other current liabilities</b>		
Current maturities of long-term borrowings (Refer Note No. 4)	<b>45.30</b>	54.59
Interest accrued but not due on borrowings	-	0.10
Interest accrued and due on borrowings	<b>11.06</b>	5.70
Investor Education and Protection Fund (shall be credited as and when due by the following amount)		
Unpaid dividend (Refer Note b below)	<b>91.14</b>	93.13
Advance from customers	<b>359.93</b>	86.84
Sundry deposits	<b>1,226.04</b>	1,158.11
Employee related liabilities	<b>1,775.41</b>	1,516.35
Others (includes dues to directors, statutory dues, rent deposit, trade advances)	<b>778.15</b>	683.47
	<b>4,287.03</b>	3,598.29
	<b>12,169.24</b>	9,702.02

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 2014 Rupees in lacs	31st March 2013 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	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	0.50	0.50
100 (Previous year - 100) Shares of Roha Industries Association Sahakari Grahak Bhandar Ltd. of Rs. 25 each	0.03	0.03
Investments in fully paid-up Preference Instruments	1,532.60	304.38
Investments in Mutual Funds	400.00	7,950.95
Investments in fully paid-up Non Convertible Debentures	219.90	219.90
Investments in fully paid-up Bonds (quoted)	16,539.10	16,039.10
	<b>18,692.32</b>	<b>24,515.05</b>
Aggregate amount of quoted investments	16,539.10	16,039.10
[Market value - Rs. 15,842.70 lacs (Previous year - Rs. 16,283.21 lacs)]		
Aggregate amount of unquoted investments	2,153.22	8,475.95

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

	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs
<b>Deferred tax asset</b>		
Depreciation	28.70	26.39
<b>Net deferred tax asset</b>	<b>28.70</b>	<b>26.39</b>

## 12. Loans and advances

	Non-current		Current	
	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs
<b>Capital advances</b>				
Unsecured, considered good (Refer note below)	12,421.71	455.24	-	-
(A)	12,421.71	455.24	-	-
<b>Security deposits</b>				
Unsecured, considered good	411.36	384.76	14.71	43.26
Unsecured, considered doubtful	-	0.53	2.04	4.05
	411.36	385.29	16.75	47.31
Less: Provision for doubtful security deposits	-	0.53	2.04	4.05
(B)	411.36	384.76	14.71	43.26
<b>Loans and advances to related parties</b>				
Unsecured, considered good (Refer Note No. 30)	-	-	104.17	108.44
(C)	-	-	104.17	108.44
<b>Advances recoverable in cash or kind</b>				
Unsecured, considered good	-	-	309.80	296.10
Unsecured, considered doubtful	-	-	16.53	16.53
	-	-	326.33	312.63
Less: Provision for doubtful advances	-	-	16.53	16.53
(D)	-	-	309.80	296.10
<b>Share/ Mutual Fund application money pending allotment</b>				
Unsecured, considered good	-	-	-	1,046.42
(E)	-	-	-	1,046.42
<b>Inter corporate deposits</b>				
Secured, considered good	-	-	-	500.00
Unsecured, considered good	-	-	25.00	1,025.00
(F)	-	-	25.00	1,525.00
<b>Other loans and advances</b>				
Unsecured, considered good				
MAT credit entitlement	-	622.00	-	685.00
Prepaid expenses	113.89	149.38	382.28	262.43
Loans/ advances to employees	38.36	50.98	78.19	86.79
Balances with statutory/ government authorities	-	-	979.06	744.81
(G)	152.25	822.36	1,439.53	1,779.03
<b>Total (A+B+C+D+E+F+G)</b>	<b>12,985.32</b>	<b>1,662.36</b>	<b>1,893.21</b>	<b>4,798.25</b>

Note: Capital advances include Rs. 11,500.00 lacs (Previous year - Rs. Nil) in Escrow Account towards purchase of land.

13. Current investments

	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs
<b>Current Portion of Long Term Investments (at cost)</b>		
Investments in Mutual Funds (unquoted)	12,310.43	3,030.21
	<u>12,310.43</u>	<u>3,030.21</u>
<b>Other Current Investments (valued at lower of cost and fair value)</b>		
Investments in Mutual Funds (unquoted)	10,680.02	14,060.75
	<u>10,680.02</u>	<u>14,060.75</u>
	<u>22,990.45</u>	<u>17,090.96</u>
Aggregate amount of unquoted investments	22,990.45	17,090.96
Aggregate provision for diminution in value of current investments	-	4.77

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

	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs
Raw materials [Including Stock in transit Rs. 59.55 lacs (Previous year - Rs. 79.88 lacs)]	2,204.16	2,211.42
Packing materials [Including Stock in transit Rs. 100.35 lacs (Previous year - Rs. 56.52 lacs)]	554.52	545.65
Work-in-progress	1,243.04	1,234.86
Finished goods/ Stock-in-trade	6,298.50	5,978.73
	<u>10,300.22</u>	<u>9,970.66</u>

15. Trade receivables

	31st March 2014 Rupees in lacs	31st March 2013 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	6.82	22.79
Doubtful	17.38	259.60
	<u>24.20</u>	<u>282.39</u>
Less: Provision for doubtful receivables	17.38	259.60
	<u>(A) 6.82</u>	<u>22.79</u>
Other receivables		
Unsecured, considered good	5,709.47	4,299.85
	<u>(B) 5,709.47</u>	<u>4,299.85</u>
<b>Total (A + B)</b>	<u>5,716.29</u>	<u>4,322.64</u>

## 16. Cash and bank balances

	Non-current		Current	
	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs
<b>Cash and cash equivalents</b>				
Balances with banks:				
On current accounts	-	-	1,446.06	351.98
On unpaid dividend account	-	-	91.14	93.13
Cash on hand	-	-	13.37	15.81
	<u>-</u>	<u>-</u>	<u>1,550.57</u>	<u>460.92</u>
Other bank balances:				
Bank deposits with original maturity of more than 12 months	-	0.24	-	-
Bank deposits with original maturity of less than 12 months	-	-	657.41	3,145.53
Margin money deposits	18.89	0.98	11.35	43.88
	<u>18.89</u>	<u>1.22</u>	<u>668.76</u>	<u>3,189.41</u>
Amount disclosed under the head "Other non-current assets" (Refer Note No. 17)	(18.89)	(1.22)	-	-
	<u>-</u>	<u>-</u>	<u>2,219.33</u>	<u>3,650.33</u>

## 17. Other assets

	Non-current		Current	
	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs
<b>Unsecured, considered good</b>				
Bank deposits with original maturity of more than 12 months (Refer Note No. 16)	-	0.24	-	-
Margin money deposits (Refer Note No. 16)	18.89	0.98	-	-
Receivable towards redemption of mutual funds	-	-	-	524.76
Interest/ premium accrued on investments	-	-	389.77	312.67
Interest accrued on others	-	-	38.89	54.48
Unamortised premium on investments	46.85	50.43	4.30	5.23
	<u>65.74</u>	<u>51.65</u>	<u>432.96</u>	<u>897.14</u>

18. Revenue from operations

	2013-2014 Rupees in lacs	2012-2013 Rupees in lacs
Sale of products	85,642.23	78,476.12
Other operating revenue (Refer note below)	617.18	374.49
<b>Revenue from operations (gross)</b>	<b>86,259.41</b>	<b>78,850.61</b>
Less: Excise duty	1,674.05	1,568.11
<b>Revenue from operations (net)</b>	<b>84,585.36</b>	<b>77,282.50</b>
Note: <u>Details of other operating revenue</u>		
Export Incentives	330.02	279.41
Other miscellaneous receipts	287.16	95.08
	<b>617.18</b>	<b>374.49</b>

19. Other income

	2013-2014 Rupees in lacs	2012-2013 Rupees in lacs
<b>Interest income on</b>		
Long-term investments	1,281.82	868.09
Others (Refer note below)	239.28	456.74
<b>Dividend income on</b>		
Current investments	1.67	35.80
Long-term investments	47.62	0.10
<b>Net gain on sale of investments</b>		
Current investments	1,571.16	1,553.56
Long-term investments	286.55	980.68
<b>Premium on non convertible debentures</b>		
Long-term investments	-	45.44
Provision for diminution in value of current investments sold, written back	4.77	313.33
Net exchange gain on foreign currency transactions	302.13	185.93
Other non operating income	200.54	193.23
[Net of expenses directly attributable to such income Rs. 71.94 lacs (Previous year - Rs. Nil)]		
	<b>3,935.54</b>	<b>4,632.90</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

	2013-2014 Rupees in lacs	2012-2013 Rupees in lacs
Inventory at the beginning of the year	2,757.07	2,368.45
Add: Purchases	24,026.21	21,389.12
	<b>26,783.28</b>	<b>23,757.57</b>
Less: Inventory at the end of the year	2,758.68	2,757.07
<b>Cost of materials consumed</b>	<b>24,024.60</b>	<b>21,000.50</b>

**21. Changes in inventories**

	<b>2013-2014</b> <b>Rupees in lacs</b>	2012-2013 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>6,298.50</b>	5,978.73	<b>(319.77)</b>
Work-in-progress	<b>1,243.04</b>	1,234.86	<b>(8.18)</b>
	<b>7,541.54</b>	7,213.59	<b>(327.95)</b>
<b>Inventory at the beginning of the year</b>			
Finished goods/ Stock-in-trade	<b>5,978.73</b>	6,683.26	
Work-in-progress	<b>1,234.86</b>	1,239.79	
	<b>7,213.59</b>	7,923.05	
	<b>(327.95)</b>	709.46	

**22. Employee benefits expense**

	<b>2013-2014</b> <b>Rupees in lacs</b>	2012-2013 Rupees in lacs
Salaries, wages and bonus	<b>10,823.46</b>	9,442.53
Contribution to provident and other funds (Refer Note No. 28)	<b>960.48</b>	929.39
Staff welfare expenses	<b>421.15</b>	380.22
	<b>12,205.09</b>	10,752.14

**23. Finance costs**

	<b>2013-2014</b> <b>Rupees in lacs</b>	2012-2013 Rupees in lacs
Interest:		
on Banks (Refer note below)	<b>1.06</b>	1.75
on Others	<b>262.21</b>	111.22
Bank charges	<b>46.86</b>	47.47
	<b>310.13</b>	160.44

Note: Interest expenses include interest paid/ payable towards fixed loan of Rs. 1.06 lacs (Previous year - Rs. 1.75 lacs).

**24. Other expenses**

	<b>2013-2014</b>	2012-2013
	<b>Rupees in lacs</b>	Rupees in lacs
Processing charges	857.16	751.81
Power, fuel and water charges	1,845.26	1,685.47
Repairs and maintenance:		
Building	484.47	357.83
Plant and machinery	535.74	443.13
Other assets	521.51	350.90
Stores and spares	587.33	384.15
Rent (Refer Note No. 31)	40.12	45.09
Rates and taxes	149.89	194.26
Insurance	147.00	137.36
Travelling and conveyance	3,106.68	2,887.01
Communication expenses	112.53	135.55
Carriage, freight and forwarding	1,974.34	1,612.05
Advertisement and sales promotion	255.70	245.00
Publicity expenses	2,403.93	2,805.61
Increase/ (Decrease) in excise duty on finished products	(19.68)	55.81
Sales tax/ Value added tax	79.98	81.47
Commission and Incentives to distributors	1,129.36	870.86
Auditor's remuneration (including service tax):		
As Audit fee	23.27	21.19
For other services	12.62	6.01
Directors sitting fees	7.00	5.67
Bad debts written off	264.19	3.74
Less: Transfer from Provision for doubtful debts/ advances	(264.19)	(3.56)
Provision for doubtful debts	17.38	-
Provision for doubtful advances	2.05	-
Provision for diminution in value of current investments	-	4.77
Amortisation of premium on Non Convertible Debentures	5.26	14.43
Donation	34.32	34.65
Miscellaneous expenses	4,849.71	4,255.01
	<b>19,162.93</b>	<b>17,385.27</b>

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

	<b>2013-2014</b>	2012-2013
Profit after tax for the year (Rupees in lacs)	13,531.84	15,517.05
Weighted average number of shares *	178,296,713	182,408,576
Nominal value per share (Rupees)	1.00	1.00
Earnings per share - Basic (Rupees)	7.59	8.51
- Diluted (Rupees)	7.59	8.51

\* 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	India	100% (Previous year – 100%)
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	Republic of South Africa	49% (Previous year – 49%)

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

	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs
<b><u>Contingent Liabilities</u></b>		
<b>a. <u>Disputed tax matters</u></b>		
Income tax (appealed by tax authorities)	10.29	10.29
Income tax (appealed by the Company)	499.63	-
Excise duty (appealed by excise authorities)	2.12	2.00
Excise duty (appealed by the Company)	260.25	229.25
Sales Tax (appealed by the Company)	234.82	232.44
<b>b. In respect of guarantees given by banks</b>	<b>371.20</b>	316.62
<b>c. Letter of credit issued by bankers</b>	<b>274.64</b>	91.69
<b>d. Estimated amount of duty payable on export obligation against outstanding advance licences</b>	<b>6.41</b>	31.50
<b>e. During the year, the Company has received notices of demand (including interest) from the National Pharmaceutical Pricing Authority, Government of India on account of alleged overcharging in respect of certain formulations under the Drug Price Control Order, 1995. The Company has filed a writ petition before the Hon'ble Supreme Court of India for stay of the demand and other matters. The Company has been legally advised that on the basis of the facts and circumstances and grounds raised by the Company, the possibility of an adverse ruling in this case is unlikely. Hence no provision is considered necessary in this respect.</b>	<b>846.88</b>	-
<b><u>Commitments</u></b>		
Estimated amount of capital contracts remaining to be executed and not provided for (net of advances paid)	721.71	699.21

**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>2013-2014</b> <b>Rupees in lacs</b>	2012-2013 Rupees in lacs
Employer's Contribution to Provident Fund	<b>312.56</b>	281.65
Employer's Contribution to Pension Scheme	<b>263.80</b>	247.65
Employer's Contribution to Superannuation Fund	<b>50.95</b>	48.23

**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 2014</b>	<b>31st March 2013</b>
<b>I</b>	<b>Change in Benefit Obligation</b>		
	Liability at the beginning of the year	977.21	882.67
	Interest Cost	75.73	70.62
	Current Service Cost	97.33	96.47
	Benefit Paid	(101.02)	(78.90)
	Actuarial (gain)/ loss on obligations	(11.52)	6.35
	Liability at the end of the year	<b>1,037.73</b>	977.21
<b>II</b>	<b>Fair Value of Plan Assets</b>		
	Fair Value of Plan Assets at the beginning of the year	933.48	816.38
	Expected Return on Plan Assets	81.21	70.21
	Contributions	65.32	152.00
	Benefit Paid	(101.02)	(78.90)
	Actuarial gain/ (loss) on Plan Assets	(27.49)	(26.21)
	Fair Value of Plan Assets at the end of the year	<b>951.50</b>	933.48
	Total Actuarial gain/ (loss)	<b>(15.97)</b>	(32.56)
<b>III</b>	<b>Actual Return on Plan Assets</b>		
	Expected Return on Plan Assets	81.21	70.21
	Actuarial gain/ (loss) on Plan Assets	(27.49)	(26.21)
	Actual Return on Plan Assets	<b>53.72</b>	44.00
<b>IV</b>	<b>Amount recognised in the Balance Sheet</b>		
	Liability at the end of the year	<b>(1,037.73)</b>	(977.21)
	Fair Value of Plan Assets at the end of the year	<b>951.50</b>	933.48
	Amount recognised in the Consolidated Balance Sheet	<b>(86.23)</b>	(43.73)

Rupees in lacs

	Gratuity	
	Funded Plan	
	31st March 2014	31st March 2013
<b>V Expenses recognised in the Statement of Profit and Loss</b>		
Current Service Cost	97.33	96.47
Interest Cost	75.73	70.62
Expected Return on Plan Assets	(81.21)	(70.21)
Net Actuarial (gain)/ loss	15.97	32.56
Expense recognised in the Consolidated Statement of Profit and Loss	107.82	129.44
<b>VI Balance Sheet Reconciliation</b>		
Opening Net Liability	43.73	66.29
Expense as above	107.82	129.44
Employer's Contribution	(65.32)	(152.00)
Amount recognised in the Consolidated Balance Sheet	86.23	43.73
<b>VII Investment Details</b>		
Government of India Assets	312.89	318.55
Corporate Bonds	372.66	353.41
State Government	178.70	178.70
Equity	71.87	71.86
Others	15.38	10.96
Total	951.50	933.48
<b>VIII Actuarial Assumptions</b>		
Discount Rate Current	8.75%	7.75%
Rate of Return on Plan Assets Current	8.70%	8.70%
Salary Escalation Current	7.00%	7.00%

**IX Experience Adjustments**

	31st March 2014	31st March 2013	31st March 2012	31st March 2011	31st March 2010
Defined Benefit Obligation	1,037.73	977.21	882.67	730.88	607.25
Plan Assets	951.50	933.48	816.38	703.06	396.41
Deficit/ (Surplus)	86.23	43.73	66.29	27.82	210.84
Net Actuarial (Gain)/ Loss due to Experience adjustments on Plan Liabilities	24.06	(17.94)	(103.18)	8.41	(63.99)
Net Actuarial Gain/ (Loss) due to Experience adjustments on Plan Assets	(27.49)	(26.21)	(2.63)	(9.28)	(19.79)

**X Salary Escalation Rate**

The estimates of future salary increases considered in actuarial valuation is taken on 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. 191.12 lacs to gratuity in next year (Previous year - Rs. 141.05 lacs).**

The liability for leave encashment as at the year end is Rs. 433.13 lacs (Previous year - Rs. 322.17 lacs) and provision for sick leave as at the year end is Rs. 59.97 lacs (Previous year - Rs. 37.23 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 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>71,795.30</b> (66,620.24)	<b>12,790.06</b> (10,662.26)	<b>84,585.36</b> (77,282.50)
Carrying amount of assets by location of assets	<b>58,989.49</b> (44,357.73)	<b>3,516.27</b> (2,463.78)	<b>62,505.76*</b> (46,821.51)
Additions to tangible and intangible assets	<b>3,149.38</b> (2,489.05)	- (0.34)	<b>3,149.38</b> (2,489.39)

Previous year's figures are shown in brackets.

\*Segments assets include the following:

Particulars	31st March 2014 Rupees in lacs	31st March 2013 Rupees in lacs
<u>Fixed Assets</u>		
I) Tangible assets	<b>28,187.36</b>	28,529.42
ii) Intangible assets	<b>252.38</b>	389.72
iii) Capital work-in-progress		
Tangible assets	<b>1,779.96</b>	722.43
Intangible assets	<b>30.52</b>	-
Loans and advances (Long term & short term)	<b>14,749.36</b>	2,473.75
Inventories	<b>10,300.22</b>	9,970.66
Trade receivables	<b>5,716.29</b>	4,322.64
Cash and bank balances	<b>1,470.78</b>	411.67
Other non-current assets	<b>18.89</b>	1.22
<b>Total</b>	<b>62,505.76</b>	46,821.51

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**

- 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
Reimbursement of expenses	0.13 (-)	- (-)	- (-)	- (-)	0.13 (-)
Interest income	5.21 (5.42)	- (-)	- (-)	- (-)	5.21 (5.42)
Managerial remuneration *	- (-)	489.15 (446.45)	- (-)	- (-)	489.15 (446.45)
Dividend on equity shares paid	- (-)	721.80 (641.60)	385.37 (342.55)	752.06 (668.50)	1,859.23 (1,652.65)
Donation paid	- (-)	- (-)	- (-)	30.00 (30.00)	30.00 (30.00)
<b>Outstanding balances</b>					
- Payable	- (-)	323.81 (285.97)	- (-)	- (-)	323.81 (285.97)
- Loans granted	104.17 (108.44)	- (-)	- (-)	- (-)	104.17 (108.44)
- Interest on loans granted	10.42 (5.42)	- (-)	- (-)	- (-)	10.42 (5.42)

\* 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:

	2013-2014 Rupees in lacs	2012-2013 Rupees in lacs
<b>1 <u>Reimbursement of expenses</u></b>		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	0.13	-
<b>2 <u>Interest income</u></b>		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	5.21	5.42
<b>3 <u>Managerial remuneration</u></b>		
Mr. Mohan A. Chandavarkar	148.44	134.39
Mr. Ashok A. Chandavarkar	120.57	111.03
Mr. Nandan M. Chandavarkar	131.71	119.74
Mr. Ameya A. Chandavarkar	88.43	81.29
<b>4 <u>Dividend on equity shares paid</u></b>		
Mr. Mohan A. Chandavarkar	252.51	224.46
Mr. Ashok A. Chandavarkar	236.93	210.61
Ms. Sandhya M. Chandavarkar	235.88	209.67
Soven Trading and Investment Company Private Limited	367.37	326.55
Transgene Trading and Investment Company Private Limited	384.69	341.95
<b>5 <u>Donation paid</u></b>		
Anand Chandavarkar Foundation	30.00	30.00
<b>6 <u>Outstanding balances payable</u></b>		
Mr. Mohan A. Chandavarkar	103.86	91.64
Mr. Ashok A. Chandavarkar	83.20	73.43
Mr. Nandan M. Chandavarkar	83.80	74.06
Mr. Ameya A. Chandavarkar	52.95	46.84
<b>7 <u>Outstanding balances against loans granted</u></b>		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	104.17	108.44
<b>8 <u>Outstanding balances against interest on loans granted</u></b>		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	10.42	5.42

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 2014	Percentage of Ownership Interest as on 31st March 2013
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 2014	31st March 2013	31st March 2014	31st March 2013
Bank balances	USD	1,326,724	828,934	787.70	446.34
	EUR	63,169	58,430	51.65	40.00
	GBP	353,703	12,880	347.82	10.43
	JPY	18,200,000	-	105.56	-
Trade receivables	USD	3,302,588	2,256,137	1,964.87	1,201.57
	EUR	67,308	116,920	54.82	80.22
	GBP	-	46,615	-	37.80
	JPY	-	7,950,000	-	45.29
Loans and advances	USD	108,258	140,300	63.98	75.20
	EUR	4,925	-	3.99	-
	ZAR	2,133,912	2,036,916	114.59	113.86
Trade payables	USD	865,362	482,822	524.19	265.90
	EUR	115,063	103,596	96.54	73.34
	GBP	3,224	6,222	3.28	5.21

34. Revenue expenditure on research and development (including depreciation and amortisation) aggregating to Rs. 1,987.31 lacs (Previous year - Rs. 2,082.45 lacs) is included under relevant 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 & CO. LLP**  
Chartered Accountants  
Firm Registration No. 301003E

For and on behalf of the Board of Directors

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

**ASHOK A. CHANDAVARKAR**  
Director

**per VIJAY MANIAR**  
Partner  
Membership No. 36738

Place : Mumbai  
Date : May 29, 2014

**VARSHARANI KATRE**  
Company Secretary

Place : Mumbai  
Date : May 29, 2014



## 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 2014	100.14	60.06	-
1.	Capital	3.75	30.03	174.00
2.	Reserves	539.95	22.97	614.19
3.	Total Assets	1,401.45	53.84	839.30
4.	Total Liabilities	1,401.45	53.84	839.30
5.	Investments (other than in subsidiaries)	-	-	-
6.	Revenue from operations	1,716.23	-	-
7.	Other Income	0.09	-	0.01
8.	Profit/ (Loss) before taxation	218.37	(0.61)	(4.66)
9.	Provision for taxation	46.30	0.30	-
10.	Profit/ (Loss) after taxation	172.07	(0.91)	(4.66)
11.	Proposed Dividend	-	-	-



CIN:L24239MH1940PLC003176

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

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

Tel.: (022) 3071 9215, 3071 9100

E-mail ID.: investors@fdcindia.com Website: www.fdcindia.com

## PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_

Folio No. / Client ID : \_\_\_\_\_

DP ID : \_\_\_\_\_

I/ We, being the Member(s) of \_\_\_\_\_ shares of FDC Limited hereby appoint,

1. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_

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

or failing him/her;

2. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_

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

or failing him/her;

3. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_

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

or failing him/her;

(Contd.)



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Seventy Fourth Annual General Meeting of the Company, to be held on Saturday, August 09, 2014 at 10.00 a.m. at WelcomHotel Rama International, R-3, Chikalthana, Aurangabad 431 210, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

\*I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
1. Adoption of the Audited Financial Statements and Reports of the Board of Directors and Auditors thereon, for the year ended March 31, 2014		
2. Declaration of Final Dividend on Equity Shares		
3. Re-appointment of Mr.Ameya A. Chandavarkar who retires by rotation.		
4. Appointment of M/s. S R B C & Co. LLP as the statutory auditors, in place of the retiring statutory auditors, M/s. S. R. Batliboi & Co. LLP and to fix their remuneration		
5. Re-appointment of Mr. Mohan A. Chandavarkar as Managing Director		
6. Re-appointment of Mr. Nandan M. Chandavarkar as Joint Managing Director		
7. Modifying the terms and conditions of the agreement of Mr. Ashok A. Chandavarkar		
8. Modifying the terms and conditions of the agreement of Mr. Ameya A. Chandavarkar		
9. Appointment of Dr. Nagam H. Atthreya as an Independent Director		
10. Appointment of CA Girish C. Sharedalal as an Independent Director		
11. Appointment of CA Vinod G. Yennemadi as an Independent Director		
12. Appointment of Dr. Rahim H. Muljiani as an Independent Director		
13. Appointment of Dr. Satish S. Ugrankar as an Independent Director		
14. Appointment of Ms. Nomita R. Chandavarkar as an Executive Director		
15. Approval of the Remuneration of the Cost Auditors		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of the Proxyholder

Affix Re 1 Revenue Stamp

**Note:**

- (1) **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
- (2) **A Proxy need not be a member of the Company.**
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- \*(4) For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 74th Annual General Meeting.
- \*(5) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.





CIN:L24239MH1940PLC003176

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E-mail ID.: investors@fdcindia.com Website: www.fdcindia.com

ATTENDANCE SLIP

Name of the Member(s) : .....

Name of the Proxy : .....
( To be filled if proxy form has been duly deposited with the Company)

Folio No./Client ID : .....

No. of Shares : .....

I hereby record my presence at the Seventy Fourth Annual General Meeting of the Company, held on Saturday, August 09, 2014 at 10.00 a.m. at WelcomHotel Rama International, R-3, Chikalthana, Aurangabad 431 210, Maharashtra.

Member's/Proxy's Signature
(To be signed at the time of handing over this slip)

- NOTES: 1. shareholder/proxyholder wishing to attend the meeting must bring the attendance slip to the meeting and handover at the entrance duly signed.
2. shareholder/proxyholder desiring to attend the meeting should bring his/her copy of the annual report for reference at the meeting.







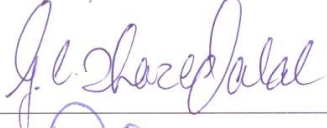
**FDC Limited**

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

**FORM A**

**Format of covering letter of the annual audit report to be filed with the stock exchanges**

**(Under Clause 31 of Listing Agreement)**

1.	Name of the Company	:	FDC Limited
2.	Annual Financial Statements for the year ended	:	31 <sup>st</sup> March 2014
3.	Type of Audit observation	:	Unqualified
4.	Frequency of observation	:	Not Applicable
5.	Signed by:		
	Mohan A. Chandavarkar, Chairman & Managing Director	:	
	Sanjay B. Jain, Chief Financial Officer	:	
	Girish C. Sharsedalal, Chairman of Audit Committee	:	
	Mr. Vijay Maniar, Partner S R Batliboi & Co. LLP, Auditors of the Company	:	