



FOR DEDICATED CARE...

OVER 70 YEARS



ANNUAL REPORT
2010-2011

FORWARD LOOKING STATEMENTS

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

INVESTORS' INFORMATION

- | | | |
|----|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Date of annual general meeting | Saturday, September 24, 2011 |
| 2. | Venue and time | WelcomHotel Rama International
R-3,Chikalhana, Aurangabad - 431 210
at 10.00 a.m. |
| 3. | Book closure | September 15, 2011 to September 24, 2011
(both days inclusive) |
| 4. | Dividend | Recommended final dividend of Rs. 2.00 (200%) per equity share |
| 5. | Investors' complaints may be addressed to | The Secretarial Department
FDC Limited
142-48, Swami Vivekananda Road
Jogeshwari (West), Mumbai - 400 102
Tel.: (022) 2678 2653, 2678 2656
Fax.: (022) 2678 8123
E-mail ID.: investors@fdcindia.com
Website: www.fdcindia.com |

FDC Limited

Regd. Office: B-8, M.I.D.C., Industrial Estate, Waluj Dist., Aurangabad - 431 136.
R&D, Training Centre and Corp. Office: 142-48, Swami Vivekananda Road, Jogeshwari (West), Mumbai - 400 102.

Anand L. Chandavarkar (1905-1959)
Founder

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

COMPANY SECRETARY

Ms. Shalini Kamath

AUDITORS

M/s. S.R. Batliboi & Associates, Mumbai

REGISTRAR & SHARE TRANSFER AGENTS *

Sharex Dynamic (India) Private Limited
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

API's-Roha, Raigad, Maharashtra
Dosage forms, Ophthalmic/ORS/Liquid Orals-
Waluj, Aurangabad, Maharashtra
ORS-Food Supplements (Neutraceuticals)-Sinnar,
Nashik, Maharashtra
Formulations-Verna, Goa (Plants I, II & III)
Cephalosporin Dosages-Baddi, Himachal Pradesh

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DIRECTORS' REPORT

Your directors are pleased to present their report on the business and operations of your Company for the year ended March 31, 2011.

1. FINANCIAL RESULTS

	Year ended 31.03.2011	Year ended 31.03.2010
	Rupees in lacs	Rupees in lacs
Sales (gross)	70,710.49	63,128.66
Other income	3,189.23	3,172.47
Gross profit (before finance expenses & depreciation)	19,119.35	19,559.16
Deductions:		
Finance expenses	133.98	131.99
Depreciation	1,698.54	1,448.03
Profit before taxation	17,286.83	17,979.14
Provision for taxation	2,240.38	2,872.43
Provision for taxation - earlier years written off	171.86	224.78
Profit after taxation	14,874.59	14,881.93
Brought forward profit	20,842.48	12,736.11
Amount available for appropriation	35,717.07	27,618.04
Appropriations:		
Final dividend - proposed	3,688.63	3,259.87
Dividend tax	598.39	541.42
Transfer to general reserve	3,000.00	3,000.00
Reversal of excess provision of dividend	-	(25.73)
Balance carried over to next year	28,430.05	20,842.48
	35,717.07	27,618.04

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

2. DIVIDEND

Your board of directors recommend a dividend of Rs.2 (200%) per equity share of Re.1/- each for the year 2010-2011. The same, if declared at the forthcoming annual general meeting will be paid to those shareholders' whose names stand registered in the register of members as on September 24, 2011. This dividend is tax free in the hands of the shareholders.

3. BUYBACK OF EQUITY SHARES

As a policy of constantly rewarding and enhancing the shareholders value, your Company vide a board resolution dated January 27, 2011, has approved the buyback of its fully paid up equity shares from the stock exchange operations, at a price not exceeding Rs. 135/- per share upto an amount of Rs. 50 crores being less than 10% of the total paid up capital and free reserves based on audited accounts for the year ended March 31, 2010. The buyback commenced on February 18, 2011. The Company has bought back 1,708,828 equity shares upto March 31, 2011 and all the shares bought back in the buyback offer upto March 31, 2011 have been extinguished as on date. Further 1,38,062 equity shares were bought back as on the date of this report.

4. BUSINESS REVIEW

The Indian economy remained relatively insulated from the impact of the worst global recession. The Indian Pharmaceutical Market (IPM) grew by 14.8 % to touch the market size of Rs.54,174 crores, during the year ended March 2011 (Source: AIOCD AWACS). This reflects a robust CAGR of around 15% in the past five years. It is expected that IPM will continue to grow at 15-17% in the next five years. The key drivers have been growth in Gross Domestic Product (GDP), urbanization, increase in health awareness, penetration to smaller towns and wider health insurance coverage. The Government has also shifted its focus on extending healthcare services to the poor and the underprivileged.

The Chronic disease segment, namely the cardio-vascular, anti-diabetic, anti-hypertensives and oncology continued to dominate the Pharma market. Acute therapies and chronic therapies are growing at 13.8% and 16.7% respectively (Source: AIOCD AWACS). Further, increasing population in the ageing group, will boost the demand for the typical age related diseases as stated above.

DIRECTORS' REPORT

Around 3,939 products were introduced in the current year April 2010 to March 2011.

India is seen as the third largest generic pharma market in the world. By 2020, it is expected that half of the generic market will be between India, China and USA. Globally the generic market has shown a robust growth and this is expected to further strengthen by more drugs going off patent by the year 2015.

The Indian Pharma Industry still has to face some great challenges. The much awaited Drug Pricing Policy, which is expected to rope in many products under price control, is yet to see the light of the day. Even though the same remains to be an area of uncertainty, it is hoped that the representation from industry associations will help the Government to frame the policy in the best interest of all the concerned.

The Pharma Industry continues to comply with the strict quality regulations set by various international authorities across the world. Failure to comply with these regulations may result in severe consequences leading to prohibition to sale/or export. With many products going off patent, competition and patent litigation is expected to increase. Spurious products continue to remain a major threat to reputed brands.

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

a. Marketing:

Your Company registered a market growth of 13.4% in the current year April 2010 to March 2011. Your Company is ranked at the 24th position, attaining a market share of 1.3% (Source: AIOCD AWACS March 2011).

Your Company's flagship antibiotic brand "ZIFI" with all its brand extensions continued to show outstanding performance. ORS leadership continues with your brand "ELECTRAL" in the domestic market. Few openings for the brand are getting good recognition in several countries. Our effort continues aggressively in the chronic segment with the introduction of latest molecules in the market.

We are in the process of building marketing organisation based on knowledge, training and performance of our representatives in the doctors' chambers, specially with the current restrictions and codes introduced by medical council, across the country and accepted by the industry association.

b. Financial Performance:

Your Company's turnover increased by 12%. However, the profits stagnated due to increased employees' cost and higher manufacturing/marketing costs. The treasury income has been moderate due to fluctuating markets. The Company continues its efforts to improve the performance through operational efficiencies and incremental business. Cost controls across all levels of functions is a continuous and ongoing exercise. The Company's internal control procedures commensurate to the extent and nature of its operations.

c. Exports:

The annual export turnover for the year ended March 31, 2011 was Rs. 7,019.10 lacs as compared to year ended March 31, 2010 which stood at Rs. 5,707.54 lacs. The improved export performance resulted from API sales to USA, Japan and from sales of finished dosage forms to CIS, UAE, Cuba & Africa.

Major NGO's continued to endorse their faith in Company's competence & reliability in delivering quality products. The Company is one of the preferred sources for procurement of Oral Rehydration Salts, ReSoMal & Zinc Sulphate dispersible tablets, by the leading NGO's for their emergency procurement plans.

5. RESEARCH & DEVELOPMENT

a. Formulations:

Your Company as reported earlier, has launched products in the various therapeutic groups. Number of new dosages in New Drug Delivery Systems are in R&D pipeline. Cost reduction exercise was completed on products which would result in cost savings besides being environmental friendly and solvent free process.

In the month of April 2011, your Company's active pharmaceutical ingredient facility at Roha, Raigad, Maharashtra, was inspected and awarded US FDA accreditation with no 483. Various patent applications and dossier filings were undertaken during the current year.

b. Synthetics:

Technology for preparation of Polymorph III of Fluconazole has been transferred to Roha Plant successfully. Laboratory development work for various ophthalmic

DIRECTORS' REPORT

products are under active development and some have reached near completion. In collaboration with National Chemical Laboratory, Pune, several New Chemical Entities with antifungal activity have been developed. Few of those have shown promising results and are in the process of patenting.

c. Nutraceuticals:

The start of the financial year '2010-2011' saw the launch of a bigger 100 gms. sachet of your Company's reputed energy drink, " Enerzal" powder. This gave a significant boost to the Enerzal sales.

Your Company's reputed ORS brand "Electral" as a ready to serve drink, is the only innovative World Health Organisation (WHO) recommended Oral Rehydration Salt (ORS) in tetra pack. Ever since its launch, this brand has shown significant growth and has been well accepted by pediatricians for its rationale osmolality (245mOsmol/L).

d. Biotechnology:

As reported to you earlier, with regard to the license technology agreement signed by your Company with an Israel based company, for production and purification of recombinant protein licensed to FDC, five consistency batch data dossier from seed to final formulated product is ready for submission to The Department of Biotechnology. These data also includes the protocol for conducting preclinical animal toxicity studies of FDC's recombinant product. Once the permission is granted, FDC will be proceeding with the animal toxicity.

6. PERSONNEL

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

7. SOCIAL RESPONSIBILITIES

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

8. DIRECTORS

In accordance with Article 60 of the Articles of Association and the relevant provisions of the Companies Act, 1956, Mr. Ameya A. Chandavarkar and Dr. Nagam H. Athreya, retire by rotation at the ensuing annual general meeting and being eligible, offer themselves for re-appointment.

9. DIRECTORS' RESPONSIBILITY STATEMENT

Your directors confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed;
- b. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended March 31, 2011 and of the Profit and Loss Account for that period;
- c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors have prepared the annual accounts on a going concern basis.

10. CORPORATE GOVERNANCE

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

11. AUDITORS

The auditors of your Company M/s. S.R. Batliboi & Associates, Chartered Accountants, Mumbai, retire at the

DIRECTORS' REPORT

ensuing annual general meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

12. COST AUDITORS

The directors have appointed Shri. Prakash Sevekari, Cost Auditor, to conduct the cost audit of bulk drugs and formulations for the financial year ending March 31, 2012. The requisite applications for approval of his appointment will be submitted to the Central Government.

13. PUBLIC DEPOSITS

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

14. PARTICULARS OF SUBSIDIARIES AND ITS OPERATIONS

Your Company's Wholly Owned Subsidiary (WOS) at USA, namely FDC Inc., reported a loss of USD 1,471 (Rs. 1.19 lacs) for the year ended March 31, 2011.

Your Company's WOS at UK, namely FDC International Limited, has reported a profit of £154,434 (Rs. 116.26 lacs) for the year ended March 31, 2011.

Your Company's joint venture business at South Africa namely Fair Deal Corporation Pharmaceutical SA (Pty) Limited, reported a profit of ZAR 1,289,127 (Rs. 88.92 lacs) for the year ended March 31, 2011.

Central Government vide its general notification dated February 08, 2011 has granted general exemption to Companies from attaching the accounts of the subsidiaries. However, as per the directions of the Central Government, in its notification, 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 Fridays and holidays, till the date of the forthcoming meeting and will also be placed before the said meeting.

Any shareholder interested in obtaining a copy of the annual accounts of the subsidiary company and the detailed information with the financial statement of the said subsidiaries may write to the secretarial department at the corporate office of the Company. Also details of accounts of the individual subsidiary companies are available on the Company's website www.fdcindia.com

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

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

16. 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 26, 2011

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, 2011.

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

- Electronic dosing pumps of lower capacity installed.
- Use of CFL Lamps.
- Energy efficient Variable refrigeration Flow (VRV) system has been installed for comfort air conditioning.
- Servo controlled stabilizer has been installed to avoid voltage fluctuations with huge savings in HSD consumption due to captive power plant utilization.
- HVAC condensate and water treatment reject/backwash is collected and used for gardening thus avoiding load on ETP.
- New energy efficient pumps with class 2 efficiency have been installed.
- Variable Frequency Drives have been installed for motors and gearboxes.

b. Proposals for energy conservation

- Solar Photovoltaic modules to be installed in phases at energy intensive plants connected to the grid.
- Variable primary chilled water circuits to be installed at the plants with VFD controls.
- Energy efficiency Class 1 efficiency motors to replace old high capacity standard motors in phased manner.
- Energy efficient EC motors to be installed for HVAC application in phased manner at all the plants.

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**

	2010-2011	2009-2010
1. Electricity		
a. Purchased unit (kwh)	15,464,652	14,341,636
Total amount (Rs.)	93,743,815	82,535,675
Rate/unit (Rs.)	6.06	5.75
b. Own Generation		
i. Through diesel Generator unit (kwh)	964,908	1,050,099
Unit per litre of diesel oil (Rs.)	3.32	3.17
Cost/unit (Rs.)	11.70	10.65
ii. Through steam turbine/generator	N.A.	N.A.
2. Coal	N.A.	N.A.
3. Furnace Oil		
Qty. (Kilo litre)	342	348
Total Cost (Rs.)	10,977,900	10,099,921
Rate/unit (Rs.)	32.10	29.04
4. Bagasse		
Qty. (Kgs)	2,107,383	2,114,719
Total Cost (Rs.)	9,631,262	9,122,446
Rate/unit (Rs.)	4.57	4.31
5. Others/Internal Generation	N.A.	N.A.

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

- Launching new products in various therapeutic segments.
- Development of recombinant DNA based biotherapeutics such as colony stimulating factor and third generation thrombolytics.
- Ocular cytotoxicity studies by Invitro assay to evaluate the effect of ophthalmic products on corneal cell lines.
- Development processes to synthesize enantio pure drugs.
- Process development and improvement for the existing range of products such as Flurbiprofen, Dorzolamide, Brimonidine Tartrate, Fluconazole and Famciclovir.

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

- A competitive therapeutic molecule at a lower cost.
- Improvement in quality and yield.
- Development/improvements of products and processes with patent potential.
- Improved in-house assay for our new chemical entities and formulated ophthalmic products.

3. Future plan of action

- Animal Toxicity trails of our recombinant cytokine followed by human clinical trails for our recombinant protein.
- Develop and launch novel drug delivery systems for different molecules.
- Development of APIs based on patent expiry.
- To file process and product patents.

4. Expenditure on R&D

	2010-2011 Rupees in lacs	2009-2010 Rupees in lacs
a. Capital	*619.53	*559.19
b. Recurring	1,461.03	1,371.26
c. Total	2,080.56	1,930.45
d. Total R&D expenditure as a percentage of total turnover	2.94%	3.06%

*Including W.I.P.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

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

2. Benefits derived as a result of the above efforts

- Product development and cost competitiveness.
- Development of an enhanced in-house assay for our formulated ophthalmic products.
- Patent application filed in U.S. Patent office and in Indian patent office for Novel use of Indicator cell line for Bioassay of product under examination.

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

FDC's foreign exchange earnings, stood at Rs. 6,722.75 lacs for the year 2010-2011 against Rs. 5,616.99 lacs in 2009-2010. This was achieved despite the strong US dollar against the Indian Rupee for a major part of the financial year. The Company is continuously exploring possibilities of exporting more of its products to different markets.

2. Total foreign exchange earnings and outgo

	2010-2011 Rupees in lacs	2009-2010 Rupees in lacs
a. Earnings	6,722.75	5,616.99
b. Outgo	3,100.81	4,783.29

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 26, 2011

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 Mr. Ashok A. Chandavarkar Mr. Nandan M. Chandavarkar Mr. Ameya A. Chandavarkar	Promoters and Executive Directors	
CA Girish C. Sharedalal Dr. Satish S. Ugrankar Dr. Rahim H. Muljiani Dr. Nagam H. Atthreya		Independent and Non Executive Directors

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

During the year under review, five board meetings were held on May 29, 2010, July 27, 2010, October 30, 2010, November 12, 2010 and January 27, 2011. The last AGM of the Company was held on August 21, 2010.

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

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	3	1	1
Dr. Satish S. Ugrankar	Nil	Nil	Nil
Dr. Rahim H. Muljiani	Nil	Nil	Nil
Dr. Nagam H. Atthreya	1	1	Nil

* The listing above excludes private & foreign companies.

d. Code of Conduct

All board members and the senior management personnel of the Company have affirmed compliance with the code of conduct for the year ended March 31, 2011. The said code is posted on the website of the Company www.fdcindia.com

e. Notes on directors seeking appointment/ re-appointment

i. Mr. Ameya A. Chandavarkar

In accordance with Article 60 of the Articles of Association and the relevant provisions of the Companies Act, 1956, Mr. Ameya A. Chandavarkar is liable to retire by rotation at the ensuing AGM. 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 wholtime director of the Company in the year 2002. In 2007, he earned an MBA from INSEAD in France and Singapore. Mr. Chandavarkar has also worked for Medtronic, Switzerland, a medical technology company, as a Market Development Manager covering Western Europe. He is actively involved in international business, information technology, human resource development and other business affairs of the Company.

He is a director in Soven Trading and Investment Company Private Limited. He is not the chairman or member of any other committee of any other Company.

CORPORATE GOVERNANCE

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

ii. Dr. Nagam H. Athreya

In accordance with Article 60 of the Articles of Association and the relevant provisions of the Companies Act, 1956, Dr. Nagam H. Athreya is liable to retire by rotation at the ensuing AGM. Dr. Nagam H. Athreya is a non-executive 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 Company's audit committee. 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.

iii. Mr. Ashok A. Chandavarkar

Mr. Ashok A. Chandavarkar was re-appointed as a wholetime director of the Company vide a circular resolution dated February 28, 2011 for a further period of five years with effect from March 01, 2011, subject to the approval of the shareholders, at the ensuing AGM. Mr. Ashok A. Chandavarkar is an executive director of the Company since 1987. He is a bachelor of engineering and is actively involved in the day-to-day operations of the Company. His professional knowledge and vast experience will be of immense benefit to the Company. He is also a director in Soven Trading and Investment Company Private Limited. He is not the chairman or member of any other committee of any other Company.

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 internal auditors as well as the statutory auditors are regular invitees to the audit committee meetings.

b. Constitution of the Committee

The committee comprises of three independent non-executive directors. The said committee functions under the chairmanship of CA Girish C. Sharedalal, who is a chartered accountant by profession and has considerable accounting and financial management expertise. Dr. Rahim H. Muljiani and Dr. Nagam H. Athreya are the other members of the committee, who are financially literate. Ms. Shalini Kamath acts as the secretary to the committee. During the year under review, six audit committee meetings were held on May 29, 2010, June 19, 2010, July 27, 2010, September 16, 2010, October 30, 2010 and January 27, 2011.

The attendance of members at the meetings was as follows:

Name of the member attended	Status	No. of meetings
CA Girish C. Sharedalal	Chairman	6
Dr. Rahim H. Muljiani	Member	6
Dr. Nagam H. Athreya	Member	5

4. REMUNERATION TO DIRECTORS

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

Name of the director	Salaries (Rs.)	Perquisites (Rs.)	Benefits (Rs.)	Commission (Rs.)
Mr. Mohan A. Chandavarkar	3,513,600	58,320	592,920	8,767,392
*Mr. Ashok A. Chandavarkar	2,971,200	34,897	501,390	7,013,914
Mr. Nandan M. Chandavarkar	3,768,000	124,053	635,850	7,013,914
Mr. Ameya A. Chandavarkar	2,920,000	10,204	492,750	4,383,696

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

*The remuneration payable to Mr. Ashok A. Chandavarkar with effect from March 01, 2011 is subject to shareholders' approval at the ensuing AGM to be held on September 24, 2011.

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.

CORPORATE GOVERNANCE**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	1,315,109	25,000	57,500
Dr. Satish S. Ugrankar	200,000	22,500	NA
# Dr. Rahim H. Muljiani	200,000	25,000	57,500
# Dr. Nagam H. Atthreya	200,000	25,000	50,000

Note: Sitting fees paid for board and audit committee meetings have been revised to Rs. 15,000 and Rs. 20,000 per meeting respectively, since January 27, 2011.

Members of the audit committee.

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

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

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

5. SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE**a. Composition of the Committee**

The Committee functions under the chairmanship of Dr. Rahim H. Muljiani, a non-executive independent director. Mr. Mohan A. Chandavarkar and Mr. Ashok A. Chandavarkar are the other members of the committee. During the year, the committee met once on March 31, 2011. All the members of the committee attended the above meeting.

b. Name and designation of the compliance officer

Ms. Shalini Kamath
Company Secretary

c. Number of complaints received and resolved

During the year under review, the Company received twenty two 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, 2011. 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
2007-08	WelcomHotel Rama International R-3, Chikalthana Aurangabad - 431 210 Maharashtra	August 30, 2008	10.00 a.m.	Nil
2008-09	Taj Residency, 8-N-12, CIDCO Dr. Rafiq Zakaria Marg, Rauza Bagh Aurangabad - 431 003 Maharashtra	August 29, 2009	10.00 a.m.	Two
2009-10	WelcomHotel Rama International R-3, Chikalthana Aurangabad - 431 210 Maharashtra	August 21, 2010	10.00 a.m.	Nil

b. During the year, there were no resolutions passed by Postal Ballot.**c. None of the resolutions proposed for the ensuing AGM need to be passed by postal ballot.****7. DISCLOSURES**

a. The Company has not entered into any transaction of material nature with any related party as described under the listing agreement entered into with the stock exchanges that may have potential conflict with the interests of the Company at large.

b. During the past three years there has been no instance 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.

CORPORATE GOVERNANCE

- c. Non-mandatory requirements of corporate governance have not been adopted.

8. MEANS OF COMMUNICATION

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

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

- b. The information required under the Management Discussion and Analysis Report has been aptly covered by the directors' report.

9. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

Date : September 24, 2011
 Time : 10 a.m.
 Venue : WelcomHotel Rama International
 R-3, Chikalhana
 Aurangabad - 431 210, Maharashtra

b. Financial Calendar (tentative)

Particulars	Date
Unaudited results of the first quarter ending June 30, 2011	Last week of July 2011
Unaudited results of the second quarter and half year ending September 30, 2011	Last week of October 2011
Unaudited results of the third quarter and nine months ending December 31, 2011	Last week of January 2012
Audited results for the year ending March 31, 2012	Last week of May 2012

- c. **Dates of book closure**
 September 15, 2011 to September 24, 2011
 (both days inclusive)

- d. **Dividend payment date**
 Latest by October 22, 2011

e. Stock Exchanges where listed

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

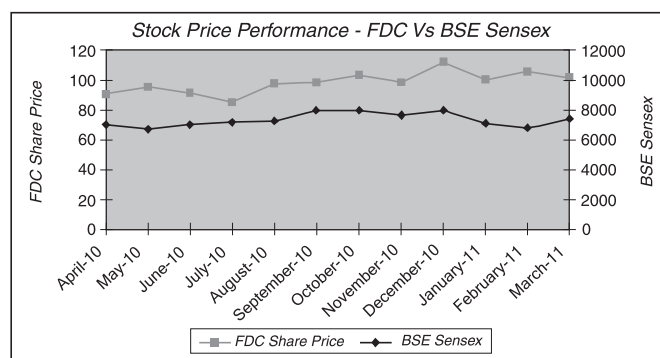
- f. **Stock Code:** BSE - 531599, NSE - FDC EQ

g. Market Price Data

Month	BSE		NSE	
	High	Low	High	Low
April, 2010	93.10	79.00	93.20	66.70
May, 2010	97.00	85.05	97.00	80.00
June, 2010	102.50	91.15	102.20	90.90
July, 2010	101.00	84.00	101.00	84.25
August, 2010	108.60	81.50	108.75	82.00
September, 2010	114.70	98.15	115.00	96.30
October, 2010	109.70	98.15	109.40	98.10
November, 2010	117.50	96.10	117.60	96.55
December, 2010	112.90	90.25	112.50	90.00
January, 2011	113.45	99.20	114.80	99.05
February, 2011	107.50	94.10	108.95	94.10
March, 2011	108.00	99.30	107.50	99.50

(Source: BSE website/NSE trade statistics)

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



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

i. Registrars & Share Transfer Agents

Sharex Dynamic (India) Private Limited
 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

CORPORATE GOVERNANCE**j. Share Transfer System**

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

k. Shareholding Pattern as on March 31, 2011

Category	No. of shares held	Percentage of shareholding
A. Promoters holding		
1. Promoters		
- Indian Promoter	122,504,656	66.35
- Foreign Promoter	-	-
2. Persons acting in concert	-	-
Sub-Total (A)	122,504,656	66.35
B. Non-Promoters' Holding		
3. Institutional Investors		
a. Mutual Funds and UTI	15,707,740	8.51
b. Banks, Financial Institutions, Insurance Companies, Venture Capital Funds (Central/State Govt. Institutions/Non-Govt. Institutions)	1,609,339	0.87
c. Foreign Institutional Investors	7,123,439	3.86
Sub-Total (B)	24,440,518	13.24
4. Others		
a. Private Corporate Bodies	5,494,415	2.98
b. Indian Public	29,933,771	16.21
c. NRIs'/OCBs'	2,246,264	1.22
d. Clearing members	17,077	0.00
Sub-Total (C)	37,691,527	20.41
Grand Total (A+B+C)	*184,636,701	100.00

* Total Number of equity shares includes 67,000 shares bought back as on March 31, 2011 and extinguished subsequently.

Distribution of Shareholding as on March 31, 2011

Equity shares of face value of Re. 1 each	Shareholders		Equity shares	
	Number	% to total	Number	% to total
Upto 5,000	25,204	97.49	12,176,961	6.60
5,001 to 10,000	372	1.44	2,754,927	1.49
10,001 to 20,000	110	0.43	16,608,10	0.90
20,001 to 30,000	27	0.10	680,574	0.37
30,001 to 40,000	23	0.09	831,459	0.45
40,001 to 50,000	7	0.03	315,319	0.17
50,001 to 1,00,000	23	0.08	1,758,060	0.95
Above 1,00,001	88	0.34	164,458,591	89.07
Total	25,854	100.00	184,636,701	100.00

l. 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, 2011, 177,751,884 shares aggregating to 96.27% 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 26, 2011

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

CORPORATE GOVERNANCE

AUDITORS' CERTIFICATE

To
The Members of FDC Limited

We have examined the compliance of conditions of corporate governance by FDC Limited, for the year ended on March 31, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

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

Place : Mumbai
Date : May 26, 2011

per AMIT MAJMUDAR
Partner
Membership No.: 36656

AUDITORS' REPORT

Auditors' Report To the Members of FDC Limited

1. We have audited the attached Balance Sheet of FDC Limited ('the Company') as at March 31, 2011 and also the Profit and Loss account and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The Balance Sheet, Profit and Loss account and Cash Flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - b) in the case of the Profit and Loss account, of the profit for the year ended on that date; and
 - c) in the case of Cash Flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES

Firm Registration No.101049W

Chartered Accountants

per AMIT MAJMUDAR

Partner

Membership No.:36656

Place : Mumbai

Date : May 26, 2011

AUDITORS' REPORT

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

Re: FDC Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management in a phased periodical manner as per regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. 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 Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 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 and exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, related to the manufacture of Formulation and Bulk drugs and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other 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 income tax, wealth tax, customs duty and cess which have not been deposited on account of any dispute. According to the records of the Company, the dues outstanding of sales-tax, service tax and excise duty on account of any dispute, are as follows:

Name of Statute (Nature of Dues)	Period to which the amount relates	Forum where dispute is pending	Amount Rs. In lacs	
Bihar Sales Tax Act/ Gujarat Sales Tax Act/ Uttar Pradesh Sales Tax Act/ West Bengal Sales Tax Act (Tax / Penalty/ Interest)	Apr 2000 - Mar 2001	Joint Commissioner (Appeals)	14.67	
	Apr 2001 - Mar 2002	Joint Commissioner (Appeals)	11.07	
	Apr 2002 - Mar 2003	Sales Tax Appellate Tribunal	61.14	
	Apr 2002 - Mar 2003	Joint Commissioner (Appeals)	0.54	
	Apr 2003 - Mar 2004	Sales Tax Appellate Tribunal	13.15	
	Apr 2004 - Mar 2005	Joint Commissioner (Appeals)	1.43	
	Apr 2007 - Mar 2008	Sales Tax Appellate Tribunal	2.00	
	Apr 2008 - Mar 2009	Sales Tax Appellate Tribunal	3.14	
	Apr 2009 - Mar 2010	Sales Tax Appellate Tribunal	3.37	
	Apr 2010 - Mar 2011	Sales Tax Appellate Tribunal	1.28	
	Total		111.79	
Central Excise Act/ Service Tax (Duty/Penalty / Interest)	Oct 2000 - Nov 2001	Custom Excise & Service tax Appellate Tribunal	18.70	
	Nov 2002 - June 2003	Custom Excise & Service tax Appellate Tribunal	12.43	
	Dec 2003 - Oct 2004	Custom Excise & Service tax Appellate Tribunal	48.38	
	Apr 2004 - Mar 2005	Custom Excise & Service tax Appellate Tribunal	1.26	
	Apr 2005 - Sep 2006	Custom Excise & Service tax Appellate Tribunal	28.56	
		Sub-total (a)		109.33
	Apr 2000 - Dec 2001	Assistant Commissioner of Central Excise	4.16	
	Apr 2005 - Sep 2005	Assistant Commissioner of Service Tax	10.72	
	Apr 2005 - Sep 2005	Commissioner of Central Excise (Appeal)	1.72	
	Apr 2007 - Mar 2008	Commissioner of Central Excise (Appeal)	2.58	
		Sub-total (b)		19.18
	Total (a+b)		128.51	
Total			240.30	

- (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, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company has no outstanding dues in respect of a financial institution, bank or debenture holders.
- (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 Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In respect of dealing/trading in shares, securities and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities and other investments have been held by the Company, in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised money through public issues during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. BATLIBOI & ASSOCIATES

Firm Registration No.101049W
Chartered Accountants

per AMIT MAJMUDAR

Partner
Membership No.:36656

Place : Mumbai

Date : May 26, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	31st March, 2011 Rupees in lacs	31st March, 2010 Rupees in lacs
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	' A '	1,853.56	1,870.65
Reserves and surplus	' B '	59,359.19	50,556.19
		<u>61,212.75</u>	<u>52,426.84</u>
LOAN FUNDS			
Unsecured loans	' C '	206.09	243.80
DEFERRED TAX LIABILITY (NET) (Refer Note 10 of Schedule 'N')			
		2,511.09	2,390.71
TOTAL		<u>63,929.93</u>	<u>55,061.35</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross block	' D '	38,916.53	35,174.29
Less: Depreciation, Amortisation and Impairment		11,738.12	10,158.80
Net block		<u>27,178.41</u>	<u>25,015.49</u>
Capital work-in-progress including capital advances [Net of provision for impairment Rs. 144.79 lacs (Previous year - Rs. 144.79 lacs)]		1,169.02	3,006.50
		<u>28,347.43</u>	<u>28,021.99</u>
INVESTMENTS			
	' E '	26,319.86	22,949.47
CURRENT ASSETS, LOANS AND ADVANCES			
	' F '		
Inventories		9,585.35	8,897.15
Sundry debtors		3,959.56	3,547.85
Cash and bank balances		1,635.31	1,431.03
Loans and advances		6,316.70	2,416.51
		<u>21,496.92</u>	<u>16,292.54</u>
Less : CURRENT LIABILITIES AND PROVISIONS			
	' G '		
Current liabilities		7,351.20	7,834.11
Provisions		4,883.08	4,368.54
		<u>12,234.28</u>	<u>12,202.65</u>
NET CURRENT ASSETS		<u>9,262.64</u>	<u>4,089.89</u>
TOTAL		<u>63,929.93</u>	<u>55,061.35</u>
Significant Accounting Policies	' M '		
Notes to Financial Statements	' N '		

The schedules referred to above and the notes to financial statements form an integral part of the Balance Sheet.

As per our report of even date

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

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ASHOK A. CHANDAVARKAR
Director

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

SHALINI KAMATH
Company Secretary

Place : Mumbai
Date : May 26, 2011

Place : Mumbai
Date : May 26, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	2010-2011 Rupees in lacs	2009-2010 Rupees in lacs
INCOME			
Sales		70,710.49	63,128.66
Less : Excise duty		1,079.68	1,041.72
Net Sales		<u>69,630.81</u>	<u>62,086.94</u>
Other income	' H '	3,189.23	3,172.47
TOTAL		<u>72,820.04</u>	<u>65,259.41</u>
EXPENDITURE			
Cost of materials	' I '	29,284.75	25,342.43
Employees' cost	' J '	8,490.58	7,187.86
Operating expenses	' K '	15,925.36	13,169.96
Finance expenses	' L '	133.98	131.99
Depreciation and Amortisation	' D '	1,709.59	1,460.69
Less: Transfer from revaluation reserve	' B '	11.05	12.66
		<u>1,698.54</u>	<u>1,448.03</u>
TOTAL		<u>55,533.21</u>	<u>47,280.27</u>
Profit before taxation		17,286.83	17,979.14
Provision for taxation			
For the year			
- Current tax		3,450.00	2,865.00
- MAT credit entitlement		(1,330.00)	(540.00)
- Deferred tax		120.38	547.43
		<u>2,240.38</u>	<u>2,872.43</u>
For earlier years - Current		171.86	224.78
		<u>2,412.24</u>	<u>3,097.21</u>
Profit after taxation		14,874.59	14,881.93
Balance brought forward		20,842.48	12,736.11
Amount available for appropriation		<u>35,717.07</u>	<u>27,618.04</u>
APPROPRIATIONS			
Final dividend - proposed		3,688.63	3,259.87
Dividend tax		598.39	541.42
Transfer to General Reserve		3,000.00	3,000.00
Reversal of excess provision of dividend		-	(25.73)
Balance carried to Balance Sheet		<u>28,430.05</u>	<u>20,842.48</u>
		<u>35,717.07</u>	<u>27,618.04</u>
Earnings per share (Refer Note 16 of Schedule 'N')			
Basic and diluted (Rs.) - Par value Re. 1 per share (Previous year Re.1 per share)		7.99	7.97
Significant Accounting Policies	' M '		
Notes to Financial Statements	' N '		

The schedules referred to above and the notes to financial statements form an integral part of the Profit and Loss Account.

As per our report of even date

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

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ASHOK A. CHANDAVARKAR
Director

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

SHALINI KAMATH
Company Secretary

Place : Mumbai
Date : May 26, 2011

Place : Mumbai
Date : May 26, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	2010-2011 Rupees in lacs		2009-2010 Rupees in lacs	
CASH FLOWS FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAXATION		17,286.83		17,979.14
Adjustments for :				
Depreciation and Amortisation	1,698.54		1,448.03	
Interest expense	105.59		98.21	
Premium income on Non Convertible Debentures	(77.22)		-	
Interest income	(427.75)		(37.77)	
Loss/ (Profit) on sale of fixed assets (net)	14.14		(15.72)	
Amortisation of premium on Non Convertible Debentures	59.17		-	
Dividend income	(926.94)		(483.14)	
Diminution in value of current investments	617.51		26.86	
(Profit)/ Loss on sale of investments (net)	(1,005.30)		(962.09)	
Unrealised foreign exchange loss/ (gain) on restatement	(10.17)		47.70	
Bad debts written off	3.17		-	
Provision for doubtful debts	200.87		16.69	
Provision for doubtful advances	12.27		-	
Provision for expenses no longer required, written back	(103.13)		(91.72)	
Provision for doubtful debts/ advances no longer required, written back	(8.25)		(23.11)	
Provision for diminution in value of current investments, written back	(13.43)	139.07	(852.73)	(828.79)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		17,425.90		17,150.35
Movements in Working Capital :				
Increase in debtors	(622.50)		(103.26)	
(Increase)/ decrease in inventories	(688.20)		642.78	
(Increase)/ decrease in advances	(187.38)		282.63	
(Decrease)/ Increase in creditors	(379.76)		1,152.96	
(Decrease)/ Increase in provisions	(179.14)	(2,056.98)	281.31	2,256.42
CASH GENERATED FROM OPERATIONS		15,368.92		19,406.77
Direct taxes paid (net of refunds)		(3,434.18)		(2,628.88)
NET CASH FROM OPERATING ACTIVITIES (A)		11,934.74		16,777.89
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES				
Purchase of fixed assets		(2,064.10)		(3,227.98)
Proceeds from sale of fixed assets		14.93		75.60
Inter-corporate deposits given		(3,200.00)		-
Repayment of inter corporate deposit given		1,000.00		-
(Increase)/ decrease in fixed and margin deposits		(4.38)		(5.64)
Repayment of loan by subsidiary company		231.04		-
Purchase of investments		(51,865.28)		(22,942.31)
Proceeds from sale of investments		51,796.11		12,912.92
Premium paid on Non Convertible Debentures		(84.49)		-
Dividend received		925.54		485.50
Interest received		342.86)		18.41
NET CASH USED IN INVESTING ACTIVITIES (B)		(2,907.77)		(12,683.50)
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES				
Deferral from sales tax collection		-		14.78
Repayment of interest free sales tax loan		(37.71)		(39.62)
Payment towards buy back of shares		(1,790.61)		(744.14)
Dividend paid		(3,259.87)		(2,324.78)
Dividend tax paid		(541.42)		(399.47)
Interest paid		(105.59)		(98.21)
NET CASH USED IN FINANCING ACTIVITIES (C)		(5,735.20)		(3,591.44)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)		3,291.77		502.95
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1,364.53		861.58
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Refer Note 1 below)		4,656.30		1,364.53

Notes to the Cash Flow Statement

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

PARTICULARS	31st March, 2011	31st March, 2010
	Rupees in lacs	Rupees in lacs
Cash on hand	12.96	12.26
Balance with scheduled banks:		
In current accounts (Refer Note 2 below)	1,554.05	1,354.85
Short term investments in mutual funds	2,900.00	-
Inter corporate deposits given	200.00	-
Unrealised foreign exchange loss/ (gain) on restatement of cash and cash equivalents	(10.71)	(2.58)
	4,656.30	1,364.53

2. The balance in current accounts include Rs. 68.57 lacs (Previous year Rs. 65.17 lacs) towards unclaimed dividend accounts which are not available for use by the Company as they represent corresponding dividend liabilities.

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES

Firm Registration No. 101049W
Chartered Accountants

per AMIT MAJUMDAR

Partner
Membership No. 36656

Place : Mumbai
Date : May 26, 2011

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

SHALINI KAMATH
Company Secretary

Place : Mumbai
Date : May 26, 2011

ASHOK A. CHANDAVARKAR
Director

SCHEDULES TO THE ACCOUNTS

	31st March, 2011 Rupees in lacs	31st March, 2010 Rupees in lacs
A. SHARE CAPITAL		
AUTHORISED		
250,000,000 (Previous year - 250,000,000) Equity shares of Re. 1 each	<u>2,500.00</u>	<u>2,500.00</u>
ISSUED		
187,714,701 (Previous year - 189,423,529) Equity shares of Re. 1 each	<u>1,877.15</u>	<u>1,894.24</u>
SUBSCRIBED AND PAID-UP		
184,569,701 (Previous year - 186,278,529) Equity shares of Re. 1 each, fully paid-up (Refer Note 24 of Schedule 'N')	1,845.70	1,862.79
Add: 3,145,000 (Previous year - 3,145,000) Equity shares forfeited	7.86	7.86
TOTAL	<u>1,853.56</u>	<u>1,870.65</u>
Of the above shares:		
(i) 15,000 (Previous year - 15,000) shares of Re. 1 each were allotted as fully paid - up pursuant to a contract for consideration other than cash.		
(ii) 28,900,000 (Previous year - 28,900,000) shares of Re. 1 each were allotted as fully paid-up by way of Bonus shares by capitalisation out of General Reserve.		
(iii) 95,730,551 (Previous year - 95,730,551) shares of Re. 1 each were allotted as fully paid-up by way of Bonus shares by capitalisation out of Securities Premium Account.		
B. RESERVES AND SURPLUS		
CAPITAL RESERVE	45.01	45.01
CAPITAL REDEMPTION RESERVE		
Opening Balance	68.63	49.73
Add: Transfer from General Reserve on account of buy back of shares (Refer Note 24 of Schedule 'N')	17.09	18.90
Closing Balance	<u>85.72</u>	<u>68.63</u>
SECURITIES PREMIUM ACCOUNT	*72.90	*72.90
* Represents securities premium received on forfeited shares Rs. 72.90 lacs (Previous year - Rs. 72.90 lacs)		
REVALUATION RESERVE		
Opening Balance	84.46	97.12
Less : Transfer to Profit and Loss Account	11.05	12.66
Closing Balance	<u>73.41</u>	<u>84.46</u>
GENERAL RESERVE		
Opening Balance	27,942.71	25,686.85
Less : Premium paid for buy back of shares (Refer Note 24 of Schedule 'N')	1,773.52	725.24
Less: Transfer to Capital Redemption Reserve Account	17.09	18.90
Add : Transfer from Profit and Loss Account	3,000.00	3,000.00
Add : Transfer from Reserve for diminution in value/loss on sale of investments	1,500.00	-
Closing Balance	<u>30,652.10</u>	<u>27,942.71</u>
RESERVE FOR DIMINUTION IN VALUE / LOSS ON SALE OF INVESTMENTS		
Opening Balance	1,500.00	1,500.00
Less : Transfer to General Reserve	1,500.00	-
Closing Balance	<u>-</u>	<u>1,500.00</u>
SURPLUS IN PROFIT AND LOSS ACCOUNT	28,430.05	20,842.48
TOTAL	<u>59,359.19</u>	<u>50,556.19</u>
C. UNSECURED LOANS		
Interest-free Sales tax loans (Refer Note 5 of Schedule 'N') [Due within one year - Rs. 32.00 lacs (Previous year - Rs. 35.62 lacs)]	206.09	243.80
TOTAL	<u>206.09</u>	<u>243.80</u>

SCHEDULES TO THE ACCOUNTS

D. FIXED ASSETS

Rupees in lacs

PARTICULARS	GROSS BLOCK			DEPRECIATION/ AMORTISATION/ IMPAIRMENT			NET BLOCK	
	As at 01.04.2010	Additions	Deletions / Adjustments	As at 01.04.2010	Depreciation For the year	Deletions / Adjustments	As at 31.03.2011	As at 31.03.2010
Intangible								
Marketing Rights	–	88.52	–	–	1.75	–	86.77	–
Tangible								
Leasehold land *	419.16	–	–	121.11	7.44	–	290.61	298.05
Freehold land **	1,321.81	49.62	–	–	–	–	1,371.43	1,321.81
Buildings ***	11,392.64	808.27	2.21	1,611.95	304.75	0.18	10,282.18	9,780.69
Plant and machinery	12,364.24	1,376.83	108.00	@5,855.27	807.83	95.60	7,065.57	6,508.97
Laboratory testing machines	2,139.59	161.60	0.85	459.00	105.03	0.85	1,737.16	1,680.59
Electrical installations	1,182.53	211.26	1.60	282.92	63.14	0.35	1,046.48	899.61
Furniture, fixtures and fittings	2,132.86	227.47	5.05	629.30	145.41	5.05	1,585.62	1,503.56
Office equipments	1,272.67	325.98	0.83	262.35	67.90	0.27	1,267.84	1,010.32
Vehicles	341.66	4.05	14.87	174.48	29.46	10.62	137.52	167.18
Capital expenditure on R&D								
Intangible								
Buildings	109.91	–	–	51.89	3.49	–	54.53	58.02
Equipments	2,155.35	564.55	25.77	669.33	110.28	17.19	1,931.71	1,486.02
Furniture and fixtures	108.49	83.43	0.16	34.76	9.99	0.16	147.17	73.73
Intangible								
Technical know-how	233.38	–	–	6.44	53.12	–	173.82	226.94
TOTAL	35,174.29	3,901.58	159.34	10,158.80	1,709.59	130.27	27,178.41	25,015.49
Previous year	32,452.15	2,930.48	208.34	8,846.57	1,460.69	148.46	25,015.49	

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

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

*** Building of Rs. 2,760.76 lacs (Previous year - Rs. 2,760.76 lacs) includes cost of unquoted fully paid shares in various co-operative housing societies.

@ Includes impairment of Rs. 49.80 lacs.

SCHEDULES TO THE ACCOUNTS

	31st March, 2011 Rupees in lacs	31st March, 2010 Rupees in lacs
E. INVESTMENTS (Other than trade unless otherwise stated)		
I. LONG TERM INVESTMENTS (At Cost) (Unquoted)		
Government Securities (Refer Note 7 of Schedule 'N')		
National Savings Certificates	0.07	0.07
35 (Previous year - 35) Government of India G.P. Notes - face value of Rs. 2,000	0.02	0.02
Fully paid-up Equity Shares		
In Subsidiaries (Trade)		
374,085 (Previous year - 374,085) Equity Shares of FDC International Limited, of GBP 0.01 each	0.00	0.00
500 (Previous year - 500) Equity Shares of FDC Inc., of USD 100 each	22.00	22.00
In Joint Venture Entity (Trade)		
159,250 (Previous year - 159,250) Equity Shares of Fair Deal Corporation Pharmaceutical SA (Pty) Ltd., of ZAR 1 each	11.30	11.30
In Others		
1,000 (Previous year - 1,000) Equity Shares of The Saraswat Co-op. Bank Ltd. of Rs. 10 each fully paid up	0.10	0.10
5,000 (Previous year - 5,000) Equity Shares of The North Kanara G.S.B. Co-op Bank Ltd. of Rs.10 each fully paid-up	0.50	0.50
100 (Previous year - 100) Shares of Roha Industries Association Sahakari Grahak Bhandar Ltd. of Rs.25 each fully paid-up	0.03	0.03
	34.02	34.02
Units of Mutual funds		
3,000,000.000 (Previous year - Nil) units of Rs.10 each in Birla Sun Life Fixed Term Plan - Series CK - Dividend Payout	300.00	-
2,500,000.000 (Previous year - Nil) units of Rs.10 each in Birla Sunlife Fixed Term Plan - Series CR - Dividend Payout	250.00	-
2,000,000.000 (Previous year - Nil) units of Rs.10 each in Baroda Pioneer 380 Days Fixed Maturity Plan - Series 1 - Growth	200.00	-
3,000,000.000 (Previous year - Nil) units of Rs.10 each in Fidelity Fixed Maturity Plan Series 5 - Plan E - Growth	300.00	-
10,000,000.000 (Previous year - Nil) units of Rs.10 each in ICICI Prudential Fixed Maturity Plan - Series 53 - 1 Year Plan D - Dividend Payout	1,000.00	-
5,000,000.000 (Previous year - Nil) units of Rs.10 each in ICICI Prudential Fixed Maturity Plan - Series 53 - 1 Year Plan F - Dividend Payout	500.00	-
4,000,000.000 (Previous year - Nil) units of Rs.10 each in ICICI Prudential Fixed Maturity Plan - Series 55 - 15 Months Plan A - Cumulative	400.00	-
4,000,000.000 (Previous year - Nil) units of Rs.10 each in ICICI Prudential Fixed Maturity Plan - Series 55 - 1 Year Plan D - Dividend Payout	400.00	-
4,000,000.000 (Previous year - Nil) units of Rs.10 each in ICICI Prudential Fixed Maturity Plan - Series 56 - 1 Year Plan A - Cumulative	400.00	-
3,000,000.000 (Previous year - Nil) units of Rs.10 each in Kotak Fixed Maturity Plan - Series 32 - Dividend Payout	300.00	-
6,000,000.000 (Previous year - Nil) units of Rs.10 each in Kotak Fixed Maturity Plan - Series 40 - Growth	600.00	-
5,000,000.000 (Previous year - Nil) units of Rs.10 each in Kotak Fixed Maturity Plan 370 Days - Series 9 - Growth	500.58	-
5,000,000.000 (Previous year - Nil) units of Rs.10 each in Reliance Fixed Horizon Fund - XVI - Series 3 - Dividend Plan	500.00	-
3,000,000.000 (Previous year - Nil) units of Rs.10 each in Reliance Fixed Horizon Fund - XIX - Series 9 - Growth	300.00	-
6,000,000.000 (Previous year - Nil) units of Rs.10 each in Sundaram Fixed Term Plan - Series AR - Dividend Payout	600.00	-
	6,550.58	-
Non Convertible Debentures		
1 Unit (Previous Year - Nil) of Rs.100,000,000 each in Non-Convertible Debenture of Avantha Holdings Limited	1,000.00	-
500 Units (Previous Year - Nil) of Rs.100,000 each in Non-Convertible Debentures of Future Corporate Resources Limited	500.00	-
60 Units (Previous Year - Nil) of Rs.1,000,000 each in Non-Convertible Debentures of Cedar Infonet Private Limited	600.00	-
	2,100.00	-
SUBTOTAL (I)	8,684.60	34.02

SCHEDULES TO THE ACCOUNTS

	31st March, 2011 Rupees in lacs	31st March, 2010 Rupees in lacs
II. CURRENT INVESTMENTS (At lower of cost and market value)		
Fully paid-up Equity Shares of Exchange Traded Fund (Quoted)		
Nil (Previous year - 10,000) Equity Shares of Goldbees, Benchmark Mutual Fund of Rs. 100 each	-	163.78
Fully paid-up Equity Shares (Quoted)		
2,000 (Previous year - Nil) Equity Shares of Cipla Limited of Rs. 2 each	7.43	-
7,500 (Previous year - Nil) Equity Shares of Ranbaxy Laboratories Limited of Rs. 5 each	32.96	-
	<u>40.39</u>	<u>163.78</u>
Less : Provision for diminution in value of Equity Shares	1.01	2.97
	<u>39.38</u>	<u>160.81</u>
Units of Mutual Funds (Unquoted)		
3,000,000.000 (Previous year - Nil) units of Rs.10 each in Birla Sun Life Short Term Fixed Maturity Plan - Series 8 - Dividend Payout	300.00	-
Nil (Previous year - 17,788,260.428) units of Rs.10 each in Birla Sun Life Medium Term Plan - Institutional - Growth	-	1,824.93
Nil (Previous year - 2,670,226.969) units of Rs.10 each in Birla Sun Life Monthly Income - Monthly Dividend Payout	-	300.00
Nil (Previous year - 4,874,689.528) units of Rs.10 each in Birla Sun Life Interval Income Fund - Institutional - Quarterly - Series I - Growth	-	487.47
Nil (Previous year - 5,167,291.048) units of Rs.10 each in Birla Sun Life Dynamic Bond Fund - Retail - Growth	-	800.00
Nil (Previous year - 1,500,000) units of Rs.10 each in Bharti AXA Focussed Infrastructure Fund - Regular Dividend Payout	-	150.00
2,000,000.000 (Previous year - Nil) units of Rs.10 each in BNP Paribas Fixed Term Fund - Series 21 G - Growth	200.00	-
3,000,000.000 (Previous year - Nil) units of Rs.10 each in BNP Paribas Fixed Term Fund - Series 20B - Dividend on Maturity	300.00	-
3,000,000.000 (Previous year - Nil) units of Rs.10 each in BNP Paribas Fixed Term Fund - Series 21A - Calendar Quarterly Dividend	300.00	-
Nil (Previous year - 5,609,403.341) units of Rs.10 each in DSP BlackRock Floating Rate Fund - Regular Plan - Growth	-	803.53
Nil (Previous year - 2,258,869.266) units of Rs.10 each in DSP BlackRock Short Term Fund - Growth	-	355.69
3,000,000.000 (Previous year - Nil) units of Rs.10 each in DSP BlackRock Fixed Maturity Plan - 3M Series 28 - Dividend Payout	300.00	-
2,500,000.000 (Previous year - Nil) units of Rs.10 each in DSP Black Rock - Fixed Maturity Plan - 3M Series 29 - Dividend Payout	250.00	-
1,375,061.878 (Previous year - Nil) units of Rs.10 each in DSP Blackrock Small and Midcap Fund - Regular Plan - Dividend Payout	250.00	-
887,403.814 (Previous year - Nil) units of Rs.10 each in DSP Black Rock Small and Mid Cap Fund - Regular Plan - Growth	175.00	-
329,108.737 (Previous year - Nil) units of Rs.10 each in DSP Black Rock T.I.G.E.R. Fund - Regular Plan - Growth	175.00	-
1,419,752.048 (Previous year - Nil) units of Rs.10 each in DWS Insta Cash Plus Fund - Regular Plan - Bonus	139.39	-
Nil (Previous year - 3,733,537.516) units of Rs.10 each in DWS Twin Advantage Fund - Regular - Monthly Dividend Payout	-	400.00
Nil (Previous year - 10,935,796.36) units of Rs.10 each in HDFC High Interest Fund - Short Term Plan - Growth	-	1,996.71
Nil (Previous year - 2,391,088.435) units of Rs.10 each in HDFC Monthly Income Plan - Long Term - Growth	-	492.86
1,842,027.067 (Previous year - Nil) units of Rs.10 each in HDFC Equity Fund - Dividend Payout	1,000.00	-
117,140.747 (Previous year - Nil) units of Rs.10 each in HDFC Equity Fund - Growth	350.00	-
504,962.841 (Previous year - Nil) units of Rs.10 each in HDFC Top 200 Fund - Dividend Payout	262.63	-
7,367,067.863 (Previous year - 20,256,854.786) units of Rs.10 each in HDFC MF Monthly Income Plan - Short Term - Monthly Dividend Payout	828.30	2,277.52
1,501,041.723 (Previous year - Nil) units of Rs.10 each in HDFC MidCap Opportunities Fund - Dividend Payout	253.50	-
Nil (Previous year - 446,798.526) units of Rs.100 each in ICICI Prudential Flexible Income Plan Premium - Growth	-	754.50
987,291.284 (Previous year - Nil) units of Rs.100 each in ICICI Prudential Liquid Fund - Super Institutional Plan - Growth	1,400.44	-
Nil (Previous year - 4,362,621.063) units of Rs.10 each in ICICI Prudential Monthly Income Plan - Monthly Dividend Payout	-	500.00
6,999,160.101 (Previous year - Nil) units of Rs.10 each in ICICI Prudential Interval Fund Half Yearly Interval Plan I - Institutional - Dividend PayOut	700.00	-
5,877,224.774 (Previous year - Nil) units of Rs.10 each in IDBI Ultra Short Term Fund - Growth	600.00	-
3,000,000.000 (Previous year - Nil) units of Rs.10 each in IDBI Fixed Maturity Plan - 90 Days Series I (February 2011) A - Dividend Payout	300.00	-
3,000,000.000 (Previous year - Nil) units of Rs.10 each in IDFC Fixed Maturity Yearly Series 35 - Dividend Payout	300.00	-
1,000,000.000 (Previous year - Nil) units of Rs.10 each in IDFC Fixed Maturity Plan - Yearly Series 42 - Growth	100.00	-

SCHEDULES TO THE ACCOUNTS

	31st March, 2011 Rupees in lacs	31st March, 2010 Rupees in lacs
Nil (Previous year - 3,569,254.525) units of Rs.10 each in IDFC Money Manager Fund - Investment Plan - Institutional Plan B - Growth	-	500.00
Nil (Previous year - 4,000,000.000) units of Rs.10 each in JPMorgan India Short Term Income Fund - Growth	-	400.00
Nil (Previous year - 2,920,901.975) units of Rs.10 each in Kotak Income Plus - Monthly Dividend Payout	-	300.00
4,923,246.586 (Previous year - Nil) units of Rs.10 each in Kotak Credit Opportunities Fund - Growth	500.00	-
5,000,000.000 (Previous year - Nil) units of Rs.10 each in Kotak Fixed Maturity Plan - 6M Series 10 - Dividend Payout	500.00	-
5,998,920.194 (Previous year - Nil) units of Rs.10 each in Kotak Quarterly Interval Plan - Series 5 - Dividend Payout	600.00	-
6,000,000.000 (Previous year - Nil) units of Rs.10 each in LIC Nomura MF Interval Fund - Series 1 - Monthly Dividend Plan	600.00	-
Nil (Previous year - 1,200,746.865) units of Rs.10 each in Principal Income Fund - Short Term Plan - Growth	-	200.00
Nil (Previous year - 3,459,758.682) units of Rs.10 each in Principal Ultra Short Term Fund - Growth Plan	-	403.13
Nil (Previous year - 1,083,742.771) units of Rs.10 each in Principal Floating Rate Fund Fixed Maturity Plan - Institutional - Growth	-	157.93
Nil (Previous year - 7,812,579.061) units of Rs.10 each in Principal Monthly Income Plan - Monthly Dividend Payout	-	848.31
Nil (Previous year - 1,310,638.893) units of Rs.10 each in Principal Monthly Income Plan - MIP Plus - Monthly Dividend Payout	-	150.00
6,000,000.000 (Previous year - Nil) units of Rs.10 each in Principal PNB Fixed Maturity Plan - 91 days - Series XXIV - Regular Growth Plan	600.00	-
Nil (Previous year - 4,153,451.182) units of Rs.10 each in Reliance Floating Rate Fund - Growth Plan	-	593.09
Nil (Previous year - 32,143.79) units of Rs.1,000 each in Reliance Money Manager Fund - Institutional - Growth Plan	-	399.75
Nil (previous year - 1,271,927.517) units of Rs.10 each in Reliance Short Term Fund - Retail - Growth	-	221.00
6,263,230.967 (Previous year - 15,309,648.244) units of Rs.10 each in Reliance Monthly Income Plan - Monthly Dividend Payout	696.10	1,701.54
462,779.779 (Previous year - Nil) units of Rs.10 each in Reliance Banking Fund - Dividend Payout	200.00	-
151,358.777 (Previous year - Nil) units of Rs.10 each in Reliance Banking Fund - Growth	175.00	-
1,461,267.284 (Previous year - Nil) units of Rs.10 each in Reliance Equity Opportunities Fund - Retail Plan - Dividend Payout	400.00	-
449,146.645 (Previous year - Nil) units of Rs.10 each in Reliance Equity Opportunities Fund - Retail Plan - Growth	175.00	-
1,806,836.825 (Previous year - Nil) units of Rs.10 each in Reliance Pharma Fund - Dividend Payout	750.00	-
3,000,000.000 (Previous year - Nil) units of Rs.10 each in Reliance Fixed Horizon Fund - XVIII - Series 2 - Dividend Payout	300.00	-
3,000,000.000 (Previous year - Nil) units of Rs.10 each in Religare Fixed Maturity Plan - Series V - Plan F (91 days) - Dividend Plan	300.00	-
Nil (Previous year - 4,171,941.783) units of Rs.10 each in Sundaram BNP Paribas PSU Opportunities Fund - Dividend - Payout	-	417.19
1,598,644.350 (Previous year - Nil) units of Rs.10 each in Sundaram Financial Services Opportunities Fund - Regular Plan - Dividend Payout	300.00	-
941,575.255 (Previous year - Nil) units of Rs.10 each in Sundaram Select Midcap Fund - Dividend Payout	200.00	-
2,500,000.000 (Previous year - Nil) units of Rs.10 each in Sundaram Interval Fund - Quarterly Plan E - Retail Dividend	250.00	-
5,000,000.000 (Previous year - Nil) units of Rs.10 each in Sundaram Fixed Term Plan - Series AW - Dividend Payout	500.00	-
2,000,000.000 (Previous year - Nil) units of Rs.10 each in Sundaram Fixed Term Plan - BA 366 Days - Growth	200.00	-
Nil (Previous year - 1,555,810.017) units of Rs.10 each in Templeton Floating Rate Income Fund - Short Term Plan - Retail - Growth	-	248.09
Nil (Previous year - 5,647,195.878) units of Rs.10 each in Templeton Floating Rate Income Fund - Long Term Plan - Institutional - Growth	-	756.53
Nil (Previous year - 23,189.552) units of Rs.1,000 each in Templeton India Short Term Income Fund - Retail Plan - Quarterly Dividend - Payout	-	250.00
Nil (Previous year - 122,011.205) units of Rs.1,000 each in Templeton India Short Term Income Fund - Retail Plan - Growth	-	2,223.40
4,689,507.695 (Previous year - Nil) units of Rs.10 each in Templeton India Income Opportunities Fund - Growth	500.00	-
132,214.249 (Previous year - Nil) units of Rs.1,000 each in Templeton India Short Term Income Plan Institutional - Monthly Dividend Reinvestment	1,534.18	-
2,640,508.710 (Previous year - 8,755,906.756) units of Rs.10 each in Franklin Templeton India Monthly Income Plan B - Monthly Dividend Payout	301.69	1,000.41
1,500,000.000 (Previous year - Nil) units of Rs.10 each in Taurus MIP Advantage Fund - Dividend Payout	150.00	-
Nil (Previous year - 3,118,031.305) units of Rs.10 each in UTI Short Term Income Fund - Growth	-	489.95
Nil (Previous year - 3,100,391.549) units of Rs.10 each in UTI Monthly Income Scheme - Dividend Payout	-	375.00
	18,216.23	22,778.53
Less : Provision for diminution in value of Mutual Funds	620.35	23.89
	17,595.88	22,754.64
SUBTOTAL (II)	17,635.26	22,915.45
TOTAL (I + II)	26,319.86	22,949.47
Aggregate amount of quoted investments	39.38	160.81
Aggregate amount of unquoted investments	26,280.48	22,788.66
Aggregate market value of quoted investments	39.72	160.81
Aggregate repurchase prices of mutual funds	24,416.40	22,958.87

During the year, the following investments were purchased and sold: (NON TRADE)

No.	Particulars	Name of Scheme	Face Value Rs.	No. of Units	Cost Rs. in lacs
	Mutual Funds				
1	Axis Mutual Fund	Axis Income Saver Fund - Dividend Payout - Quarterly	10	750,000.000	75.00
				750,000.000	75.00
2	Bharti AXA Mutual Fund	Bharti AXA Liquid Fund - Institutional Plan - Growth	1000	14,289.728	160.55
				14,289.728	160.55
3	Birla Sun Life Mutual Fund	Birla Sun Life Basic Industries Fund - Dividend Payout	10	900,252.070	250.00
				900,252.070	250.00
4	BNP Paribas Mutual Fund	BNP Paribas FTF Series 17D - Dividend on Maturity (Previously Fortis)	10	7,000,000.000	700.00
				7,000,000.000	700.00
5	Canara Robeco Equities Fund	Canara Robeco Emerging Equities Fund - Dividend Payout	10	1,429,592.566	200.00
		Canara Robeco Monthly Income Plan - Monthly Dividend Payout	10	1,383,125.864	200.00
				2,812,718.430	400.00
6	DSP BlackRock Mutual Fund	DSP BlackRock Bond Fund - Regular - Dividend Payout	10	8,295,339.148	914.05
		DSP BlackRock Equity Fund - Regular - Dividend Payout	10	660,633.993	313.23
		DSP BlackRock FMP - 3M Series 21 - Growth	10	6,000,000.000	600.00
		DSP BlackRock FMP - 3M Series 22 - Dividend Payout	10	3,000,000.000	300.00
		DSP BlackRock Focus 25 Fund - Dividend Payout	10	3,000,000.000	300.00
		DSP BlackRock Liquidity Fund - Regular Plan - Growth	10	3,330,172.311	742.45
		DSP BlackRock Small & Midcap Fund - Regular - Dividend Payout	10	2,443,294.469	357.68
				26,729,439.921	3,527.41
7	DWS Mutual Fund	DWS Insta Cash Plus Fund - Regular Plan - Bonus	10	6,728,682.692	800.00
				6,728,682.692	800.00
8	HDFC Mutual Fund	HDFC Cash Management Fund - Savings Plan - Growth	10	1,900,202.349	372.47
		HDFC Cash Management Savings Plan - Weekly Dividend Reinvestment	10	4,731,403.048	503.02
		HDFC Equity Fund - Dividend Payout	10	587,495.388	260.45
		HDFC Floating Rate Income Fund - Short Term Plan - Retail - Growth	10	1,842,468.762	292.53
		HDFC FMP 100D September 2010 (5) - Growth - Series XIV	10	5,000,000.000	500.00
		HDFC FMP 35D August 2010 (2) - Growth - Series XIV	10	8,000,000.000	800.00
		HDFC High Interest Fund - Short Term Plan - Dividend Reinvest	10	12,284,664.014	1,300.00
		HDFC Quarterly Interval Fund - Plan B - Wholesale - Dividend Payout	10	8,989,033.379	900.00
		HDFC Short Term Plan - Dividend Payout	10	3,129,122.017	325.00
		HDFC Top 200 Fund - Dividend Payout	10	786,398.235	343.07
				47,250,787.192	5,596.54
9	ICICI Prudential Mutual Fund	ICICI Prudential Discovery Fund - Dividend Payout	10	1,238,788.171	250.85
		ICICI Prudential Emerging Star Fund - Dividend Payout	10	2,185,690.597	359.77
		ICICI Prudential Floating Rate Plan A - Growth	100	176,352.536	250.00
		ICICI Prudential Gilt Fund - Investment Plan - Growth	10	1,550,406.827	500.00
		ICICI Prudential Interval Fund II - Quarterly Interval Plan F - Retail - Growth	10	3,363,322.963	400.00
		ICICI Prudential Liquid Fund - Super Institutional Plan - Growth	100	286,226.243	406.44
		ICICI Prudential Liquid Institutional Plan - Growth	100	110,509.778	254.80
		ICICI Prudential Liquid Plan - Super Institutional- Dividend Monthly Reinvestment	100	507,036.629	507.04
		ICICI Prudential Quarterly Interval Plan II - Institutional - Dividend Payout	10	10,000,000.000	1,000.00
				19,418,333.744	3,928.90
10	IDBI Mutual Fund	IDBI Liquid Fund - Growth	10	510,455.056	51.33
		IDBI Nifty Index Fund - Dividend Payout	10	500,000.000	50.00
		IDBI Ultra Short Term Fund - Growth	10	2,480,429.412	250.00
				3,490,884.468	351.33
11	IDFC Mutual Fund	IDFC Money Manager Fund - Investment Plan - Institutional Plan B - Growth	10	1,742,840.412	250.00
		IDFC SSI Fund - Medium Term - Institutional Plan B - Dividend Payout	10	1,758,442.723	200.00
				3,501,283.135	450.00

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During the year, the following investments were purchased and sold: (NON TRADE)

No.	Particulars	Name of Scheme	Face Value Rs.	No. of Units	Cost Rs. in lacs	
12	JP Morgan Mutual Fund	JP Morgan India Short Term Income Fund - Growth	10	2,477,700.694	250.00	
				2,477,700.694	250.00	
13	Kotak Mutual Fund	Kotak Bond Short Term Fund - Monthly Dividend Payout	10	1,236,876.738	125.00	
		Kotak FMP 370 Days - Series 9 - Dividend Payout	10	5,000,000.000	500.00	
		Kotak FMP 6M - Series 9 - Dividend Payout	10	10,000,000.000	1,000.00	
		Kotak Gilt Investment Regular - Quarterly Dividend Payout	10	3,964,383.974	500.00	
		Kotak Quarterly Interval Series 9 - Dividend Payout	10	4,999,612.390	500.00	
		Kotak Quarterly Interval Series 1 - Dividend Payout	10	10,000,000.000	1,000.00	
					35,200,873.102	3,625.00
14	Principal Mutual Fund	Principal Emerging Blue Chip Fund - Regular - Dividend Payout	10	678,103.409	158.68	
		Principal Large Cap Fund - Dividend Payout	10	2,153,301.690	411.71	
		Principal Money Manager Fund - Regular - Growth	10	3,600,889.741	408.32	
					6,432,294.840	978.71
15	Reliance Mutual Fund	Reliance Banking Fund - Dividend Payout	10	591,402.403	202.75	
		Reliance Floating Rate Fund - Short Term Plan - Growth	10	7,437,801.662	1,100.00	
		Reliance Liquid Cash Plan - Weekly Dividend Reinvestment	10	8,289,502.807	905.55	
		Reliance Liquid Fund - Treasury Plan - Institutional - Growth	10	2,032,527.696	464.52	
		Reliance Monthly Interval - Series I - Institutional - Dividend Reinvestment	10	15,212,978.060	1,521.80	
		Reliance Vision Fund - Retail - Dividend Payout	10	545,558.676	223.38	
					34,109,771.304	4,418.00
16	SBI Mutual Fund	SBI Magnum Monthly Income Plan - Monthly Dividend Payout	10	2,357,178.552	250.00	
				2,357,178.552	250.00	
17	Sundaram Mutual Fund	Sundaram BNPP Financial Services Opportunities Fund - Regular - Dividend Payout	10	1,530,830.935	200.00	
		Sundaram BNPP Ultra Short Term - Retail - Growth	10	1,876,230.816	232.56	
					3,407,061.751	432.56
18	Franklin Templeton Mutual Fund	Franklin India Prima Fund - Dividend Payout	10	629,453.906	300.93	
		Templeton Floating Rate Income Fund - Short Term Plan - Retail - Growth	10	1,800,136.810	300.00	
		Templeton India Income Builder Account Plan A - Monthly Dividend Payout	10	4,560,141.179	531.57	
		Templeton India Low Duration Fund - Growth	10	7,974,402.169	800.00	
		Templeton India Short Term Income Fund - Retail Plan - Growth	1000	45,613.727	850.00	
		Templeton India Short Term Income Fund - Retail Plan - Quarterly Dividend Payout	1000	24,156.649	265.42	
		Templeton India Treasury Management Account - Super Institutional - Daily Dividend Reinvestment	1000	179,903.109	1,800.24	
		Templeton India Treasury Management Account - Institutional - Growth	1000	17,370.252	250.00	
		Templeton India Ultra Short Bond Fund - Institutional Plan - Growth	10	2,259,572.671	271.53	
		Templeton India Ultra Short Bond Fund - Super Institutional - Weekly Dividend Reinvestment	10	65,119,091.231	6,578.08	
			82,609,841.703	11,947.77		
			Sub-Total (A)		38,141.77	
1	<u>Non-Convertible Debentures :</u>	Non-Convertible Debentures of Prakausali India Private Limited	1000000	150.000	1,500.00	
					Sub-Total (B)	1,500.00
					Total (A+B)	39,641.77

SCHEDULES TO THE ACCOUNTS

	31st March, 2011 Rupees in lacs	31st March, 2010 Rupees in lacs
F. CURRENT ASSETS, LOANS AND ADVANCES		
INVENTORIES (at lower of cost and net realisable value)		
Raw materials [Including Stock in transit Rs. 7.72 lacs (Previous year - Rs. 136.65 lacs)]	2,436.85	1,729.48
Packing materials [Including Stock in transit Rs. 44.24 lacs (Previous year - Rs. 28.85)]	498.38	374.65
Work-in-process	1,167.91	998.35
Finished products	5,482.21	5,794.67
	<u>9,585.35</u>	<u>8,897.15</u>
SUNDRY DEBTORS (Unsecured)		
Debts outstanding for a period exceeding six months:		
Considered good	108.48	-
Considered doubtful	366.58	173.96
Other debts:		
Considered good	3,851.08	3,547.85
Considered doubtful	-	-
	<u>4,326.14</u>	<u>3,721.81</u>
Less: Provision for doubtful debts	366.58	173.96
	<u>3,959.56</u>	<u>3,547.85</u>
CASH AND BANK BALANCES		
Cash on hand	12.96	12.26
Balance with scheduled banks:		
In current accounts	1,554.05	1,354.85
In fixed and margin deposits (provided against bank guarantees)	68.30	63.92
	<u>1,635.31</u>	<u>1,431.03</u>
LOANS AND ADVANCES (Unsecured, unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received:		
Considered good	1,562.67	1,273.90
Considered doubtful	22.57	10.31
	<u>1,585.24</u>	<u>1,284.21</u>
Less : Provision for doubtful advances	22.57	10.31
	<u>1,562.67</u>	<u>1,273.90</u>
Loan to FDC International Limited, U.K., wholly owned subsidiary [Maximum balance during the year Rs. 231.04 lacs (Previous year - Rs. 231.04 lacs)]	-	231.04
Loan to Fair Deal Corporation Pharmaceutical SA (Pty) Ltd., joint venture entity # [Maximum balance during the year Rs. 237.35 lacs (Previous year - Rs. 226.32 lacs)]	237.35	226.32
Inter Corporate Deposits		
Secured	1,900.00	-
Unsecured	525.00	25.00
Sundry deposits	123.16	122.07
Less : Provision for doubtful advances	4.58	4.58
	<u>118.58</u>	<u>117.49</u>
Advance fringe benefit tax (net of provision)	20.27	-
Interest/ Premium accrued on Investments	81.94	-
MAT credit entitlement	1,870.00	540.00
Balance with customs and excise authorities	0.89	2.76
	<u>6,316.70</u>	<u>2,416.51</u>
TOTAL	<u>21,496.92</u>	<u>16,292.54</u>

The loan is payable on demand.

SCHEDULES TO THE ACCOUNTS

	31st March, 2011 Rupees in lacs	31st March, 2010 Rupees in lacs
G. CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry creditors		
Micro and Small Enterprises (Refer Note 6 of Schedule 'N')	-	-
Others	3,700.00	4,144.67
	3,700.00	4,144.67
Other liabilities	2,381.50	2,479.84
Sundry deposits	1,106.44	1,076.72
Advance from customers	94.69	67.71
Investor Education and Protection Fund (shall be credited as and when due by the following amount)		
Unpaid dividend (Refer Note 23 of Schedule 'N')	68.57	65.17
	7,351.20	7,834.11
PROVISIONS		
Provision for tax (net of advances)	268.04	57.09
Provision for fringe benefit tax (net of advances)	-	3.00
Provision for retirement benefits (Refer Note 8 of Schedule 'N')	296.44	291.74
Provision for gratuity fund (Refer Note 8 of Schedule 'N')	27.82	210.84
Provision for Wealth tax	3.76	4.58
Proposed dividend - final	3,688.63	3,259.87
Dividend tax	598.39	541.42
	4,883.08	4,368.54
TOTAL	12,234.28	12,202.65

SCHEDULES TO THE ACCOUNTS

	2010-2011 Rupees in lacs	2009-2010 Rupees in lacs
H. OTHER INCOME		
Operating Income :		
Export incentives	272.53	186.64
Claims received	30.06	202.84
Miscellaneous receipts (Refer Note 22 of Schedule 'N')	172.99	173.11
Income from processing charges	63.39	53.70
Profit on sale of fixed assets (net)	-	15.72
Interest Received (Refer Note 9 of Schedule 'N')	38.07	39.03
Provision for doubtful debts/advances no longer required, written back	8.25	23.11
Provision for expenses no longer required, written back	<u>103.13</u>	<u>91.72</u>
SUB TOTAL (A)	688.42	785.87
Non Operating Income :		
Interest received [Includes Rs. 9.85 lacs (Previous year Rs. 16.79 lacs) from subsidiaries]	212.69	37.77
[Tax deducted at source Rs. 24.96 lacs (Previous year - Rs. 1.57 lacs)] (Refer Note 9 of Schedule 'N')		
Miscellaneous receipts (Refer Note 22 of Schedule 'N')	50.17	50.87
Provision for diminution in value of current investments, written back	13.43	852.73
Income from current investments :		
Dividend on current investments (other than trade)	916.12	483.04
Profit on sale of current investments (net)	<u>1,005.30</u>	<u>962.09</u>
	1,921.42	1,445.13
Income from long term investments :		
Premium on Non Convertible Debentures	77.22	-
Interest on Non Convertible Debentures	215.06	-
[Tax deducted at source Rs. 25.79 lacs (Previous year - Nil)]		
Dividend on long term investments (other than trade)	<u>10.82</u>	<u>0.10</u>
	303.10	0.10
	<u>2,224.52</u>	<u>1,445.23</u>
SUB TOTAL (B)	2,500.81	2,386.60
TOTAL (A+B)	3,189.23	3,172.47
I. COST OF MATERIALS		
Raw materials consumed	15,689.53	14,001.76
Packing materials consumed	4,523.49	3,813.91
Purchase for resale	8,929.53	6,954.59
Decrease in Stock		
Closing stock :		
Work - in - process	1,167.91	998.35
Finished products	<u>5,482.21</u>	<u>5,794.67</u>
	6,650.12	6,793.02
Less : Opening stock :		
Work - in - process	998.35	719.68
Finished products	<u>5,794.67</u>	<u>6,658.35</u>
	6,793.02	7,378.03
Decrease in Stock	<u>142.90</u>	<u>585.01</u>
Decrease in excise duty on finished products	(0.70)	(12.84)
TOTAL	29,284.75	25,342.43

SCHEDULES TO THE ACCOUNTS

	2010-2011 Rupees in lacs	2009-2010 Rupees in lacs
J. EMPLOYEES' COST		
Salaries, wages, bonus and commission	7,283.69	6,088.22
Contribution to provident and other funds (Refer Note 8 of Schedule 'N')	870.49	806.21
Welfare expenses	336.40	293.43
TOTAL	<u>8,490.58</u>	<u>7,187.86</u>
K. OPERATING EXPENSES		
Processing charges	897.76	508.79
Power, fuel and water charges	1,268.28	1,144.19
Pharma Miscellaneous expenses	946.37	911.37
Repairs and maintenance:		
Building	289.95	267.17
Plant and machinery	416.35	415.55
Other assets	225.67	230.13
	<u>931.97</u>	<u>912.85</u>
Stores and spares	348.39	262.42
Rent (Refer Note 13 of Schedule 'N')	47.80	66.30
Rates and taxes	84.65	78.84
Insurance	90.78	56.37
Travelling and conveyance	2,774.91	2,474.49
Communication expenses	137.33	146.38
Carriage, freight and forwarding	1,475.76	1,157.49
Advertisement and sales promotion	3,585.89	3,094.75
Sales tax/ Value added tax	83.22	74.33
Commission on sales	367.14	347.24
Auditors' remuneration :		
As Auditors	13.79	13.93
In other manner - Certification	0.55	1.82
	<u>14.34</u>	<u>15.75</u>
Directors sitting fees	2.63	1.78
Bad debts written off	3.17	-
Provision for doubtful debts	200.87	16.69
Provision for doubtful advances	12.27	-
Provision for diminution in value of current investments	617.51	26.86
Amortisation of premium on Non Convertible Debentures	59.17	-
Loss on fixed assets sold/ scrapped (net)	14.14	-
Research and Development Expenses	550.95	563.94
Donation	33.06	35.56
Miscellaneous expenses	1,377.00	1,273.57
TOTAL	<u>15,925.36</u>	<u>13,169.96</u>
L. FINANCE EXPENSES		
Interest on Others (Refer Note 9 of Schedule 'N')	105.59	98.21
Bank Charges	28.39	33.78
TOTAL	<u>133.98</u>	<u>131.99</u>

M. SIGNIFICANT ACCOUNTING POLICIES

1. 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 3 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.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of 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.

3. 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 Profit and Loss Account.

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.

4. DEPRECIATION/ AMORTISATION/ IMPAIRMENT

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

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

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 percent.

Leasehold land/ improvements are amortised over the period of lease ranging from 30 to 99 years.

5. INTANGIBLE ASSETS

Technical know-how

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

Licenses

Cost relating to licenses, 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.

6. INVESTMENTS

Investments that are readily realisable and intended to be held for not more than a year 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 long-term investments which are valued at cost less provision for diminution in value, other than temporary, if any.

7. 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-process 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-process includes material cost, labour, direct expenses, production overheads and excise duty, where applicable.

8. 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. Sales include excise duty but exclude sales tax/ value added tax.

Dividend is recognised when the Company's right to receive the payment is established by the balance sheet date. Dividend from subsidiaries is recognised even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of Schedule VI of the Companies Act, 1956.

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.

9. 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 Profit and Loss Account.

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 Profit and Loss Account 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.

10. 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 are credited to Capital Reserve. Government grants related to revenue is recognised on a systematic basis in the Profit and Loss Account 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.

11. EMPLOYEE BENEFITS

Company's contribution to recognised provident fund, family pension fund and superannuation fund is defined contribution plan and is charged to the Profit and Loss Account 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 Profit and Loss Account.

12. RESEARCH AND DEVELOPMENT

Capital expenditure on capital assets for Research and Development is included in fixed assets. Revenue expenditure is charged off to Profit and Loss Account in the year in which it is incurred.

13. 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 Profit and Loss Account on a straight line basis over the lease term.

14. 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.

15. 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 only when and to the extent 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.

16. 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.

17. 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.

N. NOTES TO FINANCIAL STATEMENTS

1. Contingent liabilities not provided for:

	31st March, 2011 Rupees in lacs	31st March, 2010 Rupees in lacs
(i) <u>Disputed tax matters</u>		
Income tax	10.29	10.29
Excise duty	128.50	138.13
Sales tax	116.82	107.03
(ii) In respect of guarantees given by banks	112.31	78.72
2. Letter of credit issued by bankers	241.10	971.41
3. Estimated amount of duty payable on export obligation against outstanding advance licences	2.55	3.47
4. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid) - Tangible assets	973.89	275.69
5. Under various schemes of Government of Maharashtra, the Company has entitled to Sales Tax deferral incentives for its units at Waluj and Sinnar. These are repayable after a period of 10-12 years from the year of availment as per the repayment schedule.		
6. 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.		
7. Of the total investments stated in Schedule 'E' to the accounts, 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.		
8. As per Accounting Standard 15 (revised 2005) - "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:		

Defined Contribution Plan

Contribution to Defined Contribution Plans recognised as expense for the year under Contribution to provident and other funds (Schedule 'J') are as under:-

	2010-2011 Rupees in lacs	2009-2010 Rupees in lacs
Employer's Contribution to Provident Fund	229.18	200.54
Employer's Contribution to Pension Scheme	219.29	199.92
Employer's Contribution to Superannuation Fund	71.34	63.54

Defined Benefit Plan

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

Rupees in lacs

	Gratuity	
	Funded Plan	
	31st March, 2011	31st March, 2010
I Change in Benefit Obligation		
Liability at the beginning of the year	607.25	407.99
Interest Cost	45.54	36.33
Current Service Cost	116.31	81.58
Past Service Cost (Vested Benefit)	28.80	-
Benefit Paid	(62.78)	(41.75)
Actuarial (gain)/ loss on obligations	(4.24)	123.10
Liability at the end of the year	730.88	607.25
II Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	396.41	371.17
Expected Return on Plan Assets	31.71	32.37
Contributions	347.00	54.41
Benefit Paid	(62.78)	(41.75)
Actuarial gain/ (loss) on Plan Assets	(9.28)	(19.79)
Fair Value of Plan Assets at the end of the year	703.06	396.41
Total Actuarial gain/ (loss)	(5.04)	(142.89)
III Actual Return on Plan Assets		
Expected Return on Plan Assets	31.71	32.37
Actuarial gain/ (loss) on Plan Assets	(9.28)	(19.79)
Actual Return on Plan Assets	22.43	12.58
IV Amount recognised in the Balance Sheet		
Liability at the end of the year	(730.88)	(607.25)
Fair Value of Plan Assets at the end of the year	703.06	396.41
Amount recognised in the Balance Sheet	(27.82)	(210.84)
V Expenses recognised in the Income Statement		
Current Service Cost	116.31	81.58
Interest Cost	45.54	36.33
Expected Return on Plan Assets	(31.71)	(32.37)
Past Service Cost (Vested Benefit) recognised	28.80	-
Net Actuarial (gain)/ loss	5.04	142.89
Expense recognised in Profit and Loss Account	163.98	228.43
VI Balance Sheet Reconciliation		
Opening Net Liability	210.84	36.82
Expense as above	163.98	228.43
Employers Contribution	(347.00)	(54.41)
Amount recognised in the Balance Sheet	27.82	210.84
VII Investment Details		
Government of India Assets	192.38	103.09
Corporate Bonds	256.57	140.83
State Government	148.59	87.59
Equity	95.46	53.22
Others	10.06	11.68
Total	703.06	396.41
VIII Actuarial Assumptions		
Discount Rate Current	8.00%	7.50%
Rate of Return on Plan Assets Current	8.00%	8.00%
Salary Escalation Current	7.00%	7.00%

IX. Experience Adjustments

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

X Salary Escalation Rate

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

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

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

XII The Company expects to contribute Rs. 156.17 lacs to gratuity in next year (Previous year - Rs. 232.25 lacs).

The liability for Leave Encashment as at the year end is Rs.259.75 lacs (Previous year - Rs.259.59 lacs) and provision for sick leave as at the year end is Rs. 36.69 lacs (Previous year – Rs. 32.15 lacs).

9. Finance expenses does not include any interest paid towards fixed loans.

Interest received and, shown under operating income includes interest on delayed payment from debtors and interest on staff loans. Interest received and, shown under Non operating income includes interest on inter corporate deposits given, interest on loan to subsidiary company and joint venture.

10. Following are the major components of Deferred tax (asset)/ liability:

	31st March, 2011	31st March, 2010
	Rupees in lacs	Rupees in lacs
<u>Deferred tax liabilities</u>		
Depreciation	3,085.30	2,691.15
Others	-	3.76
(A)	3,085.30	2,694.91
<u>Less:- Deferred tax assets</u>		
Provision for doubtful debts/ advances	127.19	62.73
Provision for diminution in the value of investments	201.60	7.99
Liabilities disallowed under Section 43B of the Income-tax Act, 1961	215.43	200.79
Expenses disallowed under Section 40(a)(ia) of the Income-tax Act, 1961	29.99	32.69
(B)	574.21	304.20
Net Deferred tax liability	(A)-(B)	
	2,511.09	2,390.71

11. Segment Information:

Primary segment information

The Company is engaged in pharmaceutical business which as per Accounting Standard 17 -“Segment Reporting” is considered the only reportable 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

Particulars	India	Others	Total
Segment Revenue (Net)	62,611.71 (56,379.40)	7,019.10 (5,707.54)	69,630.81 (62,086.94)
Carrying amount of assets by location of assets	47,625.81 (42,734.09)	2,218.54 (1,580.44)	49,844.35 (44,314.53)
Additions to tangible and intangible assets	1,554.86 (2,903.98)	509.24 (324.00)	2,064.10 (3,227.98)

Previous year’s figures are shown in brackets.

12. 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.

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
- Ms. Aditi Bhanot, Daughter of Mr. Ashok A. Chandavarkar

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

- Anand Synthochem Limited
- Mejda Marketing Private Limited
- Akhil Farma Limited
- Aditi Sales Corporation
- Soven Trading and Investment Company Private Limited
- Transgene Trading and Investment Company Private Limited

Nature of transaction:

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	491.44 (806.13)	- (24.51)	- (-)	- (-)	- (-)	491.44 (830.64)
Services received	- (-)	- (-)	- (-)	- (-)	37.77 (44.32)	37.77 (44.32)
Rent paid	- (-)	- (-)	- (-)	- (-)	0.33 (0.33)	0.33 (0.33)
Reimbursement of expenses	- (72.62)	- (-)	- (-)	- (-)	- (-)	- (72.62)
Finance						
Loans recovered	239.50 (-)	- (-)	- (-)	- (-)	- (-)	239.50 (-)
Interest income	9.85 (16.79)	11.87 (11.32)	- (-)	- (-)	- (-)	21.72 (28.11)
Remuneration*	- (-)	- (-)	156.23 (130.84)	- (-)	- (-)	156.23 (130.84)
Commission	- (-)	- (-)	271.79 (231.85)	- (-)	- (-)	271.79 (231.85)
Sitting fees	- (-)	- (-)	- (-)	- (0.05)	- (-)	- (0.05)
Dividend paid	- (-)	- (-)	539.88 (268.26)	321.25 (346.82)	584.94 (417.81)	1446.07 (1032.89)
Outstanding Balances						
- Payable	- (-)	- (-)	282.91 (242.51)	- (-)	- (-)	282.91 (242.51)
- Loans granted	- (231.04)	237.35 (226.32)	- (-)	- (-)	- (-)	237.35 (457.36)
- Interest on loans granted	- (25.59)	23.74 (11.32)	- (-)	- (-)	- (-)	23.74 (36.91)
- Receivable against sales	216.39 (108.96)	- (-)	- (-)	- (-)	- (-)	216.39 (108.96)

* 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:

	2010-2011 Rupees in lacs	2009-2010 Rupees in lacs
1 Sale of goods		
FDC International Limited	491.44	806.13
2 Services received		
Anand Synthochem Limited	11.49	12.79
Mejda Marketing Private Limited	13.12	19.17
Akhil Farma Limited	13.16	12.36
3 Rent paid		
Akhil Farma Limited	0.33	0.33
4 Reimbursement of expenses		
FDC International Limited	–	72.62
5 Loans recovered		
FDC International Limited	239.50	–
6 Interest received		
FDC International Limited	9.85	16.79
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	11.87	11.32
7 Remuneration		
Mr. Mohan A. Chandavarkar	41.65	39.00
Mr. Ashok A. Chandavarkar	35.07	33.28
Mr. Nandan M. Chandavarkar	45.28	44.46
Mr. Ameya A.Chandavarkar	34.23	14.10
8 Commission		
Mr. Mohan A. Chandavarkar	87.67	82.55
Mr. Ashok A. Chandavarkar	70.14	66.05
Mr. Nandan M. Chandavarkar	70.14	66.05
Mr. Ameya A. Chandavarkar	43.84	17.20
9 Sitting fees		
Mr. Ameya A. Chandavarkar	–	0.05
10 Dividend paid		
Mr. Mohan A. Chandavarkar	190.98	136.41
Mr. Ashok A. Chandavarkar	184.28	131.63
Ms. Sandhya M. Chandavarkar	183.46	193.54
Soven Trading and Investment Company Private Limited	285.73	204.09
Transgene Trading and Investment Company Private Limited	299.21	213.72
11 Outstanding Balances Payable		
Mr. Mohan A. Chandavarkar	90.60	85.33
Mr. Ashok A. Chandavarkar	72.63	68.40
Mr. Nandan M. Chandavarkar	73.35	69.15
Mr. Ameya A. Chandavarkar	46.33	19.63
12 Outstanding Balances against loans granted		
FDC International Limited	–	231.04
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	237.35	226.32
13 Outstanding Balances against interest on loans granted		
FDC International Limited	–	25.59
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	23.74	11.32
14 Outstanding Balances receivable against sales		
FDC International Limited	216.39	108.96

13. 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 'Operating Expenses' (Schedule 'K').

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.

14. Excise duty on sales amounting to Rs.1,079.68 lacs (Previous year - Rs. 1,041.72 lacs) has been reduced from Sales in Profit and Loss Account and excise duty on Decrease in stock amounting to Rs.0.70 lacs (Previous year - Rs. 12.84 lacs) has been considered as income in Schedule 'I' to the accounts.

15. Pursuant to the 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, 2011	Percentage of Ownership Interest as on 31st March, 2010
1.	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	Republic of South Africa	49%	49%

The Company's interest in the JV is reported as Long Term Investment (Schedule 'E') and stated at cost. However, 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 statement of Fair Deal Corporation Pharmaceutical SA (Pty) Ltd. is as follows as at 31st March 2011:

	31st March, 2011	31st March, 2010
Rupees in lacs		
BALANCE SHEET		
Unsecured Loan	274.48	244.83
Fixed assets (net of depreciation)	125.97	155.51
Deferred tax asset	22.25	17.43
Current assets, loans and advances		
Inventories	20.90	36.22
Sundry debtors	195.34	48.92
Cash and bank balances	59.83	77.34
Loans and advances	1.67	12.40
Current liabilities and provisions		
Current liabilities	75.45	75.21
Provisions	(1.40)	(15.18)
Net current assets	203.69	114.85
	2010-2011	2009-2010
PROFIT AND LOSS ACCOUNT		
Income		
Sales	699.42	697.53
Other income	1.02	1.27
Expenditure		
Cost of materials	582.06	615.06
Employees' cost	7.28	9.61
Operating expenses	20.34	11.43
Finance expenses	12.83	12.86
Depreciation	25.41	125.49
Provision for taxation		
Current tax	13.77	-
Deferred Tax	(4.82)	(17.43)

No contingent liabilities and capital commitments have been incurred as at 31st March, 2011 in relation to the Company's interest in the JV along with the other venturers (Previous year - Rs. Nil).

16. Earnings per share has been computed as under:

	2010-2011	2009-2010
Profit after tax for the year (Rupees in lacs)	14,874.59	14,881.93
Weighted Average number of shares*	186,164,954	186,711,831
Nominal value per share (Rupees)	1.00	1.00
Earnings per share - Basic (Rupees)	7.99	7.97
- Diluted (Rupees)	7.99	7.97

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

17. Remuneration to Managerial Personnel included in Profit and Loss Account:

	2010-2011 Rupees in lacs	2009-2010 Rupees in lacs
A) <u>Chairman and Wholetime Directors</u>		
Salaries	131.73	109.97
Commission	271.79	231.85
Perquisites	2.27	2.31
Contribution to Provident fund and other funds	22.23	18.56
	428.02	362.69
B) <u>Non-wholetime Directors</u>		
Commission	19.15	9.45
Sitting Fees	2.63	1.78
	21.78	11.23
Total Managerial Remuneration	449.80	373.92

Note: The above remuneration does not include contribution to Gratuity Fund and provision for leave encashment, as this contribution/ provision is a lump sum amount for all relevant employees based on an actuarial valuation.

18. Computation of net profit in accordance with section 349 and section 198 of the Companies Act, 1956:

	2010-2011 Rupees in lacs	2009-2010 Rupees in lacs
Profit before tax as per Profit and Loss Account	17,286.82	17,979.14
Add: Directors' remuneration (including commission)	447.17	372.14
Diminution in value of current investments	617.51	26.86
Provision/(Write back) for doubtful debts/advance (net)	204.89	-
Profit/ (Loss) on sale of fixed assets as per Section 349 of the Companies Act, 1956	(17.02)	(29.73)
	18,539.37	18,348.41
Less: Profit on sale of investments	1,005.30	962.09
Provision/(Write back) for doubtful debts/advance (net)	-	6.42
Diminution in current value of Investments w/back	13.43	852.73
Profit/ (Loss) on sale of assets (net) as per Profit and Loss Account	(14.14)	15.72
Net Profit	17,534.78	16,511.45
Commission payable to Managing Director and Wholetime Directors @ 1.55 % of the net profit calculated above (Previous year @ 1.55%)	271.79	231.85
Commission payable to Non-Wholetime Directors @ 0.25% of the net profit calculated above, restricted to Rs.19.15 lacs (Previous year - Rs. 9.45 lacs)	19.15	9.45

19. 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, 2011	31st March, 2010	31st March, 2011	31st March, 2010
Bank balances	USD	244,528	106,714	107.70	47.38
	EUR	–	3,892	–	2.32
	GBP	29,879	167,008	21.12	111.76
Sundry debtors	USD	2,599,755	1,445,244	1,150.13	646.67
	EUR	181,079	41,342	112.90	24.69
	GBP	305,629	162,502	216.39	108.96
	JPY	15,600,000	12,500,000	82.99	59.66
Loans and advances	EUR	–	1,141	–	0.68
	USD	327,615	176,694	143.99	78.45
	GBP	–	401,715	–	269.32
	ZAR	4,184,141	3,993,953	261.09	237.64
	JPY	351,000	–	1.87	–
Sundry creditors	EUR	61,640	37,015	39.62	22.82
	USD	234,396	764,490	105.93	350.04
	GBP	–	38,247	–	26.48
Investment in subsidiaries/ joint venture entity	USD	50,000	50,000	22.00	22.00
	ZAR	159,250	159,250	11.30	11.30
	GBP	1	1	0.00	0.00

20. Revenue expenditure on research and development (including depreciation and amortisation) aggregating to Rs.1,461.03 lacs (Previous year - Rs. 1,371.26 lacs) is included under relevant heads in the Profit and Loss Account.
21. Costs of samples (manufactured and purchased) have been included in Cost of Materials.
22. Foreign exchange fluctuation gain (net) during the year of Rs.91.68 lacs (Previous year – Rs. 86.63 lacs) is included under Miscellaneous receipts.
23. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.
24. 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 7th February 2011, the Company has bought back from open market through stock exchanges 1,708,828 equity shares of Re. 1 each during the year for a total consideration of Rs. 1,790.61 lacs. Of this, the company has extinguished 1,641,828 equity shares till 31st March 2011 and 67,000 equity shares have been extinguished subsequent to the balance sheet date. Consequently, an amount of Rs.17.09 lacs being the nominal value of equity shares bought back has been transferred to Capital Redemption Reserve from General Reserve. An amount of Rs. 1,773.52 lacs being the premium on buyback has been appropriated from General Reserve.

25. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 3, 4C, 4D OF PART II OF SCHEDULE -VI TO THE COMPANIES ACT ,1956

a) Details of Capacity ,Production ,Purchases ,Sales and Stock :

CLASS OF PRODUCTS	UNIT OF MEASURE	INSTALLED CAPACITY	OPENING STOCK		PRODUCTION	PURCHASE FOR RESALE		SALES		CLOSING STOCK	
			QTY.	Rs. in lacs		QTY.	Rs. in lacs	QTY.	Rs. in lacs	QTY.	Rs. in lacs
1. FORMULATIONS											
(I) Injectables/ Ophthalmics	Litres	324,000.00 (324,000.00)	90,832.13 (85,177.90)	902.59 (842.92)	249,552.28 (244,178.22)	142,906.77 (161,657.31)	1,345.41 (1,098.00)	399,315.83 (400,181.30)	7,631.96 (7,149.45)	83,975.35 (90,832.13)	898.68 (902.59)
(II) Tablets, Capsules etc.	Nos. In crores	211.92 (211.92)	23.52 (29.30)	2,841.00 (3,748.63)	189.86 (116.13)	28.15 (25.23)	4,580.72 (3,546.05)	217.83 (147.14)	38,313.11 (36,081.52)	23.70 (23.52)	2,942.30 (2,841.00)
(III) Cream, Powder, Ointments, Granules, Liquids, etc.	Kgs./Litres	6,306,840.00 (6,306,840.00)	728,525.15 (879,120.28)	1,327.55 (1,642.33)	3,699,877.47 (3,006,555.03)	613,071.41 (581,264.48)	1,327.34 (1,092.25)	4,430,048.80 (3,738,414.64)	16,650.88 (13,555.24)	611,425.23 (728,525.15)	1,159.56 (1,327.55)
2. FOODS PRODUCTS											
(I) Powder , Liquid , etc.	Kgs./Litres	1,068,000.00 (1,068,000.00)	381,074.36 (265,620.83)	427.25 (278.81)	1,494,472.48 (1,249,874.20)	- (-)	- (-)	1,542,632.39 (1,134,420.67)	2,717.73 (2,113.88)	332,914.45 (381,074.36)	368.11 (427.25)
(II) Capsules	Nos. In crores	- (-)	0.07 (0.06)	12.37 (8.88)	- (-)	0.26 (0.29)	49.81 (53.72)	0.25 (0.28)	89.84 (96.76)	0.08 (0.07)	14.84 (12.37)
3 . BASIC DRUGS											
	Kgs.	125,500.00 (121,500.00)	10,056.08 (1,807.61)	283.91 (136.78)	92,981.79 (76,541.70)	27,147.60 (16,092.83)	1,034.46 (622.68)	*126,571.60 *(82600.88)	5,306.97 (4,131.81)	2,245.91 (10,056.08)	98.72 (283.91)
4 . OTHERS											
		- (-)	- (-)	- (-)	- (-)	- (-)	591.79 (541.89)	- (-)	- (-)	- (-)	- (-)
TOTAL											
				5,794.67 (6,658.35)			8,929.53 (6,954.59)		70,710.49 (63,128.66)		5,482.21 (5,794.67)

(*) Excluding captive consumption 1,367.96 kgs (Previous Year - 1,785.18 kgs).
Previous year's figures are shown in brackets.

- Notes: (i) Since the industrial licencing for Drugs and Pharmaceuticals has been abolished under the Industrial Policy, the particulars of licenced capacity are not stated.
- (ii) Installed capacities are certified by the Company's Technical Expert, on single shift basis for Tablets / Capsules/ Liquid /Dry Syrup , two shifts basis for Granules, Powder & Liquid Oral and three shifts basis for Injectables / Ophthalmics , ORS Granules , Bulk Drugs and Food Products activities.
- (iii) The same have not been verified by the Auditors, this being a technical matter.
- (iii) Actual production includes production for captive consumption and products manufactured under loan licence by others but excludes products manufactured for others and samples manufactured during the year.
- (iv) Others under the head Purchase for Resale, includes cost of samples purchased.

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b) Consumption of Raw Materials:	Quantity in M.T.	2010-2011 Rupees in lacs
i) Cefixime Trihydrate	44.70	4,714.72
	(39.57)	(3,972.53)
ii) Other Raw Materials		10,974.81
		(10,029.23)
Total		15,689.53
		(14,001.76)
Imported and Indigenous Raw Materials consumed	Rupees in lacs	Percentage
Indigenous	13,447.21	85.71
	(11,249.00)	(80.34)
Imported	2,242.32	14.29
	(2,752.76)	(19.66)
Total	15,689.53	100.00
	(14,001.76)	(100.00)
Previous year's figures are shown in brackets.		
c) Imported and Indigenous Components, Stores and spares consumed:	Rupees in lacs	Percentage
Indigenous	345.12	85.26
	(256.97)	(69.17)
Imported	59.68	14.74
	(114.51)	(30.83)
Total	404.80	100.00
	(371.48)	(100.00)
Previous year's figures are shown in brackets.		
d) CIF value of imports:	2010-2011 Rupees in lacs	2009-2010 Rupees in lacs
Raw material	2,163.91	3,308.69
Packing material	185.79	288.26
Components, Stores and spares	59.68	114.51
Capital goods	360.47	576.66
Intangible assets	185.24	324.00
Total	2,955.09	4,612.12
e) Earning in foreign currency (Accrual) :	2010-2011 Rupees in lacs	2009-2010 Rupees in lacs
FOB value of exports	6,700.06	5,587.74
Interest	21.72	28.11
Others	0.97	1.14
Total	6,722.75	5,616.99
f) Expenditure in foreign currency: (Cash basis)	2010-2011 Rupees in lacs	2009-2010 Rupees in lacs
Export Sales Expenses	87.69	107.78
Export Commission	32.79	41.51
Foreign travelling	12.35	14.55
Others (gross)	12.89	7.33
Total	145.72	171.17

26. Previous year's figures have been regrouped/ reclassified, wherever necessary to confirm to this years classification.
Signatures to Schedules "A" to "N"

As per our report of even date

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

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ASHOK A. CHANDAVARKAR
Director

per AMIT MAJMUDAR
Partner
Membership No. 36656

SHALINI KAMATH
Company Secretary

Place : Mumbai
Date : May 26, 2011

Place : Mumbai
Date : May 26, 2011

Additional information pursuant to Part IV of Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and Company's General Business Profile

I. Registration details

Registration No. 3 1 7 6 State Code 1 1

Balance Sheet Date 3 1 0 3 2 0 1 1
Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue N I L Preferential Issue N I L

Bonus Issue N I L Private Placement N I L

III. Position of Mobilization and deployment of funds (Amount in Rs. Thousands)

Total Liabilities 7 6 1 6 4 2 1 Total Assets 7 6 1 6 4 2 1

Sources of Funds

Paid-Up Capital 1 8 5 3 5 6 Reserves & Surplus 5 9 3 5 9 1 9

Secured Loans N I L Unsecured Loans 2 0 6 0 9

Deferred Tax Liability 2 5 1 1 0 9

Application of Funds

Net Fixed Assets 2 8 3 4 7 4 3 Investments 2 6 3 1 9 8 6

Net Current Assets 9 2 6 2 6 4 Misc. Expenditure N I L

Accumulated Losses N I L

IV. Performance of Company (Amount in Rs. Thousands)

Turnover 7 2 8 2 0 0 4 Total Expenditure 5 5 5 3 3 2 1

Profit/(-) Loss Before Tax 1 7 2 8 6 8 3 Profit/(-) Loss after Tax 1 4 8 7 4 5 9

Earning Per Share in Rs. 7 . 9 9 Dividend Rate % 2 0 0 . 0 0

V. Generic names of three principal products / services of the Company (As per monetary terms)

Item Code No. (ITC Code) 3 0 0 4 2 0 . 1 9

Product Description C E F I X I M E T R I H Y D R A T E

Item Code No. (ITC Code) 3 0 0 4 2 0 . 7 0

Product Description C E F A D R O X I L

Item Code No. (ITC Code) 3 0 0 4 5 0 . 0 3

Product Description O R A L R E H Y D R A T I O N S A L T S

Note: Classification of products / services under ITC Code being of a technical nature is not verified by the Auditors.

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

PARTICULARS	NAME OF THE SUBSIDIARIES	
	FDC International Limited	FDC Inc.
1. The Financial Year of the Subsidiary Companies ended on	31.03.2011	31.03.2011
2. Date on which they became subsidiaries	09.10.1997	01.09.2004
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
4. Extent of interest of Holding Company as at the end of the financial year of the Subsidiary Companies	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, 2011	GBP 154,434	(USD 1,471)
ii. For the financial years since they became subsidiaries	GBP 465,401	USD 42,711
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, 2011	Nil	Nil
ii. For the financial years since they became subsidiaries	Nil	Nil

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ASHOK A. CHANDAVARKAR
Director

SHALINI KAMATH
Company Secretary

Place : Mumbai
Date : May 26, 2011

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

To
The Board of Directors

We have audited the attached Consolidated Balance Sheet of FDC Limited's Group, as at 31st March 2011, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the FDC Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We did not audit the financial statements of subsidiaries whose financial statements reflect total assets of Rs. 486.89 lacs as at 31st March 2011, the total revenue of Rs. 922.01 lacs and cash flows amounting to Rs. (57.28) lacs for the year then ended. Further, we did not audit financial statements of a joint venture whose financial statements reflect company's proportionate share in total assets of Rs. 329.66 lacs as at 31st March 2011, total revenue of Rs. 700.44 lacs and cash flows amounting to Rs. (17.51) lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

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

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

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the FDC Limited's Group as at 31st March 2011 ;
- (b) in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date ; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES

Firm Registration No. 101049W
Chartered Accountants

per AMIT MAJMUDAR

Partner
Membership No. 36656

Place : Mumbai
Date : May 26, 2011

**CONSOLIDATED BALANCE SHEET AS AT
31ST MARCH, 2011**

	Schedule	31st March, 2011 Rupees in lacs	31st March, 2010 Rupees in lacs
I. SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	'A'	1,853.56	1,870.65
Reserves and surplus	'B'	59,785.60	50,791.29
		61,639.16	52,661.94
LOAN FUNDS			
Secured loans	'C'	105.51	127.08
Unsecured loans	'D'	346.07	368.67
DEFERRED TAX LIABILITY (NET) (Refer Note 10 of Schedule 'O')			
		2,511.09	2,390.71
TOTAL		64,601.83	55,548.40
II. APPLICATION OF FUNDS			
FIXED ASSETS			
Gross block	'E'	39,615.05	35,877.14
Less: Depreciation, Amortisation and Impairment		11,940.95	10,325.96
Net block		27,674.10	25,551.18
Capital work-in-progress including capital advances [Net of provision for impairment of assets Rs. 144.79 lacs (Previous year-Rs. 144.79 lacs)]		1,169.02	3,006.50
		28,843.12	28,557.68
INVESTMENTS			
	'F'	26,286.56	22,916.17
DEFERRED TAX ASSET (NET) (Refer Note 10 of Schedule 'O')			
		22.25	17.43
CURRENT ASSETS, LOANS AND ADVANCES			
	'G'	9,742.08	9,024.81
Inventories		4,074.80	3,681.49
Sundry debtors		1,806.41	1,676.92
Cash and bank balances		6,210.20	2,072.90
Loans and advances		21,833.49	16,456.12
Less: CURRENT LIABILITIES AND PROVISIONS			
	'H'	7,475.37	7,983.04
Current liabilities		4,908.22	4,415.96
Provisions		12,383.59	12,399.00
NET CURRENT ASSETS		9,449.90	4,057.12
TOTAL		64,601.83	55,548.40
Significant Accounting Policies Notes to the Consolidated Financial Statements	'N' 'O'		

The schedules referred to above and the notes to the consolidated financial statements form an integral part of the Consolidated Balance Sheet.

As per our report of even date

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

For and on behalf of the Board of
Directors

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ASHOK A. CHANDAVARKAR
Director

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

SHALINI KAMATH
Company Secretary

Place : Mumbai
Date : May 26, 2011

Place : Mumbai
Date : May 26, 2011

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2011**

	Schedule	2010-2011 Rupees in lacs	2009-2010 Rupees in lacs
INCOME			
Sales		71,840.62	64,255.80
Less: Excise duty		1,079.68	1,041.72
Net Sales		70,760.94	63,214.08
Other income	'I'	3,231.66	3,142.85
TOTAL		73,992.60	66,356.93
EXPENDITURE			
Cost of materials	'J'	29,916.30	25,922.67
Employees' cost	'K'	8,553.20	7,241.58
Operating expenses	'L'	16,106.54	13,397.57
Finance expenses	'M'	143.91	145.02
Depreciation and Amortisation	'E'	1,747.07	1,600.66
Less: Transfer from revaluation reserve	'B'	11.05	12.66
		1,736.02	1,588.00
TOTAL		56,455.97	48,294.84
Profit before taxation		17,536.63	18,062.09
Provision for taxation			
For the year			
- Current tax		3,490.18	2,934.27
- MAT credit entitlement		(1,330.00)	(540.00)
- Deferred tax		115.56	530.00
		2,275.74	2,924.27
For earlier years - Current		171.86	224.78
		2,447.60	3,149.05
Profit after taxation		15,089.03	14,913.04
Balance brought forward		21,091.66	12,954.18
Amount available for appropriation		36,180.69	27,867.22
APPROPRIATIONS			
Final dividend - proposed		3,688.63	3,259.87
Dividend tax		598.39	541.42
Transfer to General Reserve		3,000.00	3,000.00
Reversal of excess provision of dividend		-	(25.73)
Balance carried to Consolidated Balance Sheet		28,893.67	21,091.66
		36,180.69	27,867.22
Earnings per share (Refer Note 16 of Schedule 'O')			
Basic and diluted - Par value Re. 1 per share (Previous year - Re. 1 per share)		8.11	7.99
Significant Accounting Policies Notes to the Consolidated Financial Statements	'N' 'O'		

The schedules referred to above and the notes to the consolidated financial statements form an integral part of the Consolidated Profit and Loss Account.

As per our report of even date

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

For and on behalf of the Board of
Directors

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ASHOK A. CHANDAVARKAR
Director

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

SHALINI KAMATH
Company Secretary

Place : Mumbai
Date : May 26, 2011

Place : Mumbai
Date : May 26, 2011

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	2010-2011 Rupees in lacs		2009-2010 Rupees in lacs	
CASH FLOWS FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAXATION		17,536.63		18,062.09
Adjustments for :				
Depreciation and Amortisation	1,736.02		1,588.00	
Interest expense	115.13		108.88	
Premium income on Non Convertible Debentures	(77.22)		-	
Interest income	(412.08)		(15.59)	
Loss/ (Profit) on sale of fixed assets (net)	14.32		(16.21)	
Amortisation of premium on Non Convertible Debentures	59.17		-	
Dividend income	(926.94)		(483.14)	
Diminution in value of current investments	617.51		26.86	
(Profit)/ Loss on sale of investments (net)	(1,005.30)		(962.09)	
Translation adjustment on consolidation	(23.13)		(3.49)	
Unrealised foreign exchange loss/ (gain) on restatement	4.33		54.28	
Bad debts written off	3.17		8.39	
Provision for doubtful debts	200.87		16.69	
Provision for doubtful advances	12.27		-	
Provision for expenses no longer required, written back	(103.13)		(91.72)	
Provision for doubtful debts/ advances no longer required, written back	(8.25)		(23.11)	
Provision for diminution in value of current investments, written back	(13.43)	193.31	(852.73)	(644.98)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		17,729.94		17,417.11
Movements in Working Capital :				
(Increase) in debtors	(602.13)		(188.36)	
(Increase)/ decrease in inventories	(717.27)		534.33	
(Increase)/ decrease in advances	(194.94)		264.37	
(Decrease)/ increase in creditors	(404.44)		1,226.20	
(Decrease)/ increase in provisions	(179.14)	(2,097.92)	281.31	2,117.85
CASH GENERATED FROM OPERATIONS		15,632.02		19,534.96
Direct taxes paid (net of refunds)		(3,496.64)		(2,679.48)
NET CASH FROM OPERATING ACTIVITIES (A)		12,135.38		16,855.48
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES				
Purchase of fixed assets		(2,066.01)		(3,236.06)
Proceeds from sale of fixed assets		19.18		77.35
Inter corporate deposits given		(3,200.00)		-
Repayment of inter corporate deposits given		1,000.00		-
(Increase) in fixed and margin deposits		(4.38)		(5.64)
Purchase of investments		(51,865.28)		(22,942.31)
Proceeds from sale of investments		51,796.11		12,912.92
Premium paid on Non Convertible Debentures		(84.49)		-
Dividend received		925.54		485.50
Interest received		312.13		12.91
NET CASH USED IN INVESTING ACTIVITIES (B)		(3,167.20)		(12,695.33)
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES				
Repayment of term loan taken from bank		(21.57)		(144.21)
Proceeds from borrowings		15.11		15.65
Deferral from sales tax collection		-		14.78
Repayment of interest free sales tax loan		(37.71)		(39.62)
Payment towards buy back of shares		(1,790.61)		(744.14)
Dividend paid		(3,259.87)		(2,324.78)
Dividend tax paid		(541.42)		(399.47)
Interest paid		(115.21)		(109.14)
NET CASH USED IN FINANCING ACTIVITIES (C)		(5,751.28)		(3,730.93)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)		3,216.90		429.22
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1,610.67		1,181.45
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Refer Note 1 below)		4,827.57		1,610.67

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**Notes to the Consolidated Cash Flow Statement**

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

PARTICULARS	31st March, 2011 Rupees in lacs	31st March, 2010 Rupees in lacs
Cash on hand	13.09	12.39
Balance with scheduled banks :		
In current accounts (Refer Note 2 below)	1,725.02	1,600.61
Short term investments in mutual funds	2,900.00	–
Inter corporate deposits given	200.00	–
Unrealised foreign exchange (gain)/ loss on restatement of cash and cash equivalents	(10.54)	(2.33)
TOTAL	4,827.57	1,610.67

2. The balance in current accounts include Rs. 68.57 lacs (Previous year - Rs. 65.17 lacs) towards unclaimed dividend accounts which are not available for use by the Company as they represent corresponding dividend liabilities.

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES

Firm Registration No. 101049W
Chartered Accountants

per AMIT MAJMUDAR

Partner
Membership No. 36656

Place : Mumbai

Date : May 26, 2011

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ASHOK A. CHANDAVARKAR
Director

SHALINI KAMATH
Company Secretary

Place : Mumbai

Date : May 26, 2011

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	31st March, 2011 Rupees in lacs	31st March, 2010 Rupees in lacs		31st March, 2011 Rupees in lacs	31st March, 2010 Rupees in lacs
A. SHARE CAPITAL			B. RESERVES AND SURPLUS		
AUTHORISED			CAPITAL RESERVE	45.01	45.01
250,000,000 (Previous year - 250,000,000) Equity shares of Re. 1 each	2,500.00	2,500.00	CAPITAL REDEMPTION RESERVE		
ISSUED			Opening Balance	68.63	49.73
187,714,701 (Previous year - 189,423,529) Equity shares of Re. 1 each	1,877.15	1,894.24	Add: Transfer from General Reserve on account of buy back of shares (Refer Note 20 of Schedule 'O')	17.09	18.90
SUBSCRIBED AND PAID-UP			Closing Balance	85.72	68.63
184,569,701 (Previous year - 186,278,529) Equity shares of Re. 1 each, fully paid-up (Refer Note 20 of Schedule 'O')	1,845.70	1,862.79	SECURITIES PREMIUM ACCOUNT	*72.90	*72.90
Add : 3,145,000 (Previous year - 3,145,000) Equity shares forfeited	7.86	7.86	* Represents securities premium received on forfeited shares Rs. 72.90 lacs (Previous year - Rs. 72.90 lacs)		
TOTAL	1,853.56	1,870.65	REVALUATION RESERVE		
Of the above shares :			Opening Balance	84.46	97.12
(i) 15,000 (Previous year - 15,000) shares of Re. 1 each were allotted as fully paid-up pursuant to a contract for consideration other than cash.			Less: Transfer to Consolidated Profit and Loss Account	11.05	12.66
(ii) 28,900,000 (Previous year - 28,900,000) shares of Re. 1 each were allotted as fully paid-up by way of Bonus shares by capitalisation out of General Reserve.			Closing Balance	73.41	84.46
(iii) 95,730,551 (Previous year - 95,730,551) shares of Re. 1 each were allotted as fully paid-up by way of Bonus shares by capitalisation out of Securities Premium Account.			GENERAL RESERVE		
			Opening Balance	27,942.71	25,686.85
			Less: Premium paid for buy back of shares (Refer Note 20 of Schedule 'O')	1,773.52	725.24
			Less: Transfer to Capital Redemption Reserve Account	17.09	18.90
			Add: Transfer from Consolidated Profit and Loss Account	3,000.00	3,000.00
			Add: Transfer from Reserve for diminution in value/ loss on sale of investments	1,500.00	-
			Closing Balance	30,652.10	27,942.71
			RESERVE FOR DIMINUTION IN VALUE / LOSS ON SALE OF INVESTMENTS		
			Opening Balance	1,500.00	1,500.00
			Less: Transfer to General Reserve	1,500.00	-
			Closing Balance	-	1,500.00
			SURPLUS IN CONSOLIDATED PROFIT AND LOSS ACCOUNT	28,893.67	21,091.66
			TRANSLATION RESERVE		
			Opening Balance	(14.08)	(10.59)
			Add/ (Less): Movement during the year	(23.13)	(3.49)
			Closing Balance	(37.21)	(14.08)
			TOTAL	59,785.60	50,791.29
			C. SECURED LOANS		
			Term loan from bank	105.51	127.08
			(Secured by a charge on FDC International Limited, U.K.'s property)		
			TOTAL	105.51	127.08
			D. UNSECURED LOANS		
			Interest-free Sales tax loans		
			(Refer Note 6 of Schedule 'O')	206.09	243.80
			[Due within one year - Rs. 32.00 lacs (Previous year - Rs. 35.62 lacs)]		
			Other Loan	139.98	124.87
			(The loan is repayable on demand)		
			TOTAL	346.07	368.67

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

E. FIXED ASSETS

Rupees in lacs

PARTICULARS	GROSS BLOCK				DEPRECIATION/ AMORTISATION/ IMPAIRMENT				NET BLOCK	
	As at 01.04.2010	Additions	Deletions/ Adjustments	As at 31.03.2011	As at 01.04.2010	Depreciation For the year	Deletions/ Adjustments	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Intangible assets										
Dossiers	275.18	–	–	275.18	124.49	24.97	–	149.46	125.72	150.69
Marketing Rights	–	88.52	–	88.52	–	1.75	–	1.75	86.77	–
Tangible assets										
Leasehold land*	419.16	–	–	419.16	121.11	7.44	–	128.55	290.61	298.05
Freehold land**	1,321.81	49.62	–	1,371.43	–	–	–	–	1,371.43	1,321.81
Buildings***	11,762.94	808.27	2.22	12,568.99	1,624.71	310.64	0.18	1,935.17	10,633.82	10,138.23
Plant and machinery	12,415.31	1,378.64	107.95	13,686.00	@5,883.74	814.05	95.60	@6,602.19	7,083.81	6,531.57
Laboratory testing machines	2,139.59	161.60	0.85	2,300.34	459.00	105.03	0.85	563.18	1,737.16	1,680.59
Electrical installations	1,182.53	211.26	1.60	1,392.19	282.92	63.14	0.35	345.71	1,046.48	899.61
Furniture, fixtures and fittings	2,133.77	227.57	5.94	2,355.40	630.01	145.44	5.76	769.69	1,585.71	1,503.76
Office equipments	1,272.73	325.98	0.89	1,597.82	262.35	67.90	0.27	329.98	1,267.84	1,010.38
Vehicles	346.99	4.05	20.20	330.84	175.21	29.83	11.72	193.32	137.52	171.78
Capital expenditure on R&D										
Tangible										
Buildings	109.91	–	–	109.91	51.89	3.49	–	55.38	54.53	58.02
Equipments	2,155.35	564.55	25.77	2,694.13	669.33	110.28	17.19	762.42	1,931.71	1,486.02
Furniture and fixtures	108.49	83.43	0.16	191.76	34.76	9.99	0.16	44.59	147.17	73.73
Intangible										
Technical know-how	233.38	–	–	233.38	6.44	53.12	–	59.56	173.82	226.94
TOTAL	35,877.14	3,903.49	165.58	39,615.05	10,325.96	1,747.07	132.08	11,940.95	27,674.10	25,551.18
Previous year	33,149.83	2,938.56	211.25	35,877.14	8,875.41	1,600.66	150.11	10,325.96	25,551.18	

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

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

*** Building of Rs. 2,760.76 lacs (Previous year - Rs. 2,760.76 lacs) includes cost of unquoted fully paid shares in various co-operative housing societies.

@ Includes impairment of Rs. 49.80 lacs.

	31st March, 2011 Rupees in lacs	31st March, 2010 Rupees in lacs
F. INVESTMENTS		
(Other than trade unless otherwise stated)		
I. LONGTERM INVESTMENTS		
(At cost) (Unquoted)		
Government Securities		
(Refer Note 7 of Schedule 'O')		
National Savings Certificates	0.07	0.07
35 (Previous year - 35) Government of India G.P. Notes - face value of Rs. 2,000	0.02	0.02
In Others		
1,000 (Previous year - 1,000) Equity Shares of The Saraswat Co-op. Bank Limited of Rs. 10 each fully paid-up	0.10	0.10
5,000 (Previous year - 5,000) Equity Shares of The North Kanara G.S.B. Co-op. Bank Limited of Rs. 10 each fully paid-up	0.50	0.50
100 (Previous year - 100) Shares of Roha Industries Association Sahakari Grahak Bhandar Limited of Rs. 25 each fully paid-up	0.03	0.03
Units of Mutual Funds	6,550.58	–
Non Convertible Debentures	2,100.00	–
SUB TOTAL (I)	8,651.30	0.72

	31st March, 2011 Rupees in lacs	31st March, 2010 Rupees in lacs
II. CURRENT INVESTMENTS		
(At lower of cost and market value)		
Fully paid-up Equity Shares of Exchange Traded Fund (Quoted)	–	163.78
Fully paid-up Equity Shares (Quoted)	40.39	–
Less: Provision for diminution in value of Equity Shares	1.01	2.97
	39.38	160.81
Units of Mutual Funds (Unquoted)	18,216.23	22,778.53
Less: Provision for diminution in value of Mutual Funds	620.35	23.89
	17,595.88	22,754.64
SUBTOTAL (II)	17,635.26	22,915.45
TOTAL (I+II)	26,286.56	22,916.17

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	31st March, 2011 Rupees in lacs	31st March, 2010 Rupees in lacs		31st March, 2011 Rupees in lacs	31st March, 2010 Rupees in lacs
G. CURRENT ASSETS, LOANS AND ADVANCES			H. CURRENT LIABILITIES AND PROVISIONS		
INVENTORIES (At lower of cost and net realisable value)			CURRENT LIABILITIES		
Raw materials [Including Stock in transit Rs. 7.72 lacs (Previous year - Rs. 136.65 lacs)]	2,436.85	1,729.48	Sundry creditors	3,766.10	4,252.39
Packing materials [Including Stock in transit Rs. 44.24 lacs (Previous year - Rs. 28.85 lacs)]	498.38	374.65	Other liabilities	2,439.41	2,520.81
Work-in-process	1,167.91	998.35	Sundry deposits	1,106.44	1,076.72
Finished products [Including Stock in transit Rs. 75.18 lacs (Previous year - Rs. 68.02 lacs)]	5,638.94	5,922.33	Advance from customers	94.69	67.71
	9,742.08	9,024.81	Interest accrued but not due	0.16	0.24
SUNDRY DEBTORS (Unsecured)			Investor Education and Protection Fund (shall be credited as and when due by the following amount)		
Debts outstanding for a period exceeding six months :			Unpaid dividend	68.57	65.17
Considered good	108.78	1.76		7,475.37	7,983.04
Considered doubtful	366.58	173.96	PROVISIONS		
Other debts :			Provision for tax (net of advances)	293.18	104.51
Considered good	3,966.02	3,679.73	Provision for fringe benefit tax (net of advances)	-	3.00
Considered doubtful	-	-	Provision for retirement benefits (Refer Note 8 of Schedule 'O')	296.44	291.74
Less: Provision for doubtful debts	366.58	173.96	Provision for gratuity fund (Refer Note 8 of Schedule 'O')	27.82	210.84
	4,074.80	3,681.49	Provision for wealth tax	3.76	4.58
CASH AND BANK BALANCES			Proposed dividend - final	3,688.63	3,259.87
Cash on hand	13.09	12.39	Dividend tax	598.39	541.42
Balance with scheduled banks :				4,908.22	4,415.96
In current accounts	1,725.02	1,600.61	TOTAL	12,383.59	12,399.00
In fixed and margin deposits (provided against bank guarantees)	68.30	63.92			
	1,806.41	1,676.92			
LOANS AND ADVANCES (Unsecured, unless otherwise stated)					
Advances recoverable in cash or in kind or for value to be received :					
Considered good	1,572.47	1,272.23			
Considered doubtful	22.57	10.31			
	1,595.04	1,282.54			
Less: Provision for doubtful advances	22.57	10.31			
	1,572.47	1,272.23			
Loan to joint venture company* [Maximum balance during the year Rs. 121.05 lacs (Previous year - Rs. 115.42 lacs)]	121.05	115.42			
Inter Corporate Deposits :					
Secured	1,900.00	-			
Unsecured	525.00	25.00			
Sundry deposits	123.16	122.07			
Less: Provision for doubtful advances	4.58	4.58			
	118.58	117.49			
Advance fringe benefit tax (net of provision)	20.27	-			
Interest/ Premium accrued on Investments	81.94	-			
MAT credit entitlement	1,870.00	540.00			
Balance with customs and excise authorities	0.89	2.76			
	6,210.20	2,072.90			
TOTAL	21,833.49	16,456.12			
* The loan is payable on demand.					

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	2010-2011 Rupees in lacs	2009-2010 Rupees in lacs		2010-2011 Rupees in lacs	2009-2010 Rupees in lacs
I. OTHER INCOME			L. OPERATING EXPENSES		
Operating Income :			Processing charges	897.76	508.79
Export incentives	272.53	186.64	Power, fuel and water charges	1,272.52	1,144.61
Claims received	30.06	202.84	Pharma Miscellaneous expenses	946.37	911.37
Miscellaneous receipts	230.80	166.83	Repairs and maintenance :		
Income from processing charges	63.39	53.70	Building	289.95	267.17
Profit on sale of fixed assets (net)	—	16.21	Plant and machinery	418.29	416.13
Interest received (Refer Note 9 of Schedule 'O')	38.07	39.03	Other assets	227.67	233.27
Provision for doubtful debts/ advances no longer required, written back	8.25	23.11		935.91	916.57
Provision for expenses no longer required, written back	103.13	91.72	Stores and spares	348.39	262.42
SUBTOTAL (A)	746.23	780.08	Rent (Refer Note 13 of Schedule 'O')	47.80	66.30
Non Operating Income :			Rates and taxes	95.81	89.01
Interest received			Insurance	100.15	66.19
(Refer Note 9 of Schedule 'O')	197.02	15.59	Travelling and conveyance	2,778.14	2,479.83
[Tax deducted at source Rs. 19.50 lacs (Previous year - Rs. 1.57 lacs)]			Communication expenses	138.22	148.05
Miscellaneous receipts	50.46	49.22	Carriage, freight and forwarding	1,475.76	1,157.49
Provision for diminution in value of current investments, written back	13.43	852.73	Advertisement and sales promotion	3,586.10	3,094.99
Income from current investments :			Sales tax/ Value added tax	83.22	74.33
Dividend on current investments (other than trade)	916.12	483.04	Commission on sales	367.14	347.24
Profit on sale of current investments (net)	1,005.30	962.09	Auditors' remuneration :		
	1,921.42	1,445.13	As Auditors	13.79	13.93
Income from long term investments :			In other manner - Certification	0.55	1.82
Premium on Non Convertible Debentures	77.22	—		14.34	15.75
Interest on Non Convertible Debentures [Tax deducted at source Rs. 25.79 lacs (Previous year - Rs. Nil)]	215.06	—	Directors sitting fees	2.63	1.78
Dividend on long term investments (other than trade)	10.82	0.10	Bad debts written off	3.17	8.39
	303.10	0.10	Provision for doubtful debts	200.87	16.69
	2,224.52	1,445.23	Provision for doubtful advances	12.27	—
SUBTOTAL (B)	2,485.43	2,362.77	Provision for diminution in value of current investments	617.51	26.86
TOTAL (A+B)	3,231.66	3,142.85	Amortisation of premium on Non Convertible Debentures	59.17	—
J. COST OF MATERIALS			Loss on fixed assets sold/ scrapped (net)	14.32	—
Raw materials consumed	15,689.53	14,001.76	Research and development expenses	550.95	563.94
Packing materials consumed	4,523.49	3,813.91	Donation	33.06	35.56
Purchase for resale	9,590.15	7,643.28	Miscellaneous expenses	1,524.96	1,461.41
Decrease in stock :			TOTAL	16,106.54	13,397.57
Closing stock :			M. FINANCE EXPENSES		
Work - in - process	1,167.91	998.35	Interest : (Refer Note 9 of Schedule 'O')		
Finished products	5,638.94	5,922.33	on Bank	2.72	3.68
	6,806.85	6,920.68	on Others	112.41	105.20
Less: Opening stock :			Bank Charges	28.78	36.14
Work - in - process	998.35	719.68	TOTAL	143.91	145.02
Finished products	5,922.33	6,677.56			
	6,920.68	7,397.24			
Decrease in stock	113.83	476.56			
Decrease in excise duty on finished products	(0.70)	(12.84)			
TOTAL	29,916.30	25,922.67			
K. EMPLOYEES' COST					
Salaries, wages, bonus and commission	7,340.72	6,137.11			
Contribution to provident and other funds (Refer Note 8 of Schedule 'O')	875.89	810.48			
Welfare expenses	336.59	293.99			
TOTAL	8,553.20	7,241.58			

N. SIGNIFICANT ACCOUNTING POLICIES

1. 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 4 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.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of 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.

3. BASIS OF CONSOLIDATION

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

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

The excess of cost to the parent company of its investment in the subsidiaries and joint venture companies over its portion of equity in the subsidiaries/ joint venture companies at the respective dates on which investment in such subsidiaries/ joint venture companies was made, is recognised in the financial statements as Goodwill and the same is charged off during the year of acquisition. The parent company's portion of equity in such subsidiaries/ joint venture companies is determined on the basis of the book values of assets and liabilities as per the financial statements of the subsidiaries/ joint venture companies as on the date of investment.

4. 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 Profit and Loss Account.

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

5. DEPRECIATION/ AMORTISATION/ IMPAIRMENT

FDC Limited

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

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

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 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.

6. INTANGIBLE ASSETS

FDC Limited

Technical know-how

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

Licences

Cost relating to licences, 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.

7. INVESTMENTS

Investments that are readily realisable and intended to be held for not more than a year 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 long-term investments which are valued at cost less provision for diminution in value, other than temporary, if any.

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

9. 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. Sales include excise duty but exclude sales tax/ value added tax.

Dividend is recognised when the Company's right to receive the payment is established by the balance sheet date. Dividend from subsidiaries is recognised even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of Schedule VI of the Companies Act, 1956.

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.

10. 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 Profit and Loss Account.

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 Profit and Loss Account 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 :

- Revenue 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 Profit and Loss Account.

Integral foreign operations :

- Revenue 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 monetary assets and liabilities are translated using the closing exchange rate.
- All non-monetary assets and liabilities, other than fixed assets and inventories, are translated using the exchange rate at the date of their acquisition.
- Fixed assets 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 Profit and Loss Account.

11. 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 are credited to Capital Reserve. Government grants related to revenue is recognised on a systematic basis in the Profit and Loss Account 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.

12. EMPLOYEE BENEFITS

Company's contribution to recognised provident fund, family pension fund and superannuation fund is defined contribution plan and is charged to the Profit and Loss Account 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 Profit and Loss Account.

13. RESEARCH AND DEVELOPMENT

Capital expenditure on capital assets for Research and Development is included in fixed assets. Revenue expenditure is charged off to Profit and Loss Account in the year in which it is incurred.

14. 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 Profit and Loss Account on a straight line basis over the lease term.

15. 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.

16. 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 only when and to the extent 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.

17. 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.

18. 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.

O. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Consolidation of Accounts :

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

<u>Name of the Company</u>	<u>Country of Incorporation</u>	<u>Proportion of ownership interest/ voting power</u>
FDC International Limited	United Kingdom	100% (Previous year - 100%)
FDC Inc.	United States of America	100% (Previous year - 100%)
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	Republic of South Africa	49% (Previous year - 49%)

2. Contingent liabilities not provided for :

	31st March, 2011	31st March, 2010
	Rupees in lacs	Rupees in lacs
(i) <u>Disputed tax matters</u>		
Income tax	10.29	10.29
Excise duty	128.50	138.13
Sales tax	116.82	107.03
(ii) In respect of guarantees given by banks	112.31	78.72
3. Letter of credit issued by bankers	241.10	971.41
4. Estimated amount of duty payable on export obligation against outstanding advance licences	2.55	3.47
5. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid) - Tangible assets	973.89	275.69

6. Under various schemes of Government of Maharashtra, FDC Limited has been entitled to Sales tax deferral incentives for its units at Waluj and Sinnar. These are repayable after a period of 10-12 years from the year of availment as per the repayment schedule.

7. Of the total investments stated in Schedule 'F' to the consolidated accounts, 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.

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

Defined Contribution Plan

Contribution to Defined Contribution Plans recognised as expense for the year under Contribution to provident and other funds (Schedule 'K') are as under :

	2010-2011	2009-2010
	Rupees in lacs	Rupees in lacs
Employer's Contribution to Provident Fund	229.18	200.54
Employer's Contribution to Pension Scheme	219.29	199.92
Employer's Contribution to Superannuation Fund	71.34	63.54

Defined Benefit Plan

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

Rupees in lacs

	Gratuity	
	Funded Plan	
	31st March, 2011	31st March, 2010
I Change in Benefit Obligation		
Liability at the beginning of the year	607.25	407.99
Interest Cost	45.54	36.33
Current Service Cost	116.31	81.58
Past Service Cost (Vested Benefit)	28.80	–
Benefit Paid	(62.78)	(41.75)
Actuarial (gain)/ loss on obligations	(4.24)	123.10
Liability at the end of the year	730.88	607.25
II Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	396.41	371.17
Expected Return on Plan Assets	31.71	32.37
Contributions	347.00	54.41
Benefit Paid	(62.78)	(41.75)
Actuarial gain/ (loss) on Plan Assets	(9.28)	(19.79)
Fair Value of Plan Assets at the end of the year	703.06	396.41
Total Actuarial gain/ (loss)	(5.04)	(142.89)
III Actual Return on Plan Assets		
Expected Return on Plan Assets	31.71	32.37
Actuarial gain/ (loss) on Plan Assets	(9.28)	(19.79)
Actual Return on Plan Assets	22.43	12.58
IV Amount recognised in the Balance Sheet		
Liability at the end of the year	(730.88)	(607.25)
Fair Value of Plan Assets at the end of the year	703.06	396.41
Amount recognised in the Consolidated Balance Sheet	(27.82)	(210.84)
V Expenses recognised in the Income Statement		
Current Service Cost	116.31	81.58
Interest Cost	45.54	36.33
Expected Return on Plan Assets	(31.71)	(32.37)
Past Service Cost (Vested Benefit) recognised	28.80	–
Net Actuarial (gain)/ loss	5.04	142.89
Expense recognised in the Consolidated Profit and Loss Account	163.98	228.43
VI Balance Sheet Reconciliation		
Opening Net Liability	210.84	36.82
Expense as above	163.98	228.43
Employer's Contribution	(347.00)	(54.41)
Amount recognised in the Consolidated Balance Sheet	27.82	210.84
VII Investment Details		
Government of India Assets	192.38	103.09
Corporate Bonds	256.57	140.83
State Government	148.59	87.59
Equity	95.46	53.22
Others	10.06	11.68
Total	703.06	396.41
VIII Actuarial Assumptions		
Discount Rate Current	8.00%	7.50%
Rate of Return on Plan Assets Current	8.00%	8.00%
Salary Escalation Current	7.00%	7.00%

IX. Experience Adjustments

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

X Salary Escalation Rate

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

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

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

XII The Company expects to contribute Rs. 156.17 lacs to gratuity in next year (Previous year - Rs. 232.25 lacs).

The liability for leave encashment as at the year end is Rs. 259.75 lacs (Previous year - Rs. 259.59 lacs) and provision for sick leave as at the year end is Rs. 36.69 lacs (Previous year - Rs. 32.15 lacs) .

9. Finance expenses include interest paid/ payable towards fixed loan of Rs. 2.72 lacs (Previous year - Rs. 3.68 lacs).

Interest received and, shown under Operating Income includes interest on delayed payment from debtors and interest on staff loans. Interest received and, shown under Non Operating Income includes interest on inter corporate deposits given, interest on loan to subsidiary company and joint venture.

10. Following are the major components of Deferred tax (asset)/ liability :

(A) FDC Limited, Parent Company :-

	31st March, 2011 Rupees in lacs	31st March, 2010 Rupees in lacs
<u>Deferred tax liabilities</u>		
Depreciation	3,085.30	2,691.15
Others	-	3.76
	(A) 3,085.30	2,694.91
<u>Less: Deferred tax assets</u>		
Provision for doubtful debts/ advances	127.19	62.73
Provision for diminution in the value of investments	201.60	7.99
Liabilities disallowed under Section 43B of the Income-tax Act, 1961	215.43	200.79
Expenses disallowed under Section 40(a)(ia) of the Income-tax Act, 1961	29.99	32.69
	(B) 574.21	304.20
Net Deferred tax liability	(A)-(B) 2,511.09	2,390.71

(B) Fair Deal Corporation Pharmaceutical SA (Pty) Ltd., Joint venture company :-

	31st March, 2011 Rupees in lacs	31st March, 2010 Rupees in lacs
<u>Deferred tax asset</u>		
Depreciation	22.25	17.43
Net Deferred tax asset	22.25	17.43

11. Segment Information :

Primary segment information

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

Secondary segment information

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

The information related to secondary segment is as under :

Particulars	Rupees in lacs		
	India	Others	Total
Segment Revenue (Net)	62,611.71 (56,379.40)	8,149.23 (6,834.68)	70,760.94 (63,214.08)
Carrying amount of assets by location of assets	47,625.81 (42,734.09)	3,050.80 (2,279.71)	50,676.61 (45,013.80)
Additions to tangible and intangible assets	1,554.86 (2,903.98)	511.15 (332.08)	2,066.01 (3,236.06)

Previous year's figures are shown in brackets.

12. 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
- Ms. Aditi Bhanot, daughter of Mr. Ashok A. Chandavarkar

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

- Anand Synthochem Limited
- Mejda Marketing Private Limited
- Akhil Farma Limited
- Aditi Sales Corporation
- Soven Trading and Investment Company Private Limited
- Transgene Trading and Investment Company Private Limited

Nature of transaction :

Rupees in lacs

Particulars	Joint Venture Company	Key Management Personnel	Relatives of Key Management Personnel	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Total
Sale of goods	- (12.50)	- (-)	- (-)	- (-)	- (12.50)
Services received	- (-)	- (-)	- (-)	37.77 (44.32)	37.77 (44.32)
Rent paid	- (-)	- (-)	- (-)	0.33 (0.33)	0.33 (0.33)
Interest income	6.05 (5.77)	- (-)	- (-)	- (-)	6.05 (5.77)
Remuneration*	- (-)	156.23 (130.84)	- (-)	- (-)	156.23 (130.84)
Commission	- (-)	271.79 (231.85)	- (-)	- (-)	271.79 (231.85)
Sitting fees	- (-)	- (-)	- (0.05)	- (-)	- (0.05)
Dividend paid	- (-)	539.88 (268.26)	321.25 (346.82)	584.94 (417.81)	1,446.07 (1,032.89)
Outstanding Balances					
- Payable	- (-)	282.91 (242.51)	- (-)	- (-)	282.91 (242.51)
- Loans granted	121.05 (115.42)	- (-)	- (-)	- (-)	121.05 (115.42)
- Interest on loans granted	12.11 (5.77)	- (-)	- (-)	- (-)	12.11 (5.77)

* 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 :

	2010-2011 Rupees in lacs	2009-2010 Rupees in lacs
1 <u>Sale of goods</u>		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	–	12.50
2 <u>Services received</u>		
Anand Synthochem Limited	11.49	12.79
Mejda Marketing Private Limited	13.12	19.17
Akhil Farma Limited	13.16	12.36
3 <u>Rent paid</u>		
Akhil Farma Limited	0.33	0.33
4 <u>Interest income</u>		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	6.05	5.77
5 <u>Remuneration</u>		
Mr. Mohan A. Chandavarkar	41.65	39.00
Mr. Ashok A. Chandavarkar	35.07	33.28
Mr. Nandan M. Chandavarkar	45.28	44.46
Mr. Ameya A. Chandavarkar	34.23	14.10
6 <u>Commission</u>		
Mr. Mohan A. Chandavarkar	87.67	82.55
Mr. Ashok A. Chandavarkar	70.14	66.05
Mr. Nandan M. Chandavarkar	70.14	66.05
Mr. Ameya A. Chandavarkar	43.84	17.20
7 <u>Sitting fees</u>		
Mr. Ameya A. Chandavarkar	–	0.05
8 <u>Dividend paid</u>		
Mr. Mohan A. Chandavarkar	190.98	136.41
Mr. Ashok A. Chandavarkar	184.28	131.63
Ms. Sandhya M. Chandavarkar	183.46	193.54
Soven Trading and Investment Company Private Limited	285.73	204.09
Transgene Trading and Investment Company Private Limited	299.21	213.72
9 <u>Outstanding Balances Payable</u>		
Mr. Mohan A. Chandavarkar	90.60	85.33
Mr. Ashok A. Chandavarkar	72.63	68.40
Mr. Nandan M. Chandavarkar	73.35	69.15
Mr. Ameya A. Chandavarkar	46.33	19.63
10 <u>Outstanding Balances against loans granted</u>		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	121.05	115.42
11 <u>Outstanding Balances against interest on loans granted</u>		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	12.11	5.77

13. 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 'Operating Expenses' (Schedule 'L').

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.

14. Excise duty on sales amounting to Rs. 1,079.68 lacs (Previous year - Rs. 1,041.72 lacs) has been reduced from Sales in Consolidated Profit and Loss Account and excise duty on Decrease in stock of Rs. 0.70 lacs (Previous year - Rs. 12.84 lacs) has been considered as income in Schedule 'J' to the consolidated accounts.
15. 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, 2011	Percentage of Ownership Interest as on 31st March, 2010
1.	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	Republic of South Africa	49%	49%

The Group's Profit and Loss Account, 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.

16. Earnings per share has been computed as under :

	2010-2011	2009-2010
Profit after tax for the year (Rupees in lacs)	15,089.03	14,913.04
Weighted Average number of shares*	186,164,954	186,711,831
Nominal value per share (Rupees)	1.00	1.00
Earnings per share - Basic (Rupees)	8.11	7.99
- Diluted (Rupees)	8.11	7.99

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

17. 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, 2011	31st March, 2010	31st March, 2011	31st March, 2010
Bank balances	USD	250,727	112,913	110.46	50.19
	EUR	-	3,892	-	2.32
	GBP	29,879	167,008	21.12	111.76
Sundry debtors	USD	2,599,755	1,445,244	1150.13	646.67
	EUR	181,079	41,342	112.90	24.69
	JPY	15,600,000	12,500,000	82.99	59.66
Loans and advances	EUR	-	1,141	-	0.68
	USD	327,615	176,694	143.99	78.45
	GBP	-	18,970	-	12.68
	ZAR	2,133,912	2,036,916	133.16	121.20
	JPY	351,000	-	1.87	-
Sundry creditors	EUR	61,640	37,015	39.62	22.82
	USD	234,396	764,490	105.93	350.04
	GBP	-	38,247	-	26.48

18. Revenue expenditure on research and development (including depreciation and amortisation) aggregating to Rs. 1,461.03 lacs (Previous year - Rs. 1,371.26 lacs) is included under relevant expense heads in the Consolidated Profit and Loss Account.
19. Costs of samples (manufactured and purchased) have been included in Cost of Materials.
20. In accordance with Sections 77A, 77AA and 77B of the Companies Act, 1956 and pursuant to the buy back announcement made by the Company on 7th February 2011, the Company has bought back from open market through stock exchanges 1,708,828 equity shares of Re. 1 each during the year for a total consideration of Rs. 1,790.61 lacs. Of this, the company has extinguished 1,641,828 equity shares till 31st March 2011 and 67,000 equity shares have been extinguished subsequent to the balance sheet date. Consequently, an amount of Rs. 17.09 lacs being the nominal value of equity shares bought back has been transferred to Capital Redemption Reserve from General Reserve. An amount of Rs.1,773.52 lacs being the premium on buyback has been appropriated from General Reserve.
21. 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.
	Currency	UK Pounds	US Dollar
	Exchange Rate as on 31st March, 2011	71.28	44.40
1.	Capital	2.67	22.20
2.	Reserves	331.74	18.96
3.	Total Assets	732.42	41.77
4.	Total Liabilities [Excluding (1) and (2)]	398.01	0.61
5.	Investments (other than in subsidiaries)	-	-
6.	Sales	927.09	-
7.	Other Income	(0.14)	-
8.	Profit/ (Loss) before taxation	136.39	(0.42)
9.	Provision for taxation	26.31	0.23
10.	Profit/ (Loss) after taxation	110.08	(0.65)
11.	Proposed Dividend	-	-

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

Signatures to Schedules "A" to "O"

As per our report of even date

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

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ASHOK A. CHANDAVARKAR
Director

per AMIT MAJMUDAR
Partner
Membership No. 36656

SHALINI KAMATH
Company Secretary

Place : Mumbai
Date : May 26, 2011

Place : Mumbai
Date : May 26, 2011



FDC LIMITED

Regd. Office: B-8, M.I.D.C., Industrial Estate, Waluj Dist., Aurangabad - 431 136.
R&D, Training Centre and Corp. Office: 142-48, Swami Vivekananda Road, Jogeshwari (West), Mumbai - 400 102.
 Tel.: (022) 2678 2653, 2678 2656
 Email ID: investors@fdcindia.com Website: www.fdcindia.com

ATTENDANCE SLIP

Full name of the member:

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

I hereby record my presence at the Seventy First annual general meeting of FDC Limited, on Saturday, September 24, 2011 at 10.00 a.m. at WelcomHotel Rama International, R-3, Chikalthana, Aurangabad - 431 210, Maharashtra.

Registered Folio No. :

DP ID No. :

Client ID No. :

No. of Shares :

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

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.
 Tel.: (022) 2678 2653, 2678 2656
 Email ID: investors@fdcindia.com Website: www.fdcindia.com

PROXY FORM

I/We.....
 of.....in the district of being a member/ members
 of FDC Limited hereby appoint of.....in the
 district ofor failing him/her..... of.....in the district of
 as my/our proxy to attend and vote for me/us and on my/our behalf at the Seventy First annual general meeting of FDC Limited, on Saturday, September 24, 2011 at 10.00 a.m. at WelcomHotel Rama International, R-3, Chikalthana, Aurangabad 431 210, Maharashtra.

Signed this day of2011

Registered Folio No. :

DP ID No. :

Client ID No. :

No. of Shares :

Signature.....
 Affix
 1 Rupee
 revenue
 Stamp

This form is to be used *in favour of the resolution. Unless otherwise instructed, the proxy will act as he thinks fit.
 *against

* Strike out whichever is not desired.

NOTE: The Proxy form must be returned so as to reach the registered office of the Company at B-8, M.I.D.C., Industrial Estate, Waluj Dist., Aurangabad - 431 136, not less than forty eight hours before the time for holding the aforesaid meeting.



FDC Limited

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