

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

Mr. Girish C. Sheredalal

Dr. Satish S. Ugrankar

Dr. Rahim H. Muljiani

Dr. Nagam H. Atthreya

Dr. Ravindra Y. Chittal
(upto January 18, 2009)

COMPANY SECRETARY
Ms. Shalini Kamath

AUDITORS
M/s. S.R. Batliboi & Co., Mumbai

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

REGISTRAR & SHARE TRANSFER AGENTS*

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

* Kindly correspond directly with the Registrar & Share
Transfer Agents regarding share transfers and share related matters.

DIRECTORS' REPORT

Your directors are pleased to present their report on the business and operations of your Company for the year ended March 31, 2009.

1. FINANCIAL RESULTS

	Year ended 31.03.2009 (Rupees in lacs)	Year ended 31.03.2008 (Rupees in lacs)
Sales (gross)	59,297.98	52,526.81
Other income	1,076.28	1,922.20
Gross profit (before interest & depreciation)	11,904.83	9,059.65
Deductions: interest & finance charges	146.04	148.07
Depreciation	1,273.31	1,115.09
Profit before taxation	10,485.48	7,796.49
Provision for taxation	2,107.56	1,218.76
Provision for taxation of earlier year written off	35.00	2.10
Profit after taxation	8,342.92	6,575.63
Brought forward profit	9,643.17	7,807.55
Amount available for appropriation	17,986.09	14,383.18
Appropriations : Final dividend	2,350.51	1,914.62
Dividend tax	399.47	325.39
Transfer to general reserve	2,500.00	2,500.00
Balance carried over to next year	12,736.11	9,643.17
	17,986.09	14,383.18

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

2. DIVIDEND

Your board of directors recommend a dividend of Rs.1.25 (125%) per equity share of Re.1/- each for the year 2008-2009. 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 August 29, 2009. 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 shareholder value, your Company vide a board resolution dated August 12, 2008 approved the buyback of its fully paid up equity shares from the open market, at a price not exceeding Rs.40/- per share. The buyback is limited to an amount of Rs.3,585.96 lacs being 10% of the total paid up capital and free reserves based on audited accounts for the year ended March 31, 2008. The Company has bought back 3,291,869 equity shares upto March 31, 2009 and all the shares bought back in the buyback offer upto March 31, 2009 have been extinguished as on date. Subsequent to March 31, 2009 further 128,300 equity shares have been bought back as on the date of this report.

4. BUSINESS REVIEW

The Current year witnessed a global economic melt down across all the sectors of the industry effecting all major economies of the world and India was not an exception to this. Compared to all the sectors across the industry, the Pharmaceutical sector was able to withstand the tremors of global recession.

The Indian Pharmaceutical Market (IPM) remained one of the fastest growing sectors in India with a CAGR of 14% for the last four years. The major value growth drivers have been in the form of volume growth of existing products, price led growth and growth from value of new introductions. The IPM grew by 9.8% to touch the market size of Rs.34,118 crores during the year 2008-2009. Acute segment continued to dominate the new introductions. Anti-infectives continued to be the leading segment. Around 4,119 products were introduced in the current year 2008-2009. Indian Companies continued to govern the IPM as compared to the multinationals. Indian companies grew at a CAGR of 15% while multinationals grew at 9%. (Source ORG DECEMBER 2008)

The Indian Pharmaceutical market is all set to grow at the double digit figure of 11-12%. It is expected that by 2020 the IPM will touch US\$ 30 billion. The so called block buster drugs are drying up and it is becoming difficult to develop the new block buster drugs. India is a branded generic market and multinationals are targeting to enter the Indian market.

The organised retail pharmaceutical segment will continue to augment its presence into the semi-urban and rural markets. The increasing per capital income, the growing health awareness, the easy availability of modern medicinal amenities and affordable medical insurance will increase the demand for the domestic and western medicines. Further the

DIRECTORS' REPORT

increasing population in the ageing group, will boost the demand for the typical age related diseases such as diabetics and anti-hypertensives. The Government has also shifted its focus on extending healthcare services to the poor and the underprivileged.

Many factors will lead way to a healthy growth in the pharma sector. The current slow down will help to avail the generic products at much lower costs.

Joint Ventures and acquisitions will remain in the limelight mainly due to availability of expert technical staff, excellent infrastructure in terms of clinical trial laboratories and contract manufacturing, readily available world class accredited state of the art manufacturing facilities in India. India will therefore remain a lucrative offer as a R&D hub.

Despite a healthy and a promising future, with loads of opportunities ahead, the pharma sector still faces some concerns. The new pharmaceutical pricing policy is yet to see the light of the day, and is expected to impact margins and business. Recent economic slowdown, decreasing exports, increasing unemployment, appreciation of rupee against dollar, compulsory licensing, patent oppositions and litigations, increasing regulations and compliances, product liability are seen as major hurdles.

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

a. Marketing

Your Company registered a growth of 10.2% as against the Indian pharma industry growth of 10.1%. Your Company has maintained its market share at 1.74% and its rank has improved to 21st position. (Source: ORG MARCH MAT 2009)

Your Company's four brands featured in the Top 10 new introductions of the Industry. (Source: ORG DECEMBER 2008)

Your Company's presence in the Gynaec. segment has been strengthened with the recent launch of ZIUM, a calcium supplement for pregnant and lactating mothers. The brand has been very well appreciated by Gynaecologists.

Keeping in line with being pioneers in the ORS segment, your Company, last year had launched ELECTRAL in liquid form, which is the first ever ORS available in liquid form. This new form of ELECTRAL has been gaining popularity each day due its convenient usage as well as palatable taste. Within a year of launch, the brand is growing rapidly.

Your Company introduced various innovative products during the year 2008-2009 which are being aggressively promoted in various therapeutic categories. The performance of the new products are encouraging.

b. Financial Performance

Your Company's turnover and net profit increased by

12.89% and 26.88% respectively over the previous year. Your Company had initiated various cost control measures in the previous year which have fructified in this ensuing period. Due to extreme market volatility, the investment returns on equity and mutual funds of your Company witnessed a set back. However treasury operations of your Company have yielded substantial returns in the past and your Company is confident that with the new Government in place, the economy and the security markets will revive. On the international front due to less dependence on exports, your Company was not much affected by the foreign exchange fluctuation.

The Company's internal control procedures commensurate with its size and nature of business. The internal audit reports are regularly placed before the audit committee for its review.

c. Exports

The annual export turnover of your Company for the year under review was Rs. 5,064.39 lacs as compared to Rs. 3,927.56 lacs for the year 2007-2008. The improved performance resulted from products exported to several new markets, notably the USA, a highly regulated market. This was achieved despite the strong US dollar against the Indian rupee for a major part of the financial year. The pricing went through a tight phase given the continuing rise in prices of input costs, notably raw and packaging materials and unpredictable international freight costs which are invariably linked to international oil prices.

Your Company is exploring marketing opportunities in regulated markets such as Australia, United Kingdom and United States of America.

Major NGOs continued to endorse their faith in your Company's competence and reliability in delivering quality products, with several new long term agreements coming our way. Your Company is a preferred source for procurement of ORS, Zinc sulphate tablets by the leading NGOs for their emergency procurement plans.

Own label as well as private label contract manufacturing business opportunities continue to come our way, and the same are under consideration.

5. RESEARCH & DEVELOPMENT

a. Formulations

Your Company has received approval from the U.S. FDA for its Abbreviated New Drug Application (ANDA) for Ciprofloxacin ophthalmic solution and Ofloxacin ophthalmic solution. Both these solutions are broad spectrum antibiotics used for ocular surface infections.

Earlier your Company has received ANDA approval for Timolol Maleate ophthalmic solution. This product is a non-selective beta-blocker drug, used as a primary line of treatment for glaucoma and was successfully

DIRECTORS' REPORT

launched in the USA this year.

Your Company as reported earlier has launched products in the various therapeutic groups and R&D is in the pipeline for various other products. Cost reduction exercise was completed on products which would result in cost savings besides being environmental friendly and solvent free process.

Your Company received the prestigious CE certification for yet another product Sodium Hyaluronate Eye Drops (Hymoist Eye Drops). FDC earlier obtained two CE markings in the regulated European market for Hypromellose Eye Drops & I-LUBE Eye Drops. Your Company successfully received re-certification for ISO 9001:2000 & ISO 13485:2003. This re-certification is awarded for maintenance and implementation of quality management systems relating to design, development, manufacturing and sale of pharmaceutical products as well as medical devices.

b. Synthetics

An effective process for the synthesis of prostagladins, which has five chiral centers with very high purity has been successfully developed at the laboratory stage.

Laboratory scale development work has also been completed for Azelastine.

In collaboration with NCL, Pune, several compounds with anti-fungal activity have been developed. Few of those compounds have shown promising results.

c. Nutraceuticals

Your Company launched MUM-MUM 1, a specially developed infant milk substitute for infants between 0-6 months taking into account the nutritional needs of infants and the composition of breast milk in the first six months of infant development. MUM-MUM 1, meets the global recommendations on infant formula standards like CODEX and ESPGHAN and also complies with the best of quality manufacturing standards like ISI and HACCP.

Certain nutritional products were modified or reformulated to meet the BIS standards. This has led to cost savings and increased shelf life.

d. Biotechnology

As reported to you earlier, with regards to the license technology agreement signed by your Company with a Israel based Company, for production and purification of recombinant protein licensed to your Company, the five consistency trial batches for data submission has been completed and bulk formulated recombinant API is ready, awaiting NOC from Drug Controller General Of India (DCGI) for containerisation of our bulk product in prefilled syringes from an external party. On submission of this data, DBT shall scrutinise the same and permission will be granted for conducting pre-clinical and toxicity studies.

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 conducting medical camps 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. Ashok A. Chandavarkar & Mr. Girish C. Sharedalal retire by rotation at the ensuing annual general meeting and being eligible, offer themselves for re-appointment.

Dr. R.Y. Chittal, non executive independent director, resigned from the board w.e.f. January 18, 2009. The Board would like to place on record its appreciation for the valuable contribution made by Dr. Chittal, during his tenure as the director of the Company.

9. DIRECTORS' RESPONSIBILITY STATEMENT

Your directors confirm that :

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- the directors have selected such accounting policies and applied them consistently and made judgements 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, 2009 and of the profit and loss account for that period;
- 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;
- the directors have prepared the annual accounts on a going concern basis.

DIRECTORS' REPORT

10. CORPORATE GOVERNANCE

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

11. AUDITORS

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

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

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, 2010. The requisite applications for approval of the appointment will be submitted to the Central Government.

13. PUBLIC DEPOSITS

At the close of the year, there were no fixed deposits matured and payable by the Company.

14. PARTICULARS OF SUBSIDIARIES AND ITS OPERATIONS

In order to exercise a direct control over its step down subsidiary, namely FDC International Limited, UK (FDC UK) and to reduce the costs, your Company has closed down its Wholly Owned Subsidiary (WOS), at Netherlands, namely FDC Holdings Netherlands BV (FDC BV) and has purchased FDC BV's entire shareholding in FDC UK and is now a direct shareholder in FDC UK. Your Company has recognised a loss of Rs. 25.37 lacs on account of closure of FDC BV.

Your Company's WOS at USA, namely FDC Inc., reported a loss of USD 1576 (i.e. Profit Rs. 9.72 lacs on account of exchange gain on currency translation.) Your Company's WOS at UK, namely FDC UK has reported a profit of GBP 2,52,583 (Rs. 195.52 lacs).

Your Company's joint venture business at South Africa namely Fair Deal Corporation Pharmaceutical (Pty) Limited (FDC SA), reported a profit of ZAR 13,53,154 (Rs. 72.06 lacs).

In terms of section 212(8) of the Companies Act, 1956, the Company has received exemption from Government of India, Ministry of Company Affairs, New Delhi, from attaching the accounts of its subsidiaries viz. FDC BV, FDC UK and FDC Inc., for the financial year ended March 31, 2009. However, as directed by the Central Government, the financial data of the subsidiaries have been furnished under "Notes to the Consolidated Accounts".

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 investor's, 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 companies and the detailed information on the financial statement of the said subsidiaries may write to the secretarial department at the corporate office of the Company.

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 22, 2009

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, 2009.

A. CONSERVATION OF ENERGY**a. Energy conservation measures undertaken**

- Split and window air conditioners were removed & centralised chilled water system with screw chiller employed
- Replaced old pumps with energy efficient pumps
- Use of solar lights
- Installation of on-line energy monitoring system
- Recovery of warm water from chiller condenser for the purpose of HVAC application to control related humidity
- Compressed Air - all unwanted air user points are identified and removed. Pressure setting done at individual user point for supplying air per requirement
- Smaller capacity air compressor is installed to work on holidays, in place of large capacity centralised air compressor
- High efficiency pump with energy efficient motor has been installed in place of conventional pump for chilled water application
- Use of CFL lamps

b. Proposals for energy conservation

- Servo controlled automatic voltage regulator to regulate incoming voltage
- Lighting circuits to operate on reduced permissible voltage
- Replacement of existing motors to energy efficiency motors / pumps in phased manner
- Low capacity brine chiller for low Rh Area
- Smaller capacity air compressor for holidays & night operation

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**

	2008-2009	2007-2008
1. Electricity		
a. Purchased unit (kwh)	13,255,873	13,176,508
Total amount (Rs.)	72,415,309	73,600,004
Rate/unit (Rs.)	5.46	5.59
b. Own Generation		
i. Through diesel Generator unit (kwh)	1,296,315	1,472,323
Unit per litre of diesel oil (Rs.)	3.37	3.19
Cost/unit (Rs.)	10.91	10.10
ii. Through steam turbine/generator	N.A.	N.A.
2. Coal	N.A.	N.A.
3. Furnace Oil		
Qty. (Kilo litre)	384	307
Total Cost (Rs.)	11,528,478	7,362,634
Rate/unit (Rs.)	30.05	23.98
4. Bagasse		
Qty. (Kgs)	1,687,900	1,745,260
Total Cost (Rs.)	6,218,040	6,568,500
Rate/unit (Rs.)	3.68	3.76
5. Others/Internal Generation	N.A.	N.A.

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

- Launching new products in various therapeutic segment as earlier mentioned in the director's report
- Cost reduction of products by use of economical processes and excipients
- Process and quality improvement of existing formulations
- Development of generic APIs and their intermediates
- Process development and improvement for the existing range of products
- Exhibit batches for various products were undertaken for US market

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

- Penetration of products into regulated markets
- Reduction in time cycles of conversion and raw material consumption
- Improvement in quality and yield
- Evolution of eco-friendly, environmental friendly, cost-effective and safe processes
- Development / improvements of products and processes with patent potential
- Commercialisation for regulated market

3. Future plan of action

- To get approvals for more ophthalmic and solid dosage forms
- To develop new drug delivery system for own NCEs
- Improving the quality of existing products and adapting new technology with cost effective application
- To file process and product patents

4. Expenditure on R&D

	2008-2009 Rupees in lacs	2007-2008 Rupees in lacs
a. Capital	* 440.97	276.90
b. Recurring	1,669.35	899.49
c. Total	2,110.32	1,176.39
d. Total R&D expenditure as a percentage of total turnover	3.56%	2.24%

*Including W.I.P.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**1. Effort in brief, made towards technology absorption, adaptation and innovation**

- Sustained release technology
- Evaluation of NCEs and resolving challenges ahead for dosage form development
- Development of taste masking by techniques such as complexation, absorption, coating etc
- Improvement of drug release of existing formulation

2. Benefits derived as a result of the above efforts

- Product development and cost competitiveness
- Use of environmental friendly process
- Improved in-house assay for our formulated ophthalmic products
- Cost effective processes, saving in time cycles, offering

better yields and quality of APIs

3. Information regarding imported technology (imported during the last 5 years reckoned from the beginning of the financial year)

- Technology imported:** Know how for the manufacture of a recombinant therapeutic protein, including genetically engineered clone.
- Year of import:** 2003-2004
- Has the technology been fully absorbed:** Yes
- If not fully absorbed, area where this has not taken place, reasons therefore and future plans of action:**

The five consistency trial batches for data submission has been completed and bulk formulated recombinant API is ready, awaiting NOC from Drug Controller General of India (DCGI) for containerisation of our bulk product in prefilled syringes from an external party. On submission of this data, DBT shall scrutinise the same and permission will be granted for conducting pre-clinical and toxicity studies.

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. 5,080.03 lacs, for the year 2008-2009 against Rs. 4,080.75 lacs in 2007-2008. This was achieved despite the strong US dollar against the Indian rupee for a major part of the financial year. Moreover there was steep rise in prices of key ingredients, packaging components and increase in freight and local transport costs. The Company is continuously exploring possibilities of exporting more of its products to different markets.

2. Total foreign exchange earnings and outgo

	2008-2009 Rupees in lacs	2007-2008 Rupees in lacs
i. Earnings	5,080.03	4,080.75
ii. Outgo	4,510.34	3,309.97

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

For and on behalf of the board

Place: Mumbai
Date: May 22, 2009

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	Promoter and Executive Directors
Mr. Ameya A. Chandavarkar	Promoter and Non-Executive Director
Mr. Girish C. Sharedalal Dr. Satish S. Ugrankar Dr. Rahim H. Muljiani Dr. Nagam H. Atthreya Dr. Ravindra Y. Chittal (Upto January 18, 2009)	Independent and Non-Executive Directors

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

During the year under review, 8 board meetings were held on May 23, 2008, June 28, 2008, July 26, 2008, August 12, 2008, October 25, 2008, January 14, 2009, January 29, 2009 and February 10, 2009. The last AGM of the Company was held on August 30, 2008.

The gap between any 2 meetings did not exceed 4 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	8	Present
Mr. Ashok A. Chandavarkar	7	Present
Mr. Nandan M. Chandavarkar	7	Present
Mr. Ameya A. Chandavarkar	1	Absent
Mr. Girish C. Sharedalal	8	Present
Dr. Satish S. Ugrankar	6	Present
Dr. Rahim H. Muljiani	7	Present
Dr. Nagam H. Atthreya	7	Present
Dr. Ravindra Y. Chittal	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
Mr. Girish C. Sharedalal	3	Nil	1
Dr. Satish S. Ugrankar	Nil	Nil	Nil
Dr. Rahim H. Muljiani	Nil	Nil	Nil
Dr. Nagam H. Atthreya	1	1	Nil
Dr. Ravindra Y. Chittal	Nil	Nil	Nil

*The listing above excludes private and 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, 2009. The said code is posted on the website of the Company. www.fdcindia.com

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 3 independent non-executive directors. The said Committee functions under the Chairmanship of Mr. Girish C. Sharedalal, who is a Chartered Accountant by profession and has considerable accounting and financial management expertise. Dr. R. H. Muljiani and Dr. Nagam H. Atthreya 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, 7 audit Committee meetings were held on May 23, 2008, June 28, 2008, July 19, 2008, July 26, 2008, October 25, 2008, December 13, 2008 and January 29, 2009.

CORPORATE GOVERNANCE

The attendance of members at the meetings was as follows:

Name of the member attended	Status	No. of meetings
Mr. Girish C. Sharedalal	Chairman	7
Dr. Rahim H. Muljiani	Member	7
Dr. Nagam H. Atthreya	Member	6

4. REMUNERATION TO DIRECTORS

a. Details of remuneration to whole-time directors for the year under review

Name of the director	Salaries (Rs.)	Perquisites (Rs.)	Benefits (Rs.)	Commission (Rs.)
Mr. Mohan A. Chandavarkar	3,128,533	168,724	527,940	6,140,690
Mr. Ashok A. Chandavarkar	2,683,200	17,350	452,790	4,912,552
Mr. Nandan M. Chandavarkar	2,515,200	88,660	424,440	4,298,483

The agreement with wholetime directors is for a period of 5 years.

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

b. Details of remuneration to non-executive directors for the year under review

Name of the director	Commission (Rs.)	Sitting fees (Rs.)	Audit committee fees (Rs.)
Mr. Ameya A. Chandavarkar	Nil	2,500	N.A.
# Mr. Girish C. Sharedalal	614,069	20,000	52,500
Dr. Satish S. Ugrankar	40,000	15,000	N.A.
# Dr. Rahim H. Muljiani	40,000	17,500	52,500
# Dr. Nagam H. Atthreya	40,000	17,500	45,000
Dr. Ravindra Y. Chittal	40,000	12,500	N.A.

Members of audit committee

The remuneration paid to the non-executive directors comprises 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 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
Mr. Ameya A. Chandavarkar	4,388,996
Mr. Girish C. Sharedalal	10,000
Dr. Satish S. Ugrankar	515,990
Dr. Rahim H. Muljiani	4,000
Dr. Nagam H. Atthreya	Nil
Dr. Ravindra Y. Chittal	2,000

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, 2009. 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 30 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, 2009. 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 3 AGMs:

Financial year	Location	Date	Time	No. of special resolutions passed
2005-2006	WelcomHotel Rama International R-3, Chikalthana Aurangabad 431210 Maharashtra	September 16, 2006	10.00 a.m.	1
2006-2007	WelcomHotel Rama International R-3, Chikalthana Aurangabad 431210 Maharashtra	August 25, 2007	10.00 a.m.	2
2007-2008	WelcomHotel Rama International R-3, Chikalthana Aurangabad 431210 Maharashtra	August 30, 2008	10.00 a.m.	Nil

CORPORATE GOVERNANCE

- b. There were no special resolutions required to be passed through postal ballot at any of the above AGMs. 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 3 years there has been no instance of non-compliance by the Company with the requirements of the stock exchanges, Securities Exchange Board of India ('SEBI') or any other statutory authority on any matter related to capital markets.
- c. Non-mandatory requirements of corporate governance have not been adopted.

8. MEANS OF COMMUNICATION

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

The abovementioned 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. As per Clause 51 of the listing agreement, all the data related to quarterly financial results, shareholding pattern etc. is posted on the Electronic Data Information Filing and Retrieval ('EDIFAR') website www.sebiedifar.nic.in.
- c. 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 : August 29, 2009
Time : 10 a.m.
Venue: Taj Residency, 8-N-12, CIDCO
Dr. Rafiq Zakaria Marg, Rauza Bagh
Aurangabad 431 003, Maharashtra.

b. Financial Calendar (tentative)

Particulars	Date
Unaudited results of the first quarter ending June 30, 2009	Last week of July 2009
Unaudited results of the second quarter and half year ending September 30, 2009	Last week of October 2009
Unaudited results of the third quarter and nine months ending December 31, 2009	Last week of January 2010
Audited results for the year ending of March 31, 2010	Last week of June 2010

c. Dates of book closure

August 20, 2009 to August 29, 2009
(both days inclusive)

d. Dividend payment date

Latest by September 27, 2009

e. Stock Exchanges where listed

The Stock Exchange, Mumbai (BSE)
The National Stock Exchange of India Limited (NSE)

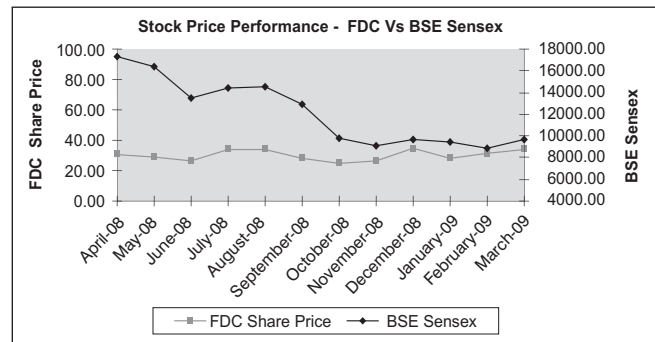
f. Stock Code: BSE - 531599, NSE - FDC EQ

g. Market Price Data

Month	BSE		NSE	
	High	Low	High	Low
April, 2008	32.70	27.50	32.85	27.55
May, 2008	33.15	28.50	35.60	27.05
June, 2008	32.80	25.60	32.80	26.00
July, 2008	36.00	23.70	35.90	23.60
August, 2008	38.30	31.50	38.80	32.25
September, 2008	33.95	25.10	33.90	26.15
October, 2008	29.35	21.70	29.95	22.00
November, 2008	29.30	24.00	29.30	24.05
December, 2008	35.40	26.55	35.90	26.00
January, 2009	35.80	26.10	35.95	26.00
February, 2009	32.00	27.40	32.05	27.25
March, 2009	35.00	28.95	35.00	28.50

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

j. Share Transfer System

The Company has set up a committee of the board of directors known as the share transfer committee, which meets generally once in 15 days inter-alia for approving the transfer of shares. The formalities for transfer of shares in the physical form are completed and the share

CORPORATE GOVERNANCE

certificates are dispatched to the transferee within 30 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 30 days from the date of receipt of the transfer documents.

k. Shareholding Pattern as on March 31, 2009

Category	No. of shares held	Percentage of shareholding
A. Promoters holding		
1. Promoters		
- Indian Promoter	122,504,656	65.08
- Foreign Promoter	-	-
2. Persons acting in concert	-	-
Sub-Total (A)	122,504,656	65.08
B. Non-Promoter Holding		
3. Institutional Investors		
a. Mutual Funds and UTI	10,180,797	5.41
b. Banks, Financial Inst., Insurance Companies, Venture Capital Funds (Central/State Govt. Inst./ Non-Govt. Institutions)	1,915,437	1.02
c. Foreign Institutional Investors	2,543,496	1.35
Sub-Total (B)	14,639,730	7.78
4. Others		
a. Private Corporate Bodies	8,433,460	4.48
b. Indian Public	41,115,385	21.84
c. NRIs/OCBs	1,539,202	0.82
Total (C)	51,088,047	27.14
Grand Total (A+B+C)	188,232,433*	100.00

* Refer notes to Financial statements O-24.

Distribution of Shareholding as on March 31, 2009

Equity shares of face value of Re. 1 each	Shareholders		Equity shares	
	Number	% of total	Number	% to total
Upto 5,000	43,869	98.08	21,536,021	11.44
5,001 to 10,000	524	1.17	3,880,513	2.06
10,001 to 20,000	159	0.36	2,368,610	1.26
20,001 to 30,000	48	0.10	1,209,122	0.64
30,001 to 40,000	20	0.04	689,978	0.37
40,001 to 50,000	12	0.03	546,657	0.29
50,001 to 1,00,000	21	0.05	1,515,673	0.81
1,00,001 & Above	77	0.17	156,485,859	83.13
Total	44,730	100	188,232,433	100

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, 2009, 180,210,331 shares aggregating to 95.74% 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 22, 2009

MOHAN A. CHANDAVARKAR

Chairman and Managing Director

AUDITORS' CERTIFICATE**To****The Members of FDC Limited**

We have examined the compliance of conditions of corporate governance by FDC Limited ("the Company"), for the year ended on March 31, 2009, 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 the 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 & CO.**
Chartered Accountants

per **Ravi Bansal**
Partner

Place: Mumbai

Date: May 22, 2009

Membership No.: 49365

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, 2009 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, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 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, 2009;
 - 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 & CO.
Chartered Accountants

per RAVI BANSAL
Partner
Membership No. : 49365

Place: Mumbai
Date: May 22, 2009

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) The fixed assets have been physically verified by the management in a phased manner as per regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory 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) As informed, 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, provisions of paragraphs 4(iii) (b), (c), (d), (f) and (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (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. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding 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, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess have generally been regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

AUDITORS' REPORT

- (c) According to the information and explanation given to us, there are no dues of income tax, wealth tax, service tax, customs duty and cess which have not been deposited on account of any dispute. The particulars of the dues outstanding of sales-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 Rupees in lacs
Sales Tax (Tax / Penalty / Interest)	Apr 2000 - Mar 2001	Commissionerate	12.09
	Apr 2001 - Mar 2002	Commissionerate	11.07
	Apr 2002 - Mar 2003	Commissionerate	62.14
	Apr 2003 - Mar 2004	Commissionerate	13.15
	Apr 2004 - Mar 2005	Commissionerate	1.43
	Total		99.88
Excise Duty (Penalty/ Interest)	Apr 1997 - Mar 1998	Customs, Excise, Service Tax Appellate Tribunal (CESTAT)	8.02
	Apr 1998 - Feb 1999	CESTAT	3.76
	Oct 2000 - Nov 2001	CESTAT	18.70
	Nov 2002 - June 2003	CESTAT	12.43
	Dec 2003 - Oct 2004	CESTAT	48.38
	Apr 2004 - Mar 2005	CESTAT	1.26
	Sub-total (a)		92.55
	Apr 2000 - Dec 2001	Commissionerate	4.16
	Apr 2005 - Sep 2005	Commissionerate	10.72
	Apr 2005 - Sep 2006	Commissionerate	28.56
	Sub-total (b)		43.44
	Total (a+b)		135.99
Total			235.87

- (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 or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its own name.

AUDITORS' REPORT

- (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 course of our audit.

For S. R. BATLIBOI & CO.
Chartered Accountants

per RAVI BANSAL
Partner
Membership No. : 49365
Place: Mumbai
Date: May 22, 2009

BALANCE SHEET AS AT 31st MARCH, 2009

	Schedule	31st March, 2009 Rupees in lacs	31st March, 2008 Rupees in lacs
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	' A '	1,889.55	1,922.47
Reserves and surplus	' B '	40,187.72	35,608.75
		42,077.27	37,531.22
LOAN FUNDS			
Unsecured loans	' C '	268.64	1,287.45
DEFERRED TAX LIABILITY (NET) (Refer Note 10 of Schedule 'O')			
		1,843.28	1,395.72
TOTAL		44,189.19	40,214.39
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross block	' D '	32,452.15	24,598.36
Less: Depreciation and Impairment		8,846.57	7,602.28
Net block		23,605.58	16,996.08
Capital work-in-progress and advances		2,709.00	5,005.93
[Net of provision for impairment of assets Rs. 144.79 lacs (Previous year - Rs. 144.79 lacs)]		26,314.58	22,002.01
INVESTMENTS			
	' E '	11,132.12	12,222.77
CURRENT ASSETS, LOANS AND ADVANCES			
	' F '		
Interest accrued on investments		-	5.06
Inventories		9,539.93	9,089.79
Sundry debtors		3,467.06	1,888.31
Cash and bank balances		970.37	1,460.69
Loans and advances		2,483.69	2,899.74
		16,461.05	15,343.59
Less:			
CURRENT LIABILITIES AND PROVISIONS			
	' G '		
Current liabilities		6,727.75	6,918.04
Provisions		2,990.81	2,435.94
		9,718.56	9,353.98
NET CURRENT ASSETS		6,742.49	5,989.61
MISCELLANEOUS EXPENDITURE			
	' H '	-	-
TOTAL		44,189.19	40,214.39
Significant Accounting Policies			
Notes to Accounts			
	' N '		
	' O '		

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

As per our report of even date

For S. R. BATLIBOI & CO.
Chartered Accountants

per RAVI BANSAL
Partner
Membership No. 49365

Place: Mumbai
Date: May 22, 2009

For and on behalf of the Board

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

SHALINI KAMATH
Company Secretary

Place: Mumbai
Date: May 22, 2009

ASHOK A. CHANDAVARKAR
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009 _____

	Schedule	2008 - 2009 Rupees in lacs	2007 - 2008 Rupees in lacs
INCOME			
Sales		59,297.98	52,526.81
Less : Excise duty		1,661.83	3,560.14
		57,636.15	48,966.67
Other income	' I '	1,076.28	1,922.20
TOTAL		58,712.43	50,888.87
EXPENDITURE			
Cost of materials	' J '	26,347.58	24,978.76
Employees' cost	' K '	5,828.37	5,179.70
Operating expenses	' L '	14,631.65	11,670.76
Finance expenses	' M '	146.04	148.07
Depreciation and Impairment	' D '	1,285.97	1,127.76
Less: Transfer from revaluation reserve	' B '	12.66	12.67
		1,273.31	1,115.09
TOTAL		48,226.95	43,092.38
Profit before taxation		10,485.48	7,796.49
Provision for taxation			
For the year			
- Current		1,430.00	925.00
- Deferred		447.56	93.76
- Fringe benefit tax		230.00	200.00
		2,107.56	1,218.76
For earlier years - Current		35.00	2.10
		2,142.56	1,220.86
Profit after taxation		8,342.92	6,575.63
Balance brought forward		9,643.17	7,807.55
Amount available for appropriation		17,986.09	14,383.18
APPROPRIATIONS			
Final dividend - proposed		2,350.51	1,914.62
Dividend tax		399.47	325.39
Transfer to General Reserve		2,500.00	2,500.00
Balance carried to Balance Sheet		12,736.11	9,643.17
		17,986.09	14,383.18
Earnings per share (Refer Note 16 of Schedule 'O')			
Basic and diluted - Par value Re. 1 per share		4.37	3.43
Significant Accounting Policies	' N '		
Notes to Accounts	' O '		

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

As per our report of even date

For S. R. BATLIBOI & CO.
Chartered Accountants

per RAVI BANSAL
Partner
Membership No. 49365

Place: Mumbai
Date: May 22, 2009

For and on behalf of the Board

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

SHALINI KAMATH
Company Secretary

Place: Mumbai
Date: May 22, 2009

ASHOK A. CHANDAVARKAR
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	2008-2009		2007-2008	
	Rupees in lacs		Rupees in lacs	
CASH FLOWS FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAXATION		10,485.48		7,796.49
Adjustments for :				
Depreciation and Impairment	1,273.31		1,115.09	
Interest expense	113.86		118.42	
Interest income	(145.90)		(132.19)	
(Profit)/ Loss on sale of fixed assets (net)	2.95		(23.40)	
Dividend income	(293.46)		(613.86)	
Diminution in value of current investments	1,347.53		596.69	
(Profit)/ loss on sale of investments (net)	315.47		(735.31)	
Investment in subsidiary company written off on liquidation	25.37		-	
Unrealised foreign exchange loss/ (gain) on restatement	(12.95)		179.38	
Provision for doubtful debts	41.47		70.53	
Provision for doubtful advances	-		8.54	
Provision for expenses no longer required, written back	(89.50)		(72.22)	
Provision for doubtful debts/advances no longer required, written back	(21.36)		(15.84)	
Provision for diminution in value of current investments, written back	(104.14)		-	
Miscellaneous expenditure amortised during the year	-	2,452.65	1.85	497.68
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		12,938.13		8,294.17
Adjustments for :				
(Increase)/decrease in debtors	(1,552.11)		101.70	
(Increase)/decrease in inventories	(450.14)		674.08	
(Increase)/decrease in advances	(568.98)		304.34	
Increase/(decrease) in creditors	(134.44)		1,124.31	
Increase/(decrease) in provisions	39.90	(2,665.77)	(44.74)	2,159.69
CASH GENERATED FROM OPERATIONS		10,272.36		10,453.86
Direct taxes paid (including Fringe benefit tax)		(1,641.50)		(1,269.86)
NET CASH FROM OPERATING ACTIVITIES (A)		8,630.86		9,184.00
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES				
Purchase of fixed assets		(5,634.38)		(3,657.13)
Proceeds from sale of fixed assets		32.89		197.47
(Increase)/ decrease in inter-corporate deposits given		1,000.00		(1,000.00)
(Increase)/ decrease in fixed and margin deposits		22.88		(23.04)
Repayment of loan by joint venture entity		45.67		98.08
Purchase of investments in subsidiary (Refer Note 15 of Schedule 'O')		0.00		-
Proceeds from sale of investments in joint venture entity		-		6.55
Purchase of investments - others		(11,075.31)		(25,571.25)
Proceeds from sale of investments - others		10,456.30		18,558.05
Dividend received		286.95		613.86
Interest received		149.14		167.26
NET CASH FROM / (USED IN) INVESTING ACTIVITIES (B)		(4,715.86)		(10,610.15)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES				
Proceeds from/ (repayment of) borrowings		(1,000.60)		984.27
Deferral from sales tax collection		21.89		12.04
Repayment of interest free sales tax loan		(40.10)		(36.05)
Payment towards buy back of shares		(1,034.23)		-
Dividend paid		(1,914.62)		-
Dividend tax paid		(325.39)		-
Interest paid		(113.86)		(118.42)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES (C)		(4,406.91)		841.84
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)		(491.91)		(584.31)
OPENING CASH AND CASH EQUIVALENTS		1,353.49		1,937.80
CLOSING CASH AND CASH EQUIVALENTS (Refer Note 1 below)		861.58		1,353.49

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, 2009 Rupees in lacs	31st March, 2008 Rupees in lacs
Cash on hand	8.72	7.24
Balance with scheduled banks:		
In current accounts (Refer Note 2 below)	903.37	1,372.29
Unrealised foreign exchange loss/ (gain) on restatement of cash and cash equivalents	(50.51)	(26.04)
	861.58	1,353.49

2. The balance in current accounts include Rs. 54.68 lacs (Previous year Rs. 43.67 lacs) towards unclaimed dividend accounts.
3. Previous year's figures have been regrouped/ reclassified wherever necessary.

As per our report of even date

For S. R. BATLIBOI & CO.
Chartered Accountants

per RAVI BANSAL
Partner
Membership No. 49365

Place: Mumbai
Date: May 22, 2009

For and on behalf of the Board

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

SHALINI KAMATH
Company Secretary

Place: Mumbai
Date: May 22, 2009

ASHOK A. CHANDAVARKAR
Director

SCHEDULES TO THE ACCOUNTS

	31st March, 2009 Rupees in lacs	31st March, 2008 Rupees in lacs
A. SHARE CAPITAL		
AUTHORISED		
250,000,000 (Previous year - 250,000,000) Equity shares of Re. 1 each	2,500.00	2,500.00
ISSUED AND SUBSCRIBED		
191,314,233 (Previous year - 194,606,102) Equity shares of Re. 1 each	1,913.14	1,946.06
PAID-UP		
188,169,233 (Previous year - 191,461,102) Equity shares of Re. 1 each, fully paid-up	1,881.69	1,914.61
Add: 3,145,000 (Previous year - 3,145,000) Equity shares forfeited (Refer Note 24 of Schedule 'O')	7.86	7.86
TOTAL	1,889.55	1,922.47
Of the above shares:		
(i) 15,000 (Previous year - 15,000) shares 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 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 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	16.81	16.81
Add: Transfer from General Reserve on account of buy back of shares (Refer Note 24 of Schedule 'O')	32.92	-
Closing Balance	49.73	16.81
SECURITIES PREMIUM ACCOUNT		
Opening Balance	* 607.58	* 607.58
Less : Premium paid for buy back of shares (Refer Note 24 of Schedule 'O')	534.68	-
Closing Balance	72.90	607.58
* Includes security premium received on forfeited shares Rs. 72.90 lacs (Previous year - Rs. 72.90 lacs)		
REVALUATION RESERVE		
Opening Balance	109.78	122.45
Less : Transfer to Profit and Loss Account	12.66	12.67
Closing Balance	97.12	109.78
GENERAL RESERVE		
Opening Balance	23,686.40	21,186.40
Less : Premium paid for buy back of shares (Refer Note 24 of Schedule 'O')	466.63	-
Less: Transfer to Capital Redemption Reserve Account	32.92	-
Add : Transfer from Profit and Loss Account	2,500.00	2,500.00
Closing Balance	25,686.85	23,686.40
RESERVE FOR DIMINUTION IN VALUE / LOSS ON SALE OF INVESTMENTS	1,500.00	1,500.00
SURPLUS IN PROFIT AND LOSS ACCOUNT	12,736.11	9,643.17
TOTAL	40,187.72	35,608.75
C. UNSECURED LOANS		
Interest-free Sales tax loans	268.64	286.85
[Repayable within one year - Rs. 39.62 lacs (Previous year - Rs. 40.10 lacs)] (Refer Note 5 of Schedule 'O')		
Packing Credit Foreign Currency Loan from Bank	-	1,000.60
[Repayable within one year - Rs. Nil (Previous year - Rs. 1,000.60 lacs)]		
TOTAL	268.64	1,287.45

SCHEDULES TO THE ACCOUNTS

D. FIXED ASSETS

Rupees in lacs

PARTICULARS	GROSS BLOCK			DEPRECIATION / IMPAIRMENT					NET BLOCK	
	As at 31.03.2008	Additions	Deletions / Adjustments	As at 31.03.2009	As at 31.03.2008	Depreciation For the year	Impairment For the year	Deletions / Adjustments	As at 31.03.2009	As at 31.03.2008
Leasehold land *	373.90	-	-	373.90	110.24	5.82	-	0.77	258.61	263.66
Freehold land **	565.36	739.32	-	1,304.68	-	-	-	-	1,304.68	565.36
Buildings ***	7,815.08	2,507.81	-	10,322.89	1,087.34	249.04	-	(0.77)	8,985.74	6,727.74
Plant and machinery	9,249.57	2,983.53	161.14	12,071.96	4,653.06	647.61	-	58.83	6,830.12	4,596.51
Laboratory testing machines	1,662.88	188.01	55.67	1,795.22	291.58	78.07	-	5.82	1,431.39	1,371.30
Electrical installations	881.38	168.54	-	1,049.92	187.64	45.13	-	-	817.15	693.74
Furniture, fixtures and fittings	1,325.53	583.76	0.16	1,909.13	398.50	104.43	-	0.16	1,406.36	927.03
Office equipments	816.25	358.90	6.50	1,168.65	160.42	46.92	-	2.38	963.69	655.83
Vehicles	342.33	10.32	5.74	346.91	159.44	28.54	-	4.78	163.71	182.89
Capital expenditure on R&D										
Buildings	109.91	-	-	109.91	44.88	3.52	-	-	61.51	65.03
Equipments	1,399.88	355.46	(151.69)	1,907.03	483.66	72.32	-	(30.29)	1,320.76	916.22
Furniture and fixtures	49.82	34.65	-	84.47	23.23	4.24	-	-	57.00	26.59
Water coolers and refrigerators	6.47	1.01	-	7.48	2.29	0.33	-	-	4.86	4.18
TOTAL	24,598.36	7,931.31	77.52	32,452.15	7,602.28	1,285.97	-	41.68	8,846.57	16,996.08
Previous year	21,815.50	3,003.67	220.81	24,598.36	6,521.26	1,077.96	49.80	46.74	16,996.08	

* 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. 191.57 lacs) includes cost of unquoted fully paid shares in various co-operative housing societies.

*** Building of Rs. 2,521.75 lacs (Previous year - Rs. 1,246.85 lacs) includes cost of unquoted fully paid shares in various co-operative housing societies.

SCHEDULES TO THE ACCOUNTS

	31st March, 2009 Rupees in lacs	31st March, 2008 Rupees in lacs
E. INVESTMENTS AT COST		
I. LONG TERM		
Government Securities		
National Savings Certificates	0.07	0.07
35 (Previous year - 35) Government of India G.P. Notes - face value of Rs. 2,000 (Refer Note 7 of Schedule 'O')	0.02	0.02
Trade		
Fully paid-up Equity Shares		
In Subsidiaries		
Nil (Previous year - 7,890) Equity Shares of FDC Holdings, Netherlands B.V. of EUR 45.38 each (Refer Note 15 of Schedule 'O')	-	150.80
374,085 (Previous year - Nil) Equity Shares of FDC International Limited, of GBP 0.01 each (Refer Note 15 of Schedule 'O')	0.00	-
500 (Previous year - 500) Equity Shares of FDC Inc., of USD 100 each	22.00	22.00
In Joint Venture Entity		
159,250 (Previous year - 159,250) Equity Shares of Fair Deal Corporation Pharmaceutical SA (Pty) Ltd., of ZAR 1 each (Refer Note 14 of Schedule 'O')	11.30	11.30
Non Trade		
1,000 (Previous year - 1,000) Equity Shares of The Saraswat Co-op. Bank Limited of Rs. 10 each	0.10	0.10
5,000 (Previous year - 5,000) Equity Shares of The North Kanara G.S.B. Co-op Bank Limited of Rs.10 each	0.50	0.50
100 (Previous year - 100) Shares of Roha Industries Association Sahakari Grahak Bhandar Limited of Rs.25 each	0.03	0.03
SUB TOTAL (A)	34.02	184.82
II. CURRENT		
Non Trade		
Fully paid-up Equity Shares (Quoted)		
Nil (Previous year - 1,350) Equity Shares of Aditya Birla Nuvo Limited of Rs. 10 each	-	19.26 *
Nil (Previous year - 2,500) Equity Shares of Axis Bank Limited of Rs. 10 each	-	24.70 *
85,000 (Previous year - 40,500) Equity Shares of Assam Company Limited of Re. 1 each	28.39	17.93 *
1,400 (Previous year - 1,400) Equity Shares of B. L. Kashyap & Sons Limited of Rs. 5 each	24.43	24.43 *
500 (Previous year - 4,000) Equity Shares of Blue Star Limited of Rs. 2 each	1.38	11.04 *
21,500 (Previous year - 29,300) Equity Shares of Cairn India Limited of Rs.10 Each	49.03	65.01 *
7,000 (Previous year - 8,500) Equity Shares of Cipla Limited of Rs.2 each	14.23	17.28 *
14,500 (Previous year - 16,500) Equity Shares of Century Textiles & Industries Limited of Rs. 10 each	135.98	152.45 *
13,500 (Previous year - 13,500) Equity Shares of Deccan Chronicle Holdings Limited of Rs. 2 each	27.75	27.75 *
Nil (Previous year - 4,000) Equity Shares of Elecon Engineering Company Limited of Rs.2 each	-	9.44 *
Nil (Previous year - 10,000) Equity Shares of Emco Limited of Rs.2 each	-	25.35 *
7,250 (Previous year - 9,450) Equity Shares of Everest Kanto Cylinder Limited of Rs. 2 each	15.58	20.30 *
20,000 (Previous year - 20,000) Equity Shares of Finolex Cables Limited of Rs.2 each	20.05	20.05 *
4,600 (Previous year - 4,600) Equity Shares of Glenmark Pharmaceuticals Limited of Re. 1 each	15.51	15.51 *
Nil (Previous year - 7,000) Equity Shares of Gujarat Alkalies & Chemicals Limited of Rs.10 each	-	11.17 *
17,900 (Previous year - 11,101) Equity Shares of Great Eastern Shipping Company Limited of Rs.10 each	61.85	34.32 *
3,500 (Previous year - 2,000) Equity Shares of Great Offshore Limited of Rs.10 each	16.49	9.67 *
3,000 (Previous year - 4,500) Equity Shares of Hindalco Industries Limited of Re. 1 each	4.64	6.96 *
3,000 (Previous year - 3,200) Equity Shares of ICICI Bank Limited of Rs. 10 each	29.97	31.97 *
31,000 (Previous year - 31,000) Equity Shares of ISMT Limited of Rs. 5 each	31.17	31.17 *
Nil (Previous year - 1,500) Equity Shares of JM Financial Limited of Rs. 10 each	-	15.65 *
Nil (Previous year - 4,000) Equity Shares of Kirlskar Brothers Limited of Rs. 2 each	-	13.68 *
4,500 (Previous year - 2,000) Equity Shares of Kotak Mahindra Bank Limited of Rs.10 each	34.04	18.87 *
11,000 (Previous year - 550) Equity Shares of Madras Cements Limited of Re. 1 each	15.74	15.74 *
12,000 (Previous year - 14,894) Equity Shares of Marico Industries Limited of Re. 1 each	6.86	8.52 *
7,900 (Previous year - 7,900) Equity Shares of Piramal Healthcare Limited of Rs. 2 each	27.67	27.67 *
Nil (Previous year - 790) Equity Shares of Piramal Life Sciences Limited of Rs. 10 each	-	- *

SCHEDULES TO THE ACCOUNTS

	31st March, 2009 Rupees in lacs	31st March, 2008 Rupees in lacs
E. INVESTMENTS		
10,600 (Previous year - 10,600) Equity Shares of Praj Industries Limited of Rs. 2 each	22.87	22.87 *
7,039 (Previous year - 18,500) Equity Shares of Prithvi Information Solutions Limited of Rs.10 each	18.25	47.96 *
5,200 (Previous year - 5,200) Equity Shares of Punj Lloyd Limited of Rs. 2 each	14.00	14.00 *
13,368 (Previous year - 14,550) Equity Shares of Reliance Industries Limited of Rs.10 each	329.80	384.25 *
25,500 (Previous year - 30,000) Equity Shares of Reliance Petroleum Limited of Rs.10 each	40.89	48.09 *
Nil (Previous year - 8,758) Equity Shares of Rural Electrification Corporation Limited of Rs.10 each	-	9.20 *
13,700 (Previous year - 13,700) Equity Shares of Siemens Limited of Rs.2 each	118.72	118.72 *
5,250 (Previous year - 5,250) Equity Shares of Sintex Industries Limited of Rs.2 each	20.33	20.33 *
1,900 (Previous year - 1,575) Equity Shares of State Bank of India of Rs. 10 each	29.80	24.63 *
Nil (Previous year - 2,400) Equity Shares of Sterlite Industries (India) Limited of Rs. 2 each	-	24.77 *
7,500 (Previous year - 9,000) Equity Shares of TATA Steel Limited of Rs.10 each	53.69	65.81 *
37,200 (Previous year - 37,200) Equity Shares of Voltas Limited of Re. 1 each	91.33	91.33 *
5,200 (Previous year - 3,500) Equity Shares of Welspun Gujarat Stahl Rohern Ltd of Rs. 5 each	18.79	13.17 *
2,500 (Previous year - 3,750) Equity Shares of Bharati Airtel Limited of Rs. 10 each	24.30	36.45
1,250 (Previous year - 2,000) Equity Shares of Bharat Heavy Electricals Limited of Rs.10 each	25.90	43.83
6,400 (Previous year - 2,425) Equity Shares of Larsen & Toubro Limited of Rs. 2 each	90.37	78.37
Nil (Previous year - 8,200) Equity Shares of Mcnally Bharat Engineering Company Limited of Rs. 10 each	-	24.13
5,000 (Previous year - 6,300) Equity Shares of Reliance Communication Limited of Rs.5 each	31.79	40.06
10,000 (Previous year - 11,500) Equity Shares of Sun Pharma Advance Reserch Company Limited of Re.1 each	11.30	13.00
10,000 (Previous year - 10,500) Equity Shares of Sun TV Network Limited of Rs. 5 each	35.50	37.27
	1,538.39	1,834.13
Less: Provision for diminution in value of investments	864.94	40.56
	673.45	1,793.57
Bonds (Quoted)		
Nil (Previous year - 225,000) 6.75% tax free bonds of Rs.100 each of Unit Trust of India	-	234.09
	-	234.09
Units of Mutual Funds (Unquoted)		
Nil (Previous year - 1,217,348.433) units of Rs.10 each in Birla Income Plus Fund - Growth Option	-	417.37 *
Nil (Previous year - 11,497,896.924) units of Rs.10 each in Birla Floating Rate Fund - Growth Option	-	1,529.38 *
9,044,798.087 (Previous year - Nil) units of Rs.10 each in Birla Cash Manager Fund - Institutional Growth Option	1,327.71	-
392,257 (Previous year - Nil) units of Rs.10 each in Birla Sunlife Short Term Fund - Retail - Dividend	39.93	-
1,854,214.258 (Previous year - Nil) units of Rs.10 each in Canara Robeco Floating Rate Short Term Growth Fund	250.00	-
1,971,738.416 (Previous year - Nil) units of Rs.10 each in DSP Merrill Lynch Top 100 Equity Fund - Dividend Regular	300.00	-
Nil (Previous year - 2,929,699.540) units of Rs.10 each in HDFC Floating Rate Income Fund - Growth Option	-	400.17 *
1,000,000.000 (Previous year - 1,000,000.000) units of Rs.10 each in HDFC Infrastructure Fund - Dividend Payout Option	100.00	100.00 *
6,117,990.726 (Previous year - Nil) units of Rs.10 each in HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Growth	1,174.01	-
2,076,146.453 (Previous year - Nil) units of Rs.10 each in HSBC Floating Rate Fund - Long Term Plan - Institutional - Growth	284.93	-
Nil (Previous year - 8,676,863.007) units of Rs.10 each in ICICI Prudential Floating Rate Fund - Growth Option	-	1,091.77 *
2,432,372.662 (Previous year - Nil) units of Rs.10 each in ICICI Prudential Flexible Income Plan Premium - Growth	395.93	-
1,524,808.454 (Previous year - Nil) units of Rs.10 each in ICICI Prudential Liquid Plan Institutional Plus - Growth	333.57	-
1,682,297.856 (Previous year - Nil) units of Rs.10 each in ICICI Prudential Institutional Short Term Plan - Monthly Dividend - Reinvest	202.37	-

SCHEDULES TO THE ACCOUNTS

	31st March, 2009 Rupees in lacs	31st March, 2008 Rupees in lacs
1,000,000.000 (Previous year - 1,000,000.000) units of Rs.10 each in IDFC (Standard Chartered) Small & Midcap Equity (SME) Fund - Dividend Payout Option	100.00	100.00 *
1,775,083.529 (Previous year - Nil) units of Rs.10 each in IDFC Super Saver Income Fund - Investment Plan - Plan A - Quarterly Dividend - Payout	201.74	-
Nil (Previous year - 5,000,000.000) units of Rs.10 each in J M Agri & Infra Fund - Dividend Payout Option	-	500.00 *
Nil (Previous year - 2,500,000.000) units of Rs.10 each in J M Core 11 Fund - Series 1 Dividend Payout Option	-	250.00 *
3,675,815.196 (Previous year - 2,241,188.171) units of Rs.10 each in Kotak Floater Short Term - Growth Option	530.90	299.06 *
1,757,741.092 (Previous year - Nil) units of Rs.10 each in LICMF Floating Rate Fund - Short Term Plan - Growth	250.00	-
1,873,711.823 (Previous year - Nil) units of Rs.10 each in LICMF Liquid Fund - Growth Plan	300.00	-
Nil (Previous year - 1,000,000.000) units of Rs.10 each in Lotus India Mid N Small Cap Fund Nifty - Dividend Payout Option	-	100.00 *
Nil (Previous year - 11,407,572.528) units of Rs.10 each in Reliance Floating Rate Fund - Growth Option	-	1,445.19 *
Nil (Previous year - 2,962,962.963) units of Rs.10 each in Reliance Natural Resources Fund - Dividend Payout Option	-	300.00 *
Nil (Previous year - 2,929,501.545) units of Rs.10 each in Reliance Short Term Fund - Growth Option	-	398.21 *
12,494,437.992 (Previous year - Nil) units of Rs.10/- each in Reliance Medium Term Fund - Retail Plan - Growth Plan - Growth Option	2,267.76	-
232,236 (Previous year - Nil) units of Rs.10/- each in Reliance Medium Term Fund - Weekly Dividend	39.72	-
Nil (Previous year - 2,458,379.633) units of Rs.10 each in SBI Magnum Income Fund - Growth Option	-	499.73 *
2,057,682.569 (Previous year - Nil) units of Rs.10/- each in SBI Magnum Insta Cash Fund - Cash Option	403.82	-
1,496,255.620 (Previous year - Nil) units of Rs.10 each in SBI Magnum Income Fund Floating Rate - Short Term Plan - Growth	200.00	-
5,000,000.000 (Previous year - 5,000,000.000) units of Rs.10/- each in Sundaram BNP Paribas Energy Opportunities Fund - Dividend Payout Option	500.00	500.00 *
1,514,623.692 (Previous year - Nil) units of Rs.10/- each in Sundaram BNP Paribas Floater Short Term Regular - Growth	200.00	-
2,380,257.481 (Previous year - Nil) units of Rs.10/- each in TATA Floating Rate Fund Short Term - Institutional Plan - Growth	324.83	-
3,033 (Previous year - Nil) units of Rs.1000/- each in TATA Liquid Fund - Hip	34.79	-
2,834,072.691 (Previous year - Nil) units of Rs.10/- each in Templeton Floating Rate Income Fund - Short Term Plan - Retail - Growth	450.00	-
Nil (Previous year - 46,030.368) units of Rs.1000 each in UTI Floating Rate Fund Short Term Plan - Growth Option	-	600.00 *
2,500,000.000 (Previous year - 2,500,000.000) units of Rs.10 each in UTI Infrastructure Advantage Fund Series 1- Dividend Payout Option	250.00	250.00 *
32,428.095 (Previous year - Nil) units of Rs.1000 each in UTI Liquid Cash Plan - Institutional - Growth	468.35	-
Nil (Previous year - 1,048,992.631) units of Rs.10 each in J M Basic Fund - Dividend Payout Option	-	253.51
Nil (Previous year - 1,258,702.615) units of Rs.10 each in J M Equity Fund - Dividend Payout Option	-	253.51
Nil (Previous year - 1,187,378.363) units of Rs.10 each in Kotak Opportunities - Dividend Payout Option	-	311.40
Nil (Previous year - 3,142,578.800) units of Rs.10 each in LIC MF Index Fund Nifty -Dividend Payout Option	-	500.00
Nil (Previous year - 979,057.812) units of Rs.10 each in TATA Infrastructure Fund - Dividend Payout Option	-	267.12
Nil (Previous year - 526,870.390) units of Rs.10 each in UTI Nifty Index Fund - Dividend Payout Option	-	200.00
	10,930.36	10,566.42
Less: Provision for diminution in value of investments	505.71	556.13
	10,424.65	10,010.29
SUB TOTAL (B)	11,098.10	12,037.95
TOTAL (A + B)	11,132.12	12,222.77
* During the year, the Company has reclassified Long term investments in equity shares and mutual funds amounting to Rs. 3,540.07 lacs as Current investments. Loss on sale of Current investments includes loss of Rs. 860.29 lacs on investments which have been so reclassified.		
Aggregate cost of quoted investments	1,538.39	2,068.22
Aggregate cost of unquoted investments	10,964.38	10,751.24
Aggregate market value of quoted investments	674.94	1,806.98
Aggregate repurchase prices of mutual funds	10,450.42	9,700.16

During the year, the following number of units of Mutual Funds were purchased and sold: (NON TRADE)

No.	Name of Mutual Fund	Name of Scheme	Face Value (Rs.)	No. of units	Cost Rupees in lacs
1	Birla Sun Life Mutual Fund	Floating Rate Fund - Long Term - Growth	10	9,182,712.895	1,299.97
		Floating Rate Fund - Short Term - Growth	10	11,329,350.023	1,547.00
		Floating Rate Fund - Short Term - Daily Dividend Reinvest	10	19,638,376.658	1,964.13
		Income Fund - Growth	10	7,284,647.960	2,164.01
		Short Term Fund - Institutional - Growth	10	8,479,395.595	847.94
		Income Fund - Quarterly Dividend Payout	10	4,203,343.059	438.80
		Floating Rate Fund - Long Term - Mthly Dividend Reinvest	10	2,419,624.848	251.41
		Short Term Fund - Institutional - Mthly Dividend Payout	10	1,983,595.664	200.00
				64,521,046.702	8,713.26
2	DSP Merrill Lynch Mutual Fund	FMP 1M Series 3 - Institutional Dividend Reinvest	10	2,015,403.317	201.54
				2,015,403.317	201.54
3	HDFC Mutual Fund	Floating Rate Income Fund - Long Term Plan - Growth	10	5,049,119.232	700.00
		High Interest Fund - Growth	10	1,509,793.575	403.02
		Liquid Fund - Growth	10	6,786,829.550	1,105.74
		Short Term Plan - Growth	10	4,723,518.029	700.00
		Floating Rate Income Fund - Short Term Plan - Wholesale Growth	10	11,008,958.871	1,604.13
		High Interest Fund - Quarterly Dividend	10	21,322,466.192	2,319.52
				50,400,685.449	6,832.41
4	HSBC Mutual Fund	Income Fund - Short Term Institutional Plan - Dividend	10	3,957,692.270	400.00
		Income Fund - Investment - Institutional Plan - Dividend	10	2,663,896.215	300.00
				6,621,588.485	700.00
5	ICICI Prudential Mutual Fund	Income Plan - Growth	10	4,667,314.858	1,099.49
		Liquid Plan - Weekly Dividend Reinvest	10	9,506,270.886	1,124.90
		Long Term Floating Rate Plan - A Dividend	10	3,919,557.581	400.88
		Short Term Plan - Cumulative Option	10	2,552,436.620	400.00
		Institutional Income Plan - Quarterly Dividend Payout	10	6,225,403.380	704.28
		Floating Rate Plan - A Growth	10	2,448,252.786	329.19
				29,319,236.111	4,058.74
6	IDFC Mutual Fund	Dynamic Bond Fund - Quarterly Dividend	10	1,888,217.523	200.00
		Fixed Maturity Plan - Quarterly Series 43 - Growth	10	4,000,000.000	400.00
		SSIF - Investment Plan - Plan A - Quarterly Dividend Payout	10	11,544,700.538	1,311.95
		Liquid Plus Fund - Investment Plan - Inst. Plan B - Growth	10	4,933,715.100	662.46
				22,366,633.161	2,574.41
7	ING Mutual Fund	Liquid Plus Fund - Regular - Weekly Dividend Reinvest	10	733,856.000	73.71
				733,856.000	73.71
8	J M Financial Mutual Fund	High Liquidity Fund - Dividend Payout	10	7,393,915.603	779.38
		Short Term Fund - Growth Plan	10	3,223,415.131	477.08
		Money Manager Fund - Super Plus Plan - Growth	10	4,072,874.263	481.50
				14,690,204.997	1,737.96
9	J P Morgan Mutual Fund	India Active Bond Fund - Institutional Dividend Plan	10	7,927,429.077	822.23
		India Liquid Plus Fund - Super Institutional Growth Plan	10	3,759,439.892	409.70
				11,686,868.969	1,231.93

During the year, the following number of units of Mutual Funds were purchased and sold: (NON TRADE)

No.	Name of Mutual Fund	Name of Scheme	Face Value (Rs.)	No. of units	Cost Rupees in lacs
10	Kotak Mahindra Mutual Fund	Bond Fund - Regular Growth	10	1,396,435.588	301.10
		Bond Fund - Short Term Growth	10	1,256,571.937	188.32
		Flexi Debt Scheme - Quarterly Dividend	10	1,940,805.434	200.00
		Floater Short Term Growth	10	5,870,280.961	789.41
		Liquid Fund - Regular Growth	10	3,060,039.259	505.23
		Bond (Regular) - Quarterly Dividend Payout	10	4,893,015.745	509.07
		Floater - Long Term Growth	10	4,000,629.794	546.81
		Income Plus - Quarterly Dividend Payout	10	5,669,382.535	549.31
				28,087,161.253	3,589.25
11	LIC Mutual Fund	Floating Rate Fund -			
		Short Term Plan - Dividend	10	3,419,884.250	347.08
		Short Term Plan - Growth	10	2,669,188.215	345.84
				6,089,072.465	692.92
12	Principal Mutual Fund	Floating Rate Fund - SMP -			
		Regular Growth Plan	10	1,576,797.406	201.56
		Income Fund - Short Term Plan - Growth	10	1,361,071.980	200.00
				2,937,869.386	401.56
13	Reliance Mutual Fund	Floating Rate Fund -			
		Growth Plan - Growth option	10	34,984,455.231	4,610.01
		Income Fund - Retail Growth Plan -			
		Growth option	10	7,332,316.701	1,879.29
		Medium Term Fund - Retail Growth Plan -			
		Growth option	10	11,119,066.564	1,936.12
		Income Fund - Retail Plan -			
		Quarterly Dividend Payout	10	25,782,308.834	3,371.16
				79,218,147.330	11,796.58
14	SBI Mutual Fund	Magnum Insta Cash Fund			
		Liquid Floater Plan - Dividend	10	4,960,139.905	510.18
		Magnum Income Fund Floating Rate			
		- LTP - Regular Growth	10	3,039,144.177	400.00
				7,999,284.082	910.18
15	TATA Mutual Fund	Floating Rate Fund - Short Term Growth	10	4,067,858.552	536.18
		Short Term Bond Fund - Growth	10	3,609,135.363	534.74
		Floater Fund - Growth	10	4,410,430.435	552.78
		Income Fund - Regular (Quarterly)	10	3,013,144.020	310.28
		Liquid Fund - HIP	1000	340.000	3.90
				15,100,908.370	1,937.88
16	UTI Mutual Fund	Floating Rate Fund -			
		Short Term Plan - Growth	1000	39,323.306	546.88
		Floating Rate Fund - Short Term Plan			
		Dividend Reinvestment	1000	128,254.478	1,329.21
		Liquid Plus - Institutional -			
		Monthly Dividend Payout	1000	23,101.674	232.59
		Bond Fund - Regular Growth Plan	10	1,780,809.015	420.22
				1,971,488.473	2,528.90
			Total		47,981.23

During the year, the following number of Equity Shares were purchased and sold: (NON TRADE)

No.	Company	Face Value (Rs.)	No. of shares	Cost Rupees in lacs
1	Bharat Heavy Electricals Limited	10	250	3.99
2	Cairn India Limited	10	5,500	13.53
3	Great Eastern Shipping Company Limited	10	1,101	3.40
4	IFCI Limited	10	10,000	4.01
5	Larsen & Toubro Limited	2	925	29.89
6	Reliance Industries Limited	10	1,257	30.55
7	Reliance Petroleum Limited	10	500	0.81
8	Sesa Goa Limited	1	3,300	10.50
9	Sterlite Industries (India) Ltd.	2	1,800	3.77
10	Tata Steel	10	500	2.50
		Total		102.95

SCHEDULES TO THE ACCOUNTS

	31st March, 2009 Rupees in lacs	31st March, 2008 Rupees in lacs
F. CURRENT ASSETS, LOANS AND ADVANCES		
INTEREST ACCRUED ON INVESTMENTS	-	5.06
INVENTORIES		
Raw materials	1,786.08	1,630.96
Packing materials	375.82	423.76
Work-in-process	719.68	922.42
Finished products	6,658.35	6,112.65
	9,539.93	9,089.79
SUNDRY DEBTORS (Unsecured)		
Over six months:		
Considered good	60.99	7.95
Considered doubtful	179.80	186.28
Other debts:		
Considered good	3,406.07	1,880.36
Considered doubtful	-	-
	3,646.86	2,074.59
Less: Provision for doubtful debts	179.80	186.28
	3,467.06	1,888.31
CASH AND BANK BALANCES		
Cash on hand	8.72	7.24
Balance with scheduled banks:		
In current accounts	903.37	1,372.29
In fixed and margin deposits (provided against letter of credit and bank guarantees)	58.28	81.16
	970.37	1,460.69
LOANS AND ADVANCES (Unsecured)		
Advances recoverable in cash or in kind or for value to be received:		
Considered good	1,515.18	1,939.51
Considered doubtful	15.89	33.64
	1,531.07	1,973.15
Less : Provision for doubtful advances	15.89	33.64
	1,515.18	1,939.51
Loan to FDC Holdings, Netherlands B.V., wholly owned subsidiary [Maximum balance during the year Rs. 166.18 lacs (Previous year - Rs. 166.18 lacs)]	-	166.18
Loan to FDC International Limited, U.K., wholly owned subsidiary [Maximum balance during the year Rs. 291.61 lacs (Previous year - Rs. Nil)]	247.37	-
Loan to Fair Deal Corporation Pharmaceutical SA (Pty) Ltd., joint venture entity [Maximum balance during the year Rs. 225.49 lacs (Previous year - Rs. 486.80 lacs)]	195.51	225.49
Sundry deposits	105.06	99.65
Advance tax (net of provision)	415.79	464.29
Balance with customs and excise authorities	4.78	4.62
	2,483.69	2,899.74
TOTAL	16,461.05	15,343.59

SCHEDULES TO THE ACCOUNTS

	31st March, 2009 Rupees in lacs	31st March, 2008 Rupees in lacs
G. CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry creditors (Refer Note 6 of Schedule 'O')		
Micro, Small and Medium Enterprises	-	-
Others	3,603.56	3,846.12
	<u>3,603.56</u>	<u>3,846.12</u>
Other liabilities	1,993.68	1,939.80
Security deposits	1,002.97	1,034.30
Due to customers	72.88	54.17
Investor Education and Protection Fund (shall be credited as and when due by the following amount)		
Unpaid dividend (Refer Note 23 of Schedule 'O')	54.66	43.65
	<u>6,727.75</u>	<u>6,918.04</u>
PROVISIONS		
Provision for fringe benefit tax (net of advances)	14.98	9.98
Provision for retirement benefits (Refer Note 8 of Schedule 'O')	182.28	177.03
Provision for gratuity fund (Refer Note 8 of Schedule 'O')	36.82	1.42
Provision for Wealth tax	6.75	7.50
Proposed dividend - final	2,350.51	1,914.62
Dividend tax	399.47	325.39
	<u>2,990.81</u>	<u>2,435.94</u>
TOTAL	<u><u>9,718.56</u></u>	<u><u>9,353.98</u></u>
H. MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Technical know-how fees	-	1.85
Less : Amortised during the year	-	1.85
	<u>-</u>	<u>-</u>

SCHEDULES TO THE ACCOUNTS

	2008-2009 Rupees in lacs	2007-2008 Rupees in lacs
I. OTHER INCOME		
Operating Income :		
Export incentives	176.82	132.00
Claims received	24.34	93.62
Miscellaneous receipts	53.25	99.29
Profit on sale of fixed assets (net)	-	23.40
Provision for doubtful debts/advances no longer required, written back	21.36	15.85
Provision for expenses no longer required, written back	89.50	72.22
SUB TOTAL (A)	365.27	436.38
Other Income :		
Interest received [Includes Rs. 9.43 lacs (Previous year Rs. Nil) from subsidiaries]	145.90	132.19
[Tax deducted at source Rs. 9.44 lacs (Previous year - Rs. 12.51 lacs)]	56.65	4.46
Miscellaneous receipts		
Dividend from subsidiary company		
[Tax deducted at source Rs. Nil (Previous year - Rs. 10.34 lacs)]	-	69.13
Dividend from joint venture entity	-	44.41
Provision for diminution in value of current investments, written back	104.14	-
Income from current investments :		
Dividend on current investments (non-trade)	290.31	316.59
Profit on sale of current investments (net)	-	89.07
	290.31	405.66
Income from long term investments :		
Dividend on long term investments (non-trade)	3.15	183.73
Profit on sale of long term investments (net)	110.86	646.24
	114.01	829.97
	404.32	1,235.63
SUB TOTAL (B)	711.01	1,485.82
TOTAL (A+B)	1,076.28	1,922.20
J. COST OF MATERIALS		
Raw materials consumed	13,670.95	14,352.64
Packing materials consumed	3,838.71	3,143.22
Purchase for resale	9,195.58	6,705.77
(Increase) / decrease in stock		
Closing stock :		
Work - in - process	719.68	922.42
Finished products	6,658.35	6,112.65
	7,378.03	7,035.07
Less : Opening stock :		
Work - in - process	922.42	1,075.55
Finished products	6,112.65	6,730.78
	7,035.07	7,806.33
	(342.96)	771.26
Increase/ (decrease) in excise duty on finished products	(14.70)	5.87
TOTAL	26,347.58	24,978.76
K. EMPLOYEES' COST		
Salaries, wages, bonus and commission	4,973.43	4,410.90
Contribution to provident and other funds (Refer Note 8 of Schedule 'O')	591.64	524.92
Welfare expenses	263.30	243.88
TOTAL	5,828.37	5,179.70

SCHEDULES TO THE ACCOUNTS

	2008-2009 Rupees in lacs	2007-2008 Rupees in lacs
L. OPERATING EXPENSES		
Processing charges	642.91	598.98
Power, fuel and water charges	1,019.27	935.13
Pharma Miscellaneous expenses	756.76	553.75
Repairs and maintenance:		
Building	202.71	205.00
Plant and machinery	557.76	263.81
Other assets	179.94	167.21
	940.41	636.02
Stores and spares	242.49	185.57
Rent (Refer Note 13 of Schedule 'O')	53.79	69.94
Rates and taxes	120.43	259.76
Insurance	40.47	47.28
Travelling and conveyance	2,212.30	2,098.28
Communication expenses	127.88	124.06
Carriage, freight and forwarding	1,128.49	1,079.11
Advertisement and sales promotion	3,004.29	2,544.14
Sales tax/ Value added tax	79.15	70.98
Commission on sales	509.15	418.68
Auditors' remuneration (as auditor):		
Audit fees	13.33	12.61
Other services	0.55	0.57
Out of pocket expenses	-	0.10
	13.88	13.28
Cost audit fees	0.81	0.69
Tax audit fees	1.93	1.69
Directors sitting fees	2.38	2.18
Bad debts written off	28.82	5.44
Less: Transfer from Provision for doubtful debts	28.82	5.44
	-	-
Provision for doubtful debts	41.47	70.53
Provision for doubtful advances	-	8.54
Provision for diminution in value of current investments	1,347.53	596.69
Investment in subsidiary company written off on liquidation	25.37	-
Loss on fixed assets sold/scrapped (net)	2.95	-
Amortisation of technical know-how fees	-	1.85
Loss on sale of current investments (net)	426.33	-
Research & Development Expenses	762.99	294.26
Donation	80.41	15.76
Miscellaneous expenses	1,047.81	1,043.61
TOTAL	14,631.65	11,670.76
M FINANCE EXPENSES		
Interest : (Refer Note 9 of Schedule 'O')		
on Bank	12.06	19.99
on Others	101.80	98.43
Bank Charges	32.18	29.65
TOTAL	146.04	148.07

N. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared under the historical cost convention, except for certain fixed assets, which were revalued on 30th September 1993 (refer Note 2 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. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. 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 assets and liabilities as at the date of financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

2. 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.

3. 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.

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.

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.

4. 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.

5. 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.

6. MISCELLANEOUS EXPENDITURE

Technical know-how fees for process know-how incurred upto 31st March 2003 are treated as deferred revenue expenditure and amortised equally over six years. Such expenditure incurred after 31st March 2003 is charged off to Profit and Loss Account.

7. REVENUE RECOGNITION

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. 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.

Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

8. 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 including those arising on repayment and translation of liabilities relating to acquisition of fixed assets 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.

9. 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 in other forms are credited to Profit and Loss Account.

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

10. 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.

11. RESEARCH AND DEVELOPMENT (R & D)

Expenditure on capital assets for R & D is included in fixed assets. Revenue expenditure is charged off to Profit and Loss Account in the year in which it is incurred.

12. 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.

13. 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.

14. ACCOUNTING FOR TAXES ON INCOME

Tax expense comprises of current, deferred and fringe benefit tax. Provision for current tax and fringe benefit 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.

15. 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.

O. NOTES TO FINANCIAL STATEMENTS

1. Contingent liabilities not provided for:

	31st March, 2009 Rupees in lacs	31st March, 2008 Rupees in lacs
(i) <u>Disputed tax matters</u>		
Income tax	221.89	114.64
Excise duty	135.98	107.42
Sales tax	107.49	99.43
(ii) In respect of guarantees given by banks	72.57	40.97
2. Letter of credit issued by bankers	1,013.56	183.91
3. Estimated amount of duty payable on export obligation against outstanding advance licences	1.72	3.11
4. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid) - Tangible assets	655.60	690.08
5. Under various schemes of Government of Maharashtra, the Company is entitled to Sales Tax deferral incentives for its units at Waluj and Sinnar. These are repayable in 5-6 instalments after a period of 10-12 years from the year of availment.		
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 above information and the details given in Schedule 'G' – Current liabilities and provisions regarding 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 'K') are as under:-

	2008- 2009 Rupees in lacs	2007 - 2008 Rupees in lacs
Employer's Contribution to Provident Fund	163.10	146.01
Employer's Contribution to Pension Scheme	181.80	167.25
Employer's Contribution to Superannuation Fund	37.84	43.82

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, 2009	31st March, 2008
I	Change in Benefit Obligation		
	Liability at the beginning of the year	363.56	333.92
	Interest Cost	31.82	29.50
	Current Service Cost	70.54	61.36
	Benefit Paid	(72.57)	(53.14)
	Actuarial (gain)/ loss on obligations	14.64	(8.08)
	Liability at the end of the year	407.99	363.56
II	Fair Value of Plan Assets		
	Fair Value of Plan Assets at the beginning of the year	362.14	321.15
	Expected Return on Plan Assets	31.10	29.45
	Contributions	63.00	73.50
	Benefit Paid	(72.57)	(53.14)
	Actuarial gain/ (loss) on Plan Assets	(12.50)	(8.82)
	Fair Value of Plan Assets at the end of the year	371.17	362.14
	Total Actuarial gain/ (loss)	(27.14)	(0.74)
III	Actual Return on Plan Assets		
	Expected Return on Plan Assets	31.10	29.45
	Actuarial gain/(loss) on Plan Assets	(12.50)	(8.82)
	Actual Return on Plan Assets	18.60	20.63
IV	Amount recognised in the Balance Sheet		
	Liability at the end of the year	(407.99)	(363.56)
	Fair Value of Plan Assets at the end of the year	371.17	362.14
	Amount recognised in the Balance Sheet	(36.82)	(1.42)
V	Expenses recognised in the Income Statement		
	Current Service Cost	70.54	61.36
	Interest Cost	31.82	29.50
	Expected Return on Plan Assets	(31.10)	(29.45)
	Net Actuarial (gain)/ loss	27.14	0.74
	Expense recognised in Profit and Loss Account	98.40	62.15
VI	Balance Sheet Reconciliation		
	Opening Net Liability	1.42	12.77
	Expense as above	98.40	62.15
	Employers Contribution	(63.00)	(73.50)
	Amount recognised in the Balance Sheet	36.82	1.42
VII	Investment Details		
	Government of India Assets	108.85	108.85
	Corporate Bonds	129.47	129.47
	State Government	54.79	63.40
	Equity	40.13	40.13
	Others	37.93	20.29
	Total	371.17	362.14
VIII	Actuarial Assumptions		
	Discount Rate Current	7.75%	8.00%
	Rate of Return on Plan Assets Current	8.00%	8.00%
	Salary Escalation Current	5.00%	5.00%
	Attrition Rate	2.00%	2.00%

IX 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.

X 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.

XI The Company expects to contribute Rs. 118.08 lacs to gratuity in next year.

The liability for Leave Encashment as at the year end is Rs. 182.28 lacs (Previous year - Rs. 177.03 lacs).

9. Interest does not include any interest paid towards fixed loans.

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

		31st March, 2009	31st March, 2008
		Rupees in lacs	Rupees in lacs
Deferred tax liabilities			
Depreciation		2,338.87	1,733.08
Others		0.59	5.20
	(A)	2,339.46	1,738.28
Less:- Deferred tax assets			
Provision for doubtful debts/ advances		66.51	74.75
Provision for diminution in the value of investments		235.59	101.41
Liabilities disallowed under Section 43B of the Income-tax Act, 1961		169.63	142.61
Expenses disallowed under Section 40(a)(ia) of the Income-tax Act, 1961		24.45	23.79
	(B)	496.18	342.56
Net Deferred tax liability	(A)-(B)	1,843.28	1,395.72

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	54,066.65 (48,464.42)	5,231.33 (4,062.39)	59,297.98 (52,526.81)
Carrying amount of assets by location of assets	41,203.06 (36,366.32)	1,572.57 (979.28)	42,775.63 (37,345.60)
Additions to tangible and intangible assets	5,634.38 (3,657.13)	- (-)	5,634.38 (3,657.13)

Previous year's figures are shown in brackets.

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

A. Subsidiary Companies

- FDC Holdings Netherlands B.V. (upto 17th October 2008)
- FDC International Limited
- FDC Inc.

B. Joint Venture Entity

- Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.

C. Key Management Personnel

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

D. Relatives of Key Management Personnel

- Mr. Ameya A. Chandavarkar
- Ms. Sandhya M. Chandavarkar
- Ms. Mangala A. Chandavarkar
- Ms. Aditi Bhanot

E. Enterprises in which Key Management Personnel have significant influence

- 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

F. Nature of transaction:

Rupees in lacs

Particulars	Subsidiary Companies	Joint Venture Entity	Key Management Personnel	Relatives of Key Management Personnel	Enterprises in which Key Management Personnel have significant influence	Total
Sale of goods	504.87 (819.42)	24.98 (-)	- (-)	- (-)	- (-)	529.85 (819.42)
Services received	- (-)	- (-)	- (-)	- (-)	39.41 (35.01)	39.41 (35.01)
Rent paid	- (-)	- (-)	- (-)	- (-)	1.06 (4.65)	1.06 (4.65)
Finance						
- Loans granted	291.61 (-)	- (-)	- (-)	- (-)	- (-)	291.61 (-)
- Loans recovered	166.18 (-)	45.67 (98.07)	- (-)	- (-)	- (-)	211.85 (98.07)
- Equity contribution in cash or in kind	0.00 (-)	- (-)	- (-)	- (-)	- (-)	0.00 (-)
- Sale of Equity	- (6.55)	- (-)	- (-)	- (-)	- (-)	- (6.55)
Interest received	9.43 (2.50)	10.72 (10.25)	- (-)	- (-)	- (-)	20.15 (12.75)
Interest written off	- (17.01)	- (-)	- (-)	- (-)	- (-)	- (17.01)
Remuneration*	- (-)	- (-)	100.07 (92.75)	- (-)	- (-)	100.07 (92.75)
Commission	- (-)	- (-)	153.52 (98.58)	- (-)	- (-)	153.52 (98.58)
Sitting fees	- (-)	- (-)	- (-)	0.03 (0.03)	- (-)	0.03 (0.03)
Dividend received	- (69.13)	- (44.41)	- (-)	- (-)	- (-)	- (113.54)
Dividend paid	- (-)	- (-)	214.61 (-)	277.46 (-)	334.25 (-)	826.32 (-)
Outstanding Balances						
- Payable	- (-)	- (-)	160.46 (104.23)	- (-)	- (-)	160.46 (104.23)
- Loans granted	247.37 (166.18)	195.51 (225.49)	- (-)	- (-)	- (-)	442.88 (391.67)
- Interest on loans granted	9.43 (-)	10.72 (12.75)	- (-)	- (-)	- (-)	20.15 (12.75)
- Receivable against debtors	- (163.82)	7.03 (10.83)	- (-)	- (-)	- (-)	7.03 (174.65)
- Provisions made on Receivable against debtors	- (-)	- (10.83)	- (-)	- (-)	- (-)	- (10.83)

*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:

		2008 - 2009 Rupees in lacs	2007 - 2008 Rupees in lacs
1	<u>Sale of goods</u> FDC International Limited FDC Inc.	504.87 -	590.31 229.11
2	<u>Services received</u> Anand Synthochem Limited Mejda Marketing Private Limited Akhil Farma Limited	10.44 19.29 9.68	9.48 17.50 8.03
3	<u>Rent paid</u> Aditi Sales Corporation Akhil Farma Limited	0.50 0.56	3.00 1.65
4	<u>Loans granted</u> FDC International Limited	291.61	-
5	<u>Loans recovered</u> Fair Deal Corporation Pharmaceutical SA (Pty) Ltd. FDC Holdings Netherlands B.V.	45.67 166.18	98.07 -
6	<u>Equity contribution in cash or in kind*</u> FDC International Limited	0.00	-
7	<u>Sale of Equity</u> Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	-	6.55
8	<u>Interest received</u> FDC International Limited Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	9.43 10.72	- 12.75
9	<u>Interest written off</u> FDC Holdings Netherlands B.V.	-	17.01
10	<u>Remuneration</u> Mr. Mohan A. Chandavarkar Mr. Ashok A. Chandavarkar Mr. Nandan M. Chandavarkar	38.25 31.54 30.28	34.32 29.85 28.58
11	<u>Commission</u> Mr. Mohan A. Chandavarkar Mr. Ashok A. Chandavarkar Mr. Nandan M. Chandavarkar	61.41 49.13 42.98	39.43 31.54 27.61
12	<u>Sitting fees</u> Mr. Ameya A. Chandavarkar	0.03	0.03
13	<u>Dividend received</u> FDC Inc. Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	- -	69.13 44.41
14	<u>Dividend paid</u> Mr. Mohan A. Chandavarkar Mr. Ashok A. Chandavarkar Ms. Sandhya M. Chandavarkar Soven Trading and Investment Company Private Limited Transgene Trading and Investment Company Private Limited	109.13 105.30 154.83 163.27 170.98	- - - - -
15	<u>Outstanding Balances Payable</u> Mr. Mohan A. Chandavarkar Mr. Ashok A. Chandavarkar Mr. Nandan M. Chandavarkar	64.02 51.36 45.08	41.89 33.66 28.68
16	<u>Outstanding Balances against loans granted</u> FDC Holdings Netherlands B.V. Fair Deal Corporation Pharmaceutical SA (Pty) Ltd. FDC International Ltd.	- 195.51 247.37	166.18 225.49 -
17	<u>Outstanding Balances against interest on loans granted</u> FDC International Ltd Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	9.43 10.72	- 12.75
18	<u>Outstanding Balances receivable against debtors</u> FDC International Limited Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	- 7.03	163.82 10.83
19	<u>Provisions made on receivable against debtors</u> Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	-	10.83

* Refer Note 15 of Schedule 'O'

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 'L').

These leasing arrangements, which are cancellable, range between 3 years 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.

14. 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, 2009	Percentage of Ownership Interest as on 31st March, 2008
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:

	Rupees in lacs	
	31st March, 2009	31st March, 2008
BALANCE SHEET		
Unsecured Loan	214.21	240.22
Fixed assets (net of depreciation)	276.93	277.56
Current assets, loans and advances		
Inventories	10.34	-
Sundry debtors	52.30	52.59
Cash and bank balances	48.05	68.17
Loans and advances	-	-
Current liabilities and provisions		
Current liabilities	47.75	53.09
Net current assets	62.94	67.67
	2008-2009	2007-2008
PROFIT AND LOSS ACCOUNT		
Income		
Sales	496.34	301.34
Other income	1.10	3.79
Expenditure		
Cost of materials	420.08	249.25
Employees' cost	8.75	6.27
Operating expenses	7.70	10.15
Finance expenses	11.32	12.92
Depreciation	0.56	0.61
Provision for taxation	13.72	7.53

No contingent liabilities and capital commitments have been incurred as at 31st March 2009 in relation to the Company's interest in the JV along with the other venturers (Previous year - Rs. Nil).

15. During the year, Company has purchased the 100% equity share capital of FDC International Limited, U.K. (a step down Subsidiary) at a purchase consideration of 1 GBP from FDC Holdings Netherlands B.V. (a wholly owned Subsidiary). Further, FDC Holdings Netherlands B.V. has voluntarily liquidated on 17th October 2008 and accordingly Company has absorbed the losses on liquidation amounting to Rs. 25.37 lacs.

16. Earnings per share has been computed as under:

	2008 - 2009	2007 - 2008
Profit after tax for the year (Rupees in lacs)	8,342.92	6,575.63
Weighted Average number of shares*	190,759,261	191,461,102
Nominal value per share (Rupees)	1.00	1.00
Earnings per share - Basic (Rupees)	4.37	3.43
- Diluted (Rupees)	4.37	3.43

* 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:

	2008 - 2009 Rupees in lacs	2007 - 2008 Rupees in lacs
A) <u>Chairman and Wholetime Directors</u>		
Salaries	83.27	78.81
Commission	153.52	98.58
Perquisites	2.75	0.64
Contribution to Provident fund and other funds	14.05	13.30
	253.59	191.33
B) <u>Non-wholetime Directors</u>		
Commission	7.74	5.54
Sitting Fees	2.38	2.18
	10.12	7.72
Total Managerial Remuneration	263.71	199.05

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 of the Companies Act, 1956:

	2008 - 2009 Rupees in lacs	2007 - 2008 Rupees in lacs
Profit before tax as per Profit and Loss Account	10,485.48	7,796.49
Add: Directors' remuneration (including commission)	261.33	196.87
Provision/ (write back) for doubtful debts/ advance (net)	-	57.78
Diminution in value of investments	1,347.53	596.69
Profit/ (Loss) on sale of fixed assets as per Section 349 of the Companies Act, 1956	(3.01)	(3.27)
Loss on Sale of Investments	315.47	-
	12,406.80	8,644.56
Less: Profit on sale of investments	-	735.31
Provision/ (Write back) for doubtful debts/ advance (net)	24.23	-
Diminution in current value of Investments w/back	104.14	-
Profit/ (Loss) on sale of assets (net) as per Profit and Loss Account	(2.95)	23.40
Net Profit as per Section 349 of the Companies Act, 1956	12,281.38	7,885.85
Commission payable to Managing Director and Wholetime Directors @ 1.25 % of the net profit calculated above (Previous year @ 1.25%)	153.52	98.58
Commission payable to Non-Wholetime Directors @ 1% of the net profit calculated above, restricted to Rs. 7.74 lacs (Previous year - Rs. 5.54 lacs)	7.74	5.54

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, 2009	31st March, 2008	31st March, 2009	31st March, 2008
Bank balances	USD	316,973	409,800	159.42	161.79
	EUR	19,985	1	13.32	0.00
	GBP	17,150	213,080	12.27	165.65
Sundry debtors	USD	2,243,696	1,276,063	1,134.64	504.30
	EUR	105,341	62,704	70.25	39.03
	GBP	-	209,172	-	163.82
	JPY	7,800,000	-	40.09	-
Loans and advances	EUR	13,049	267,000	8.70	166.18
	USD	299,883	46,283	150.81	18.25
	GBP	357,772	550	256.85	0.43
	ZAR	4,012,342	4,922,472	206.23	238.25
	CHF	2,036	-	0.89	-
Sundry creditors	EUR	26,749	64,905	18.32	41.38
	USD	1,110,366	693,485	573.27	279.36
	GBP	-	1,773	-	1.43
Unsecured Loan	USD	-	2,494,009	-	1,000.60
Investment in subsidiaries/ joint venture entity	EUR	-	358,033	-	150.80
	USD	50,000	50,000	22.00	22.00
	ZAR	159,250	159,250	11.30	11.30
	GBP	1	-	0.00	-

20. Revenue expenditure on research and development (including depreciation) aggregating to Rs. 1,669.35 lacs (Previous year - Rs. 899.49 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 during the year of Rs. 48.82 lacs (Previous year - Rs. 8.03 lacs) and Foreign exchange fluctuation loss of Rs. 10.82 lacs (Previous year - Rs. 123.14 lacs) is included under Miscellaneous receipts and Miscellaneous expenses respectively.
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 24th November 2008, the Company has bought back from open market through stock exchanges 3,291,869 equity shares of Re. 1 each during the year for a total consideration of Rs. 1,034.23 lacs. Of this, the Company has extinguished 3,228,669 equity shares till 31st March 2009 and 63,200 equity shares have been extinguished subsequent to the balance sheet date. Consequently, an amount of Rs. 32.92 lacs being the nominal value of equity shares bought back has been transferred to Capital Redemption Reserve from General Reserve. An amount of Rs. 1,001.31 lacs being the premium on buyback has been appropriated from Securities Premium Account to the extent of Rs. 534.68 lacs and General Reserve to the extent of Rs. 466.63 lacs.

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 (192,000.00)	80,609.68 (88,860.86)	776.86 (842.09)	217,225.38 (280,034.88)	143,800.86 (89,114.04)	983.75 (978.30)	356,458.02 (377,400.10)	6,521.90 (6,861.86)	85,177.90 (80,609.68)	842.92 (776.86)
(II)	Tablets , Capsules etc.	Nos. In crores	211.92 (211.92)	26.05 (26.44)	3,597.06 (4,115.30)	122.68 (113.70)	23.98 (19.81)	4,511.63 (3,962.59)	143.41 (133.90)	34,079.01 (31,563.56)	29.30 (26.05)	3,748.63 (3,597.06)
(III)	Cream, Powder, Ointments, Granules, Liquids, etc.	Kgs./Litres	6,306,840.00 (6,306,840.00)	821,957.22 (740,169.53)	1,326.56 (1,430.55)	2,961,236.72 (2,531,503.60)	591,983.21 (477,662.16)	1,288.55 (943.79)	3,496,056.87 (2,927,378.07)	12,308.45 (10,250.77)	879,120.28 (821,957.22)	1,642.33 (1,326.56)
2 .	FOODS PRODUCTS											
(I)	Powder , Liquid , etc.	Kgs./Litres	1,068,000.00 (993,000.00)	211,835.55 (170,501.75)	273.32 (241.10)	1,001,004.14 (950,786.95)	- (-)	- (-)	947,218.86 (909,453.15)	1,743.01 (1,524.75)	265,620.83 (211,835.55)	278.81 (273.32)
(II)	Capsules	Nos. In crores	- (-)	0.04 (0.04)	7.30 (8.46)	- (-)	0.16 (0.10)	30.92 (19.11)	0.14 (0.10)	53.71 (41.28)	0.06 (0.04)	8.88 (7.30)
3 .	BASIC DRUGS	Kgs.	121,500.00 (121,500.00)	4,025.79 (1,757.15)	131.55 (93.28)	63,012.57 (74,397.76)	34,277.64 (1,763.00)	1,539.86 (44.90)	* 96,353.29 * (70,792.53)	4,591.90 (2,284.59)	1,807.61 (4,025.79)	136.78 (131.55)
4 .	OTHERS		- (-)	- (-)	- (-)	- (-)	- (-)	840.87 (757.08)	- (-)	- (-)	- (-)	- (-)
TOTAL					6,112.65 (6,730.78)			9,195.58 (6,705.77)		59,297.98 (52,526.81)		6,658.35 (6,112.65)

(*) Excluding captive consumption 3,155.10 kgs. (Previous Year - 3,099.59 kgs.)
Previous year's figures are shown in brackets.

Notes:

- Since the industrial licencing for Drugs and Pharmaceuticals has been abolished under the Industrial Policy, the particulars of licenced capacity are not stated.
- 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 , Bulk Drugs and Food Products activities. The same have not been verified by the Auditors, this being a technical matter.
- 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.
- Others under the head Purchase for Resale, includes cost of samples purchased.

b) **Consumption of Raw Materials:**

	Quantity in M.T.	2008-2009 Rupees in lacs
i) Cefixime Trihydrate	36.94 (34.13)	4,329.66 (5,925.23)
ii) Other Raw Materials		9,341.29 (8,427.41)
Total		13,670.95 (14,352.64)
	Rupees in lacs	Percentage
Indigenous	10,862.14 (11,914.09)	79.45 (83.01)
Imported	2,808.81 (2,438.55)	20.55 (16.99)
Total	13,670.95 (14,352.64)	100.00 (100.00)

Previous year's figures are shown in brackets.

c) **Components, Stores and spares consumed:**

	Rupees in lacs	Percentage
Indigenous	242.49 (184.50)	57.12 (97.12)
Imported	182.05 (5.47)	42.88 (2.88)
Total	424.54 (189.97)	100.00 (100.00)

Previous year's figures are shown in brackets.

d) **CIF value of imports:**

	2008 – 2009 Rupees in lacs	2007 – 2008 Rupees in lacs
Raw material	3,412.38	2,451.37
Packing material	136.50	127.61
Components, Stores and spares	182.05	5.47
Capital goods	607.49	512.74
Total	4,338.42	3,097.19

e) **Earning in foreign exchange:**

	2008 – 2009 Rupees in lacs	2007 – 2008 Rupees in lacs
FOB value of exports	5,064.39	3,927.56
Interest received	14.13	39.24
Dividend received (gross)	-	113.54
Others	1.51	0.41
Total	5,080.03	4,080.75

f) **Expenditure in foreign currency: (Cash basis)**

	2008 – 2009 Rupees in lacs	2007 – 2008 Rupees in lacs
Legal and professional fees (including consultation fees) (gross)	11.96	11.53
Foreign travelling	12.22	13.48
Interest on PCFC Loan	12.06	19.99
Export Sales Expenses	103.49	124.95
Export Commission	21.47	35.17
Others (gross)	10.72	7.66
Total	171.92	212.78

26. Previous year's figures have been regrouped/ reclassified, wherever necessary.

Signatures to Schedules "A" to "O"

As per our report of even date

For S. R. BATLIBOI & CO.
Chartered Accountants

per RAVI BANSAL
Partner
Membership No. 49365

Place: Mumbai
Date : May 22, 2009

For and on behalf of the Board
MOHAN A. CHANDAVARKAR
Chairman and Managing Director

SHALINI KAMATH
Company Secretary

Place: Mumbai
Date : May 22, 2009

ASHOK A. CHANDAVARKAR
Director

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.										State Code										
Balance Sheet																				
	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 mobilisation and deployment of funds (Amount in Rs. Thousands)

Total Liabilities

			5	3	9	0	7	7	5
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 Total Assets

			5	3	9	0	7	7	5
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Sources of Funds

[illegible]

Application of Funds

[illegible]**IV. Performance of Company (Amount in Rs. Thousands)**

Turnover				5	8	7	1	2	4	3	Total Expenditure				4	8	2	2	6	9	5
Profit/(-) Loss Before Tax				1	0	4	8	5	4	8	Profit/(-) Loss After Tax					8	3	4	2	9	2
Earning Per Share in Rs.							4	.	3	7	Dividend Rate%					1	2	5	.	0	0

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

[illegible]

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	31.03.2009	31.03.2009
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, 2009	GBP 252,583	(USD 1,576)
ii. For the financial years since they became subsidiaries	GBP 91,219	USD 45,422
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, 2009	Nil	Nil
ii. For the financial years since they became subsidiaries	Nil	Nil

NOTE :

1. FDC Holdings Netherlands B.V., a wholly owned subsidiary of the Company has been voluntarily liquidated on 17th October 2008.
2. FDC International Limited's 100% shareholding has been acquired from FDC Holdings Netherlands B.V. on 5th August 2008 thereby making it "whole owned subsidiary" from erstwhile "step down subsidiary".

For and on behalf of the Board

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ASHOK A. CHANDAVARKAR
Director

SHALINI KAMATH
Company Secretary

Place : Mumbai
Date : May 22, 2009

Auditors' Report to the Board of Directors of FDC Limited _____

We have audited the attached Consolidated Balance Sheet of FDC Limited Group, as at 31st March 2009, 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 certain subsidiaries and the joint venture company, whose financial statements reflect total assets of Rs. 1,067.29 lacs as at 31st March 2009 and the total revenue of Rs. 1,809.77 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].

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 Group as at 31st March 2009;
- 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 & CO.

Chartered Accountants

per RAVI BANSAL

Partner

Membership No.: 49365

Place: Mumbai

Date: May 22, 2009

**CONSOLIDATED BALANCE SHEET AS AT
31ST MARCH, 2009**

Schedule	31st March, 2009 Rupees in lacs	31st March, 2008 Rupees in lacs
I. SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
Share capital ' A '	1,889.55	1,922.47
Reserves and surplus ' B '	40,395.20	35,509.73
	42,284.75	37,432.20
LOAN FUNDS		
Secured loans ' C '	271.79	-
Unsecured loans ' D '	377.86	1,409.11
DEFERRED TAX LIABILITY (NET) (Refer Note 10 of Schedule 'P')	1,843.28	1,395.72
TOTAL	44,777.68	40,237.03
II. APPLICATION OF FUNDS		
FIXED ASSETS		
Gross block ' E '	33,149.83	24,889.04
Less: Depreciation and Impairment	8,875.41	7,613.87
Net block	24,274.42	17,275.17
Capital work-in-progress and advances [Net of provision for impairment of assets Rs. 144.79 lacs (Previous year - Rs. 144.79 lacs)]	2,709.00	5,005.93
	26,983.42	22,281.10
INVESTMENTS ' F '	11,098.82	12,038.67
CURRENT ASSETS, LOANS AND ADVANCES		
Interest accrued on investments ' G '	-	5.06
Inventories	9,559.14	9,116.54
Sundry debtors	3,523.99	1,984.84
Cash and bank balances	1,291.12	1,739.03
Loans and advances	2,115.20	2,683.13
	16,489.45	15,528.60
Less: CURRENT LIABILITIES AND PROVISIONS ' H '		
Current liabilities	6,803.20	7,175.40
Provisions	2,990.81	2,435.94
	9,794.01	9,611.34
NET CURRENT ASSETS	6,695.44	5,917.26
MISCELLANEOUS EXPENDITURE ' I '	-	-
TOTAL	44,777.68	40,237.03
Significant Accounting Policies ' O '		
Notes to Accounts ' P '		

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2009**

Schedule	2008-2009 Rupees in lacs	2007-2008 Rupees in lacs
INCOME		
Sales	60,574.90	53,072.45
Less: Excise duty	1,661.83	3,560.14
	58,913.07	49,512.31
Other income ' J '	1,134.34	1,889.37
TOTAL	60,047.41	51,401.68
EXPENDITURE		
Cost of materials ' K '	27,031.67	25,499.11
Employees' cost ' L '	5,871.58	5,217.08
Operating expenses ' M '	14,875.04	11,884.25
Finance expenses ' N '	176.74	157.10
Depreciation and Impairment ' E '	1,303.34	1,128.87
Less: Transfer from revaluation reserve ' B '	12.66	12.67
	1,290.68	1,116.20
TOTAL	49,245.71	43,873.74
Profit before taxation	10,801.70	7,527.94
Provision for taxation		
For the year		
- Current	1,468.21	915.19
- Deferred	447.56	93.76
- Fringe benefit tax	230.00	200.00
	2,145.77	1,208.95
For earlier years - Current	35.00	2.10
	2,180.77	1,211.05
Profit after taxation	8,620.93	6,316.89
Balance brought forward	9,502.20	7,931.98
Adjustment on account of liquidation of subsidiary	81.03	-
Amount available for appropriation	18,204.16	14,248.87
APPROPRIATIONS		
Interim dividend	-	4.10
Final dividend - proposed	2,350.51	1,914.62
Dividend tax	399.47	327.95
Transfer to General Reserve	2,500.00	2,500.00
Balance carried to Consolidated Balance Sheet	12,954.18	9,502.20
	18,204.16	14,248.87
Earnings per share (Refer Note 15 of Schedule 'P')		
Basic and diluted - Par value		
Re. 1 per share	4.52	3.30
Significant Accounting Policies ' O '		
Notes to Accounts ' P '		

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

As per our report of even date

For S. R. BATLIBOI & CO.
Chartered Accountants

For and on behalf of the Board
MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ASHOK A. CHANDAVARKAR
Director

SHALINI KAMATH
Company Secretary

per RAVI BANSAL
Partner
Membership No. 49365

Place: Mumbai
Date: May 22, 2009

Place: Mumbai
Date: May 22, 2009

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

As per our report of even date

For S. R. BATLIBOI & CO.
Chartered Accountants

For and on behalf of the Board
MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ASHOK A. CHANDAVARKAR
Director

SHALINI KAMATH
Company Secretary

per RAVI BANSAL
Partner
Membership No. 49365

Place: Mumbai
Date: May 22, 2009

Place: Mumbai
Date: May 22, 2009

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	2008 - 2009 Rupees in lacs		2007 - 2008 Rupees in lacs	
CASH FLOWS FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAXATION		10,801.70		7,527.94
Adjustments for :				
Depreciation and Impairment	1,290.68		1,116.20	
Interest expense	136.03		124.29	
Interest income	(134.50)		(131.81)	
(Profit)/ Loss on sale of fixed assets (net)	2.99		(23.40)	
Dividend income	(293.46)		(522.97)	
Diminution in value of current investments	1,347.53		596.69	
(Profit)/ Loss on sale of investments (net)	315.47		(735.31)	
Investment in subsidiary company written off on liquidation	23.27		-	
Translation adjustment on consolidation	(52.54)		47.44	
Unrealised foreign exchange loss/ (gain) on restatement	(48.61)		114.90	
Bad debts written off	2.10		7.04	
Provision for doubtful debts	41.47		70.53	
Provision for doubtful advances	-		8.54	
Provision for expenses no longer required, written back	(89.50)		(72.22)	
Provision for doubtful debts/ advances no longer required, written back	(21.36)		(15.85)	
Provision for diminution in value of current investments, written back	(104.14)		-	
Miscellaneous expenditure amortised during the year	-	2,415.43	1.85	585.92
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		13,217.13		8,113.86
Adjustments for :				
(Increase)/ decrease in debtors	(1,514.63)		444.00	
(Increase)/ decrease in inventories	(442.60)		650.53	
(Increase)/ decrease in advances	(538.05)		271.20	
Increase/ (decrease) in creditors	(316.35)		1,248.13	
Increase/ (decrease) in provisions	39.90	(2,771.73)	(44.74)	2,569.12
CASH GENERATED FROM OPERATIONS		10,445.40		10,682.98
Direct taxes paid (including Fringe benefit tax)		(1,633.47)		(1,315.95)
NET CASH FROM OPERATING ACTIVITIES (A)		8,811.93		9,367.03
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES				
Purchase of fixed assets		(6,041.57)		(3,657.13)
Proceeds from sale of fixed assets		32.92		197.47
(Increase)/ decrease in inter-corporate deposits given		1,000.00		(1,000.00)
(Increase)/ decrease in fixed and margin deposits		22.88		(23.04)
Repayment of loan by joint venture entity		23.29		50.02
Proceeds from sale of investments in joint venture entity		-		6.55
Purchase of investments - others		(11,098.58)		(25,571.25)
Proceeds from sale of investments - others		10,456.30		18,558.05
Dividend received		286.95		522.97
Interest received		145.95		135.78
Adjustment on account of liquidation of subsidiary		81.03		-
NET CASH FROM/ (USED IN) INVESTING ACTIVITIES (B)		(5,090.83)		(10,780.58)
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES				
Term loan taken from bank for purchase of property		271.25		-
Proceeds from/ (repayment of) borrowings		(1,013.04)		1,062.51
Deferral from sales tax collection		21.89		12.04
Repayment of interest free sales tax loan		(40.10)		(36.05)
Payment towards buy back of shares		(1,034.23)		-
Dividend paid		(1,914.62)		(4.10)
Dividend tax paid		(325.39)		(2.56)
Interest paid		(135.49)		(124.29)
NET CASH FROM/ (USED IN) FINANCING ACTIVITIES (C)		(4,169.73)		907.55
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)		(448.63)		(506.00)
OPENING CASH AND CASH EQUIVALENTS		1,631.84		2,137.84
CLOSING CASH AND CASH EQUIVALENTS (Refer Note 1 below)		1,183.21		1,631.84

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

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, 2009 Rupees in lacs	31st March, 2008 Rupees in lacs
Cash on hand	8.86	7.39
Balance with scheduled banks:		
In current accounts (Refer Note 2 below)	1,223.98	1,650.48
Unrealised foreign exchange loss/ (gain) on restatement of cash and cash equivalents	(49.63)	(26.03)
TOTAL	1,183.21	1,631.84

2. The balance in current accounts include Rs. 54.68 lacs (Previous year - Rs. 43.67 lacs) towards unclaimed dividend accounts.
3. Previous year's figures have been regrouped/ reclassified wherever necessary.

As per our report of even date

For S. R. BATLIBOI & CO.
Chartered Accountants

For and on behalf of the Board

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ASHOK A. CHANDAVARKAR
Director

per RAVI BANSAL
Partner
Membership No. 49365

SHALINI KAMATH
Company Secretary

Place: Mumbai
Date: May 22, 2009

Place: Mumbai
Date: May 22, 2009

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	31st March, 2009 Rupees in lacs	31st March, 2008 Rupees in lacs		31st March, 2009 Rupees in lacs	31st March, 2008 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		
			Opening Balance	16.81	16.81
ISSUED AND SUBSCRIBED			Add: Transfer from General Reserve on account of buy back of shares (Refer Note 19 of Schedule 'P')	32.92	-
191,314,233 (Previous year - 194,606,102) Equity shares of Re. 1 each	1,913.14	1,946.06	Closing Balance	49.73	16.81
			SECURITIES PREMIUM ACCOUNT		
PAID-UP			Opening Balance	*607.58	*607.58
188,169,233 (Previous year - 191,461,102) Equity shares of Re. 1 each, fully paid-up	1,881.69	1,914.61	Less: Premium paid for buy back of shares (Refer Note 19 of Schedule 'P')	534.68	-
Add: 3,145,000 (Previous year - 3,145,000) Equity shares forfeited (Refer Note 19 of Schedule 'P')	7.86	7.86	Closing Balance	72.90	607.58
			* Includes securities premium received on forfeited shares Rs. 72.90 lacs (Previous year - Rs. 72.90 lacs)		
TOTAL	1,889.55	1,922.47	REVALUATION RESERVE		
Of the above shares:			Opening Balance	109.78	122.45
(i) 15,000 (Previous year - 15,000) shares were allotted as fully paid-up pursuant to a contract for consideration other than cash.			Less: Transfer to Consolidated Profit and Loss Account	12.66	12.67
(ii) 28,900,000 (Previous year - 28,900,000) shares were allotted as fully paid-up by way of Bonus shares by capitalisation out of General Reserve.			Closing Balance	97.12	109.78
(iii) 95,730,551 (Previous year - 95,730,551) shares were allotted as fully paid-up by way of Bonus shares by capitalisation out of Securities Premium Account.			GENERAL RESERVE		
			Opening Balance	23,686.40	21,186.40
			Less: Premium paid for buy back of shares (Refer Note 19 of Schedule 'P')	466.63	-
			Less: Transfer to Capital Redemption Reserve Account	32.92	-
			Add: Transfer from Consolidated Profit and Loss Account	2,500.00	2,500.00
			Closing Balance	25,686.85	23,686.40
			RESERVE FOR DIMINUTION IN VALUE/ LOSS ON SALE OF INVESTMENTS	1,500.00	1,500.00
			SURPLUS IN CONSOLIDATED PROFIT AND LOSS ACCOUNT	12,954.18	9,502.20
			TRANSLATION RESERVE	(10.59)	41.95
			TOTAL	40,395.20	35,509.73
			C. SECURED LOANS		
			Term loan from bank for purchase of property	271.79	-
			(Secured by way of first charge against new property purchased in UK and its associated assets)		
			TOTAL	271.79	-
			D. UNSECURED LOANS		
			Interest-free Sales tax loans	268.64	286.85
			[Repayable within one year - Rs. 39.62 lacs (Previous year - Rs. 40.10 lacs)] (Refer Note 6 of Schedule 'P')		
			Packing Credit Foreign Currency Loan from Bank	-	1,000.60
			[Repayable within one year - Rs. Nil (Previous year - Rs. 1,000.60 lacs)]		
			Other Loan	109.22	121.66
			(There are no fixed terms for repayment of this loan)		
			TOTAL	377.86	1,409.11

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

E. FIXED ASSETS

Rupees in lacs

PARTICULARS	GROSS BLOCK				DEPRECIATION/ IMPAIRMENT				NET BLOCK		
	As at 31.03.2008	Additions	Deletions / Adjustments	As at 31.03.2009	As at 31.03.2008	Depreciation for the year	Impairment for the year	Deletions / Adjustments	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
Leasehold land *	373.90	-	-	373.90	110.24	5.82	-	0.77	115.29	258.61	263.66
Freehold land **	565.36	739.32	-	1,304.68	-	-	-	-	-	1,304.68	565.36
Buildings***	7,815.08	2,878.11	-	10,693.19	1,087.33	255.54	-	(0.77)	1,343.64	9,349.55	6,727.75
Plant and machinery	9,261.12	3,020.42	161.20	12,120.34	4,663.01	657.92	-	58.83	5,262.10	6,858.24	4,598.11
Laboratory testing machines	1,662.88	188.01	55.67	1,795.22	291.58	78.07	-	5.82	363.83	1,431.39	1,371.30
Electrical installations	881.38	168.54	-	1,049.92	187.64	45.13	-	-	232.77	817.15	693.74
Furniture, fixtures and fittings	1,326.63	583.76	0.35	1,910.04	399.06	104.57	-	0.28	503.35	1,406.69	927.57
Office equipments	816.19	358.90	6.44	1,168.65	160.42	46.92	-	2.38	204.96	963.69	655.77
Vehicles	345.24	10.32	5.74	349.82	160.53	28.96	-	4.78	184.71	165.11	184.71
Capital expenditure on R&D											
Buildings	109.91	-	-	109.91	44.88	3.52	-	-	48.40	61.51	65.03
Equipments	1,399.88	355.46	(151.69)	1,907.03	483.66	72.32	-	(30.29)	586.27	1,320.76	916.22
Furniture and fixtures	49.82	34.65	-	84.47	23.23	4.24	-	-	27.47	57.00	26.59
Water coolers and refrigerators	6.47	1.01	-	7.48	2.29	0.33	-	-	2.62	4.86	4.18
Intangible assets											
Dossiers (Refer Note 4 of Schedule 'O')	275.18	-	-	275.18	-	-	-	-	-	275.18	275.18
TOTAL	24,889.04	8,338.50	77.71	33,149.83	7,613.87	1,303.34	-	41.80	8,875.41	24,274.42	17,275.17
Previous year	22,106.42	3,003.67	221.05	24,889.04	6,531.98	1,079.07	49.80	46.98	7,613.87	17,275.17	

* 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. 191.57 lacs) includes cost of unquoted fully paid shares in various co-operative housing societies.

*** Building of Rs. 2,521.75 lacs (Previous year - Rs. 1,246.85 lacs) includes cost of unquoted fully paid shares in various co-operative housing societies.

	31st March, 2009 Rupees in lacs	31st March, 2008 Rupees in lacs
F. INVESTMENTS		
I. LONG TERM		
Government Securities		
National Savings Certificates	0.07	0.07
35 (Previous year - 35) Government of India G.P. Notes - face value of Rs. 2,000 (Refer Note 7 of Schedule 'P')	0.02	0.02
Non Trade		
1,000 (Previous year - 1,000) Equity Shares of The Saraswat Co-op. Bank Limited of Rs. 10 each	0.10	0.10
5,000 (Previous year - 5,000) Equity Shares of The North Kanara G.S.B. Co-op. Bank Limited of Rs. 10 each	0.50	0.50
100 (Previous year - 100) Shares of Roha Industries Association Sahakari Grahak Bhandar Limited of Rs. 25 each	0.03	0.03
SUB TOTAL (A)	0.72	0.72

	31st March, 2009 Rupees in lacs	31st March, 2008 Rupees in lacs
II. CURRENT		
Non Trade		
Fully paid-up Equity Shares (Quoted)	1,538.39	1,834.13 *
Less: Provision for diminution in value of investments	864.94	40.56
	673.45	1,793.57
Bonds (Quoted)	-	234.09
Units of Mutual Funds (Unquoted)	10,930.36	10,566.42 *
Less: Provision for diminution in value of investments	505.71	556.13
	10,424.65	10,010.29
SUB TOTAL (B)	11,098.10	12,037.95
TOTAL (A+B)	11,098.82	12,038.67

* During the year, the Company has reclassified Long term investments in equity shares and mutual funds amounting to Rs. 3,540.07 lacs as Current investments. Loss on sale of Current investments includes loss of Rs. 860.29 lacs on investments which have been so reclassified.

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	31st March, 2009 Rupees in lacs	31st March, 2008 Rupees in lacs		31st March, 2009 Rupees in lacs	31st March, 2008 Rupees in lacs
G. CURRENT ASSETS, LOANS AND ADVANCES			H. CURRENT LIABILITIES AND PROVISIONS		
INTEREST ACCRUED ON INVESTMENTS	-	5.06	CURRENT LIABILITIES		
INVENTORIES			Sundry creditors	3,646.23	3,921.40
Raw materials	1,786.08	1,630.96	Other liabilities	2,000.81	1,981.56
Packing materials	375.82	423.76	Security deposits	1,002.97	1,034.30
Work-in-process	719.68	922.42	Due to customers	98.53	194.49
Finished products	6,677.56	6,139.40	Investor Education and Protection Fund (shall be credited as and when due by the following amount)		
	9,559.14	9,116.54	Unpaid dividend	54.66	43.65
SUNDRY DEBTORS (Unsecured)				6,803.20	7,175.40
Over six months :			PROVISIONS		
Considered good	70.60	78.80	Provision for fringe benefit tax (net of advances)	14.98	9.98
Considered doubtful	179.80	186.28	Provision for retirement benefits (Refer Note 8 of Schedule 'P')	182.28	177.03
Other debts :			Provision for gratuity fund (Refer Note 8 of Schedule 'P')	36.82	1.42
Considered good	3,453.39	1,906.04	Provision for Wealth tax	6.75	7.50
Considered doubtful	-	-	Proposed dividend - final	2,350.51	1,914.62
	3,703.79	2,171.12	Dividend tax	399.47	325.39
Less: Provision for doubtful debts	179.80	186.28		2,990.81	2,435.94
	3,523.99	1,984.84	TOTAL	9,794.01	9,611.34
CASH AND BANK BALANCES			I. MISCELLANEOUS EXPENDITURE		
Cash on hand	8.86	7.39	(To the extent not written off or adjusted)		
Balance with scheduled banks :			Technical know-how fees	-	1.85
In current accounts	1,223.98	1,650.48	Less: Amortised during the year	-	1.85
In fixed and margin deposits (provided against letter of credit and bank guarantees)	58.28	81.16	TOTAL	-	-
	1,291.12	1,739.03			
LOANS AND ADVANCES (Unsecured)					
Advances recoverable in cash or in kind or for value to be received :					
Considered good	1,518.61	1,982.08			
Considered doubtful	15.89	33.64			
	1,534.50	2,015.72			
Less: Provision for doubtful advances	15.89	33.64			
	1,518.61	1,982.08			
Loan to joint venture entity [Maximum balance during the year Rs. 115.00 lacs (Previous year - Rs. 248.27 lacs)]	99.71	115.00			
Sundry deposits	105.06	99.65			
Advance tax (net of provision)	387.04	481.78			
Balance with customs and excise authorities	4.78	4.62			
	2,115.20	2,683.13			
TOTAL	16,489.45	15,528.60			

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	2008 - 2009 Rupees in lacs	2007 - 2008 Rupees in lacs		2008 - 2009 Rupees in lacs	2007 - 2008 Rupees in lacs
J. OTHER INCOME			M. OPERATING EXPENSES		
Operating Income :			Processing charges	642.91	598.98
Export incentives	176.82	132.00	Power, fuel and water charges	1,020.11	935.13
Claims received	24.34	93.62	Pharma Miscellaneous expenses	756.76	553.75
Miscellaneous receipts	122.67	135.77	Repairs and maintenance :		
Profit on sale of fixed assets (net)	-	23.40	Building	202.71	205.00
Provision for doubtful debts/ advances			Plant and machinery	557.94	263.81
no longer required, written back	21.36	15.85	Other assets	192.43	170.00
Provision for expenses no longer				953.08	638.81
required, written back	89.50	72.22			
SUB TOTAL (A)	434.69	472.86	Stores and spares	242.49	185.57
			Rent (Refer Note 13 of Schedule 'P')	63.48	82.41
Other Income :			Rates and taxes	134.14	259.76
Interest received	134.50	131.81	Insurance	50.22	56.13
[Tax deducted at source Rs. 9.44 lacs			Travelling and conveyance	2,215.87	2,101.19
(Previous year - Rs. 12.51 lacs)]			Communication expenses	129.64	125.83
Miscellaneous receipts	56.69	26.42	Carriage, freight and forwarding	1,128.49	1,079.11
Dividend from joint venture entity	-	22.65	Advertisement and sales promotion	3,006.41	2,544.14
Provision for diminution in value of			Sales tax/ Value added tax	79.15	70.98
current investments, written back	104.14	-	Commission on sales	509.15	429.86
Income from current investments :			Auditors' remuneration (as auditor):		
Dividend on current investments (non-trade)	290.31	316.59	Audit fees	17.16	17.22
Profit on sale of current investments (net)	-	89.07	Other services	0.55	0.57
	290.31	405.66	Out of pocket expenses	-	0.10
				17.71	17.89
Income from long term investments :			Cost audit fees	0.81	0.69
Dividend on long term investments			Tax audit fees	1.93	1.69
(non-trade)	3.15	183.73	Directors sitting fees	2.38	2.18
Profit on sale of long term investments (net)	110.86	646.24	Bad debts written off	30.92	12.48
	114.01	829.97	Less: Transfer from Provision for		
			doubtful debts	28.82	5.44
	404.32	1,235.63		2.10	7.04
SUB TOTAL (B)	699.65	1,416.51	Provision for doubtful debts	41.47	70.53
TOTAL (A+B)	1,134.34	1,889.37	Provision for doubtful advances	-	8.54
			Provision for diminution in value of		
K. COST OF MATERIALS			current investments	1,347.53	596.69
Raw materials consumed	13,670.95	14,352.64	Investment in subsidiary company		
Packing materials consumed	3,838.71	3,143.22	written off on liquidation	23.27	-
Purchase for resale	9,872.13	7,249.67	Loss on fixed assets sold/ scrapped (net)	2.99	-
(Increase)/ decrease in stock			Amortisation of technical know-how fees	-	1.85
Closing stock :			Loss on sale of current investments (net)	426.33	-
Work - in - process	719.68	922.42	Research & Development Expenses	762.99	294.26
Finished products	6,677.56	6,139.40	Donation	80.41	15.76
	7,397.24	7,061.82	Miscellaneous expenses	1,233.22	1,205.48
			TOTAL	14,875.04	11,884.25
Less: Opening stock :					
Work - in - process	922.42	1,075.55	N. FINANCE EXPENSES		
Finished products	6,139.40	6,733.98	Interest : (Refer Note 9 of Schedule 'P')		
	7,061.82	7,809.53	on Bank	28.62	19.99
	(335.42)	747.71	on Others	107.41	104.30
			Bank Charges	40.71	32.81
Increase/ (decrease) in excise duty			TOTAL	176.74	157.10
on finished products	(14.70)	5.87			
TOTAL	27,031.67	25,499.11			
L. EMPLOYEES' COST					
Salaries, wages, bonus and commission	5,012.83	4,445.23			
Contribution to provident and other funds	595.11	527.97			
(Refer Note 8 of Schedule 'P')					
Welfare expenses	263.64	243.88			
TOTAL	5,871.58	5,217.08			

0. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The consolidated financial statements are 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 3 below) and in case of assets where a provision is made for impairment losses, on accrual basis and are in accordance with Accounting Standard 21 - "Consolidated Financial Statements", Accounting Standard 27 - "Financial Reporting of Interests in Joint Ventures" and clarifications thereon notified by the Companies (Accounting Standards) Rules, 2006 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 have been consistently applied by the Company and are consistent with those used in the previous year. 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 assets and liabilities as at the date of financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

2. 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. 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".

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.

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 Consolidated Profit and Loss Account.

Intangible assets are recorded at the consideration paid for acquisition.

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.

4. 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 Consolidated 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.

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.

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.

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.

No depreciation has been provided on intangible assets i.e. "Dossiers".

5. 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.

6. 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.

7. MISCELLANEOUS EXPENDITURE

Technical know-how fees for process know-how incurred upto 31st March 2003 are treated as deferred revenue expenditure and amortised equally over six years. Such expenditure incurred after 31st March 2003 is charged off to Consolidated Profit and Loss Account.

8. REVENUE RECOGNITION

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. 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.

Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

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 including those arising on repayment and translation of liabilities relating to acquisition of fixed assets are taken to the Consolidated 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 Consolidated 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. Adjustments arising from exchange rates variances relating to liabilities attributable to fixed assets are also capitalised.
- The differences on translation including those arising on elimination of intra-group balances and transactions are taken to Consolidated Profit and Loss Account.

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 in other forms are credited to the Consolidated Profit and Loss Account.

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 Consolidated 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 Consolidated Profit and Loss Account.

12. RESEARCH AND DEVELOPMENT (R&D)

Expenditure on capital assets for R & D is included in fixed assets. Revenue expenditure is charged off to Consolidated 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 Consolidated 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, deferred and fringe benefit tax. Provision for current tax and fringe benefit 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.

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.

P. NOTES TO THE CONSOLIDATED ACCOUNTS**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 Holdings Netherlands B.V. *	The Netherlands	Nil (Previous year - 100%)
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%)

* FDC Limited has acquired 100% shareholding (representing 374,085 Equity Shares having face value of GBP 0.01 each) in FDC International Limited (a step down subsidiary) on 5th August 2008 from FDC Holdings Netherlands B.V. (a wholly owned subsidiary) for consideration of GBP 1. Further, FDC Holdings Netherlands B.V. has been voluntarily liquidated on 17th October 2008 and accordingly FDC Limited has absorbed the losses on liquidation amounting to Rs. 25.37 lacs.

2. Contingent liabilities not provided for:

	31st March, 2009 Rupees in lacs	31st March, 2008 Rupees in lacs
(i) <u>Disputed tax matters</u>		
Income tax	221.89	114.64
Excise duty	135.98	107.42
Sales tax	107.49	99.43
(ii) In respect of guarantees given by banks	72.57	40.97
3. Letter of credit issued by bankers	1,013.56	183.91
4. Estimated amount of duty payable on export obligation against outstanding advance licences	1.72	3.11
5. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid) - Tangible assets	655.60	690.08

6. Under various schemes of Government of Maharashtra, FDC Limited is entitled to Sales Tax deferral incentives for its units at Waluj and Sinnar. These are repayable in 5-6 instalments after a period of 10-12 years from the year of availment.
7. Of the total investments stated in Schedule 'F' 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 'L') are as under:-

	2008 - 2009 Rupees in lacs	2007 - 2008 Rupees in lacs
Employer's Contribution to Provident Fund	163.10	146.01
Employer's Contribution to Pension Scheme	181.80	167.25
Employer's Contribution to Superannuation Fund	37.84	43.82

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, 2009	31st March, 2008
I	Change in Benefit Obligation		
	Liability at the beginning of the year	363.56	333.92
	Interest Cost	31.82	29.50
	Current Service Cost	70.54	61.36
	Benefit Paid	(72.57)	(53.14)
	Actuarial (gain)/ loss on obligations	14.64	(8.08)
	Liability at the end of the year	407.99	363.56
II	Fair Value of Plan Assets		
	Fair Value of Plan Assets at the beginning of the year	362.14	321.15
	Expected Return on Plan Assets	31.10	29.45
	Contributions	63.00	73.50
	Benefit Paid	(72.57)	(53.14)
	Actuarial gain/ (loss) on Plan Assets	(12.50)	(8.82)
	Fair Value of Plan Assets at the end of the year	371.17	362.14
	Total Actuarial gain/ (loss)	(27.14)	(0.74)
III	Actual Return on Plan Assets		
	Expected Return on Plan Assets	31.10	29.45
	Actuarial gain/ (loss) on Plan Assets	(12.50)	(8.82)
	Actual Return on Plan Assets	18.60	20.63
IV	Amount recognised in the Balance Sheet		
	Liability at the end of the year	(407.99)	(363.56)
	Fair Value of Plan Assets at the end of the year	371.17	362.14
	Amount recognised in the Consolidated Balance Sheet	(36.82)	(1.42)

Rupees in lacs

		Gratuity Funded Plan	
		31st March, 2009	31st March, 2008
V	Expenses recognised in the Income Statement		
	Current Service Cost	70.54	61.36
	Interest Cost	31.82	29.50
	Expected Return on Plan Assets	(31.10)	(29.45)
	Net Actuarial (gain)/ loss	27.14	0.74
	Expense recognised in the Consolidated Profit and Loss Account	98.40	62.15
VI	Balance Sheet Reconciliation		
	Opening Net Liability	1.42	12.77
	Expense as above	98.40	62.15
	Employer's Contribution	(63.00)	(73.50)
	Amount recognised in the Consolidated Balance Sheet	36.82	1.42
VII	Investment Details		
	Government of India Assets	108.85	108.85
	Corporate Bonds	129.47	129.47
	State Government	54.79	63.40
	Equity	40.13	40.13
	Others	37.93	20.29
	Total	371.17	362.14
VIII	Actuarial Assumptions		
	Discount Rate Current	7.75%	8.00%
	Rate of Return on Plan Assets Current	8.00%	8.00%
	Salary Escalation Current	5.00%	5.00%
	Attrition Rate	2.00%	2.00%
IX	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.		
X	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.		
XI	The Company expects to contribute Rs. 118.08 lacs to gratuity in next year.		

The liability for leave encashment as at the year end is Rs. 182.28 lacs (Previous year - Rs. 177.03 lacs).

9. Interest includes interest paid/ payable towards fixed loan of Rs. 15.45 lacs (Previous year - Rs. Nil).

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

		31st March, 2009	31st March, 2008
		Rupees in lacs	Rupees in lacs
Deferred tax liabilities			
	Depreciation	2,338.87	1,733.08
	Others	0.59	5.20
	(A)	2,339.46	1,738.28
Less:- Deferred tax assets			
	Provision for doubtful debts/ advances	66.51	74.75
	Provision for diminution in the value of investments	235.59	101.41
	Liabilities disallowed under Section 43B of the Income-tax Act, 1961	169.63	142.61
	Expenses disallowed under Section 40(a)(ia) of the Income-tax Act, 1961	24.45	23.79
	(B)	496.18	342.56
Net Deferred tax liability	(A)-(B)	1,843.28	1,395.72

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 Group's operating divisions are managed from India. 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:

Rupees in lacs			
Particulars	India	Others	Total
Segment Revenue	54,066.65 (48,464.42)	6,508.25 (4,608.03)	60,574.90 (53,072.45)
Carrying amount of assets by location of assets	41,203.06 (36,366.32)	2,269.81 (1,443.38)	43,472.87 (37,809.70)
Additions to tangible and intangible assets	5,634.38 (3,657.13)	407.19 (-)	6,041.57 (3,657.13)

Previous year's figures are shown in brackets.

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

A. Joint Venture Company

- Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.

B. Key Management Personnel

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

C. Relatives of Key Management Personnel

- Mr. Ameya A. Chandavarkar
- Ms. Sandhya M. Chandavarkar
- Ms. Mangala A. Chandavarkar
- Ms. Aditi Bhanot

D. Enterprises in which Key Management Personnel have significant influence

- 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

E. Nature of transaction:

Rupees in lacs

Particulars	Joint Venture Company	Key Management Personnel	Relatives of Key Management Personnel	Enterprises in which Key Management Personnel have significant influence	Total
Sale of goods	12.74 (-)	- (-)	- (-)	- (-)	12.74 (-)
Services received	- (-)	- (-)	- (-)	39.41 (35.01)	39.41 (35.01)
Rent paid	- (-)	- (-)	- (-)	1.06 (4.65)	1.06 (4.65)
Finance					
- Loans recovered	23.29 (50.02)	- (-)	- (-)	- (-)	23.29 (50.02)
- Sale of Equity	- (6.55)	- (-)	- (-)	- (-)	- (6.55)
Interest received	5.47 (6.50)	- (-)	- (-)	- (-)	5.47 (6.50)
Remuneration*	- (-)	100.07 (92.75)	- (-)	- (-)	100.07 (92.75)
Commission	- (-)	153.52 (98.58)	- (-)	- (-)	153.52 (98.58)
Sitting fees	- (-)	- (-)	0.03 (0.03)	- (-)	0.03 (0.03)
Dividend received	- (22.65)	- (-)	- (-)	- (-)	- (22.65)
Dividend paid	- (-)	214.61 (-)	277.46 (-)	334.25 (-)	826.32 (-)
Outstanding Balances					
- Payable	- (-)	160.46 (104.23)	- (-)	- (-)	160.46 (104.23)
- Loans granted	99.71 (115.00)	- (-)	- (-)	- (-)	99.71 (115.00)
- Interest on loans granted	5.47 (6.50)	- (-)	- (-)	- (-)	5.47 (6.50)
- Receivable against debtors	3.59 (5.53)	- (-)	- (-)	- (-)	3.59 (5.53)
- Provisions made on receivable against debtors	- (10.83)	- (-)	- (-)	- (-)	- (10.83)

* 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:

		2008 - 2009 Rupees in lacs	2007 - 2008 Rupees in lacs
1	<u>Sale of goods</u>		
	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	12.74	-
2	<u>Services received</u>		
	Anand Synthochem Limited	10.44	9.48
	Mejda Marketing Private Limited	19.29	17.50
	Akhil Farma Limited	9.68	8.03
3	<u>Rent paid</u>		
	Aditi Sales Corporation	0.50	3.00
	Akhil Farma Limited	0.56	1.65
4	<u>Loans recovered</u>		
	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	23.29	50.02
5	<u>Sale of Equity</u>		
	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	-	6.55
6	<u>Interest received</u>		
	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	5.47	6.50
7	<u>Remuneration</u>		
	Mr. Mohan A. Chandavarkar	38.25	34.32
	Mr. Ashok A. Chandavarkar	31.54	29.85
	Mr. Nandan M. Chandavarkar	30.28	28.58
8	<u>Commission</u>		
	Mr. Mohan A. Chandavarkar	61.41	39.43
	Mr. Ashok A. Chandavarkar	49.13	31.54
	Mr. Nandan M. Chandavarkar	42.98	27.61
9	<u>Sitting fees</u>		
	Mr. Ameya A. Chandavarkar	0.03	0.03
10	<u>Dividend received</u>		
	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	-	22.65
11	<u>Dividend paid</u>		
	Mr. Mohan A. Chandavarkar	109.13	-
	Mr. Ashok A. Chandavarkar	105.30	-
	Ms. Sandhya M. Chandavarkar	154.83	-
	Soven Trading and Investment Company Private Limited	163.27	-
	Transgene Trading and Investment Company Private Limited	170.98	-
12	<u>Outstanding Balances Payable</u>		
	Mr. Mohan A. Chandavarkar	64.02	41.89
	Mr. Ashok A. Chandavarkar	51.36	33.66
	Mr. Nandan M. Chandavarkar	45.08	28.68
13	<u>Outstanding Balances against loans granted</u>		
	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	99.71	115.00
14	<u>Outstanding Balances against interest on loans granted</u>		
	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	5.47	6.50
15	<u>Outstanding Balances receivable against debtors</u>		
	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	3.59	5.53
16	<u>Provisions made on receivable against debtors</u>		
	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	-	10.83

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 'M').

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.

14. 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, 2009	Percentage of Ownership Interest as on 31st March, 2008
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 FDC SA on line by line basis to the extent of 49% shareholding.

15. Earnings per share has been computed as under:

	2008-2009	2007-2008
Profit after tax for the year (Rupees in lacs)	8,620.93	6,316.89
Weighted Average number of shares*	190,759,261	191,461,102
Nominal value per share (Rupees)	1.00	1.00
Earnings per share - Basic (Rupees)	4.52	3.30
- Diluted (Rupees)	4.52	3.30

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

16. 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, 2009	31st March, 2008	31st March, 2009	31st March, 2008
Bank Balances	USD	323,214	416,219	162.62	164.30
	EUR	19,985	1	13.32	0.00
	GBP	17,150	213,080	12.27	165.65
Sundry debtors	USD	2,236,883	1,262,641	1,131.19	498.99
	EUR	105,341	62,704	70.25	39.03
	JPY	7,800,000	-	40.09	-
Loans and advances	EUR	13,049	-	8.70	-
	USD	299,883	46,283	150.81	18.25
	GBP	-	550	-	0.43
	ZAR	2,046,294	2,510,461	105.18	121.51
	CHF	2,036	-	0.89	-
Sundry creditors	EUR	26,749	64,905	18.32	41.38
	USD	1,110,366	693,485	573.27	279.36
	GBP	-	1,773	-	1.43
Unsecured Loan	USD	-	2,494,009	-	1,000.60

17. Revenue expenditure on research and development (including depreciation) aggregating to Rs. 1,669.35 lacs (Previous year - Rs. 899.49 lacs) is included under relevant expense heads in the Consolidated Profit and Loss Account.
18. Cost of samples (manufactured and purchased) has been included in Cost of Materials.
19. 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 24th November 2008, the Company has bought back from open market through stock exchanges 3,291,869 equity shares of Re. 1 each during the year for a total consideration of Rs. 1,034.23 lacs. Of this, the Company has extinguished 3,228,669 equity shares till 31st March 2009 and 63,200 equity shares have been extinguished subsequent to the balance sheet date. Consequently, an amount of Rs. 32.92 lacs being the nominal value of equity shares bought back has been transferred to Capital Redemption Reserve from General Reserve. An amount of Rs. 1,001.31 lacs being the premium on buy back has been appropriated from Securities Premium Account to the extent of Rs. 534.68 lacs and General Reserve to the extent of Rs. 466.63 lacs.
20. Pursuant to the exemption granted by the Department of Company 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 2009	72.71	50.86
1.	Capital	2.23	22.00
2.	Reserves	65.78	26.54
3.	Total Assets	638.28	48.95
4.	Total Liabilities [Excluding (1) and (2)]	570.27	0.41
5.	Investments (other than in Subsidiaries)	-	-
6.	Sales	1,297.69	-
7.	Other Income	4.19	10.45
8.	Profit/ (Loss) before taxation	219.65	10.08
9.	Provision for taxation	24.13	0.36
10.	Profit/ (Loss) after taxation	195.52	9.72
11.	Interim Dividend	-	-
12.	Proposed Dividend	-	-

21. Previous year's figures have been regrouped/ reclassified, wherever necessary.

Signatures to Schedules "A" to "P"

As per our report of even date

For S. R. BATLIBOI & CO.
Chartered Accountants

per RAVI BANSAL
Partner
Membership No. 49365

Place: Mumbai
Date: May 22, 2009

For and on behalf of the Board

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

SHALINI KAMATH
Company Secretary

Place: Mumbai
Date: May 22, 2009

ASHOK A. CHANDAVARKAR
Director