



Affordable Dedicated Care...

Over 70 years



**Annual Report
2009-2010**

FORWARD LOOKING STATEMENTS

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

INVESTORS ' INFORMATION

- | | | |
|----|---|---|
| 1. | Date of annual general meeting | Saturday, August 21, 2010 |
| 2. | Venue and time | WelcomHotel Rama International
R-3, Chikalthana, Aurangabad - 431 210
at 10.00 a.m. |
| 3. | Book closure | August 12, 2010 to August 21, 2010
(both days inclusive) |
| 4. | Dividend | Recommended final dividend of Rs. 1.75 (175%) per equity share |
| 5. | Investors' complaints may be addressed to | The Secretarial Department
FDC Limited
142-48, Swami Vivekananda Road
Jogeshwari (West), Mumbai - 400 102
Tel.: (022) 2678 2653, 2678 2656
Fax.: (022) 2678 8123
E-mail ID.: investors@fdcindia.com |

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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
(Appointed as a Whole-time director w.e.f. November 01, 2009)

CA Girish C. Shiredalal

Dr. Satish S. Ugrankar

Dr. Rahim H. Muljiani

Dr. Nagam H. Atthreya

COMPANY SECRETARY

Ms. Shalini Kamath

AUDITORS

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

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
E-mail 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, 2010.

1. FINANCIAL RESULTS

	Year ended 31.03.2010 (Rupees in lacs)	Year ended 31.03.2009 (Rupees in lacs)
Sales (gross)	65,999.75	59,297.98
Other income	3,172.47	1,164.71
Gross profit (before finance expenses & depreciation)	19,559.16	1,1904.83
Deductions:		
Finance expenses	131.99	146.04
Depreciation	1,448.03	1,273.31
Profit before taxation	17,979.14	10,485.48
Provision for taxation - current year	2,872.43	2,107.56
Provision for taxation - earlier years	224.78	35.00
Profit after taxation	14,881.93	8,342.92
Brought forward profit	12,736.11	9,643.17
Amount available for appropriation	27,618.04	17,986.09
Appropriations:		
Final dividend - proposed	3,259.87	2,350.51
Dividend tax	541.42	399.47
Transfer to general reserve	3,000.00	2,500.00
Reversal of excess provision of dividend	(25.73)	-
Balance carried over to next year	20,842.48	12,736.11
	27,618.04	17,986.09

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

2. DIVIDEND

Your board of directors recommend a dividend of Rs.1.75 (175%) per equity share of Re.1/- each for the year 2009-2010. 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 21, 2010. This dividend is tax free in the hands of the shareholders.

3. BUYBACK OF EQUITY SHARES

The shareholders vide a postal ballot resolution dated December 21, 2009, approved the buyback of 86,50,000 fully paid up equity shares having a face value of Re. 1/- each, through the stock exchanges, at a price not exceeding Rs. 65/- per share, upto an amount of Rs. 5,600 lacs.

The buyback of shares commenced on April 12, 2010. The Company has however not been able to buyback any shares in the buyback offer, since the current market price is higher than the maximum offer price, stipulated in the buyback offer.

4. BUSINESS REVIEW

The world economy witnessed signs of recovery from one of the worst global recession. Even though India experienced the tremors of the global economic melt down, the impact was not that severe. It is expected that by the year 2015, the Indian Pharmaceutical Market (IPM) will be valued at US \$20 billion. Many factors will lead way to a healthy growth in the pharma sector. Generics are seen as the future markets, wherein India and China are expected to play key roles.

The Indian Pharma market looks bright, with loads of opportunities for growth. The increasing disposable income, the growing health awareness, the increase in the lifestyle related diseases, the easy availability of modern medicinal amenities and affordable medical insurance will increase the demand for the domestic and allopathic medicines. Further, the increasing population in the ageing group, will boost the demand for the typical age related diseases such as cardiovascular, diabetics, hypertensives and oncology.

The IPM grew by 17.7% to touch the market size of Rs. 41,701 crores during the year ended March 2010. Around 2,100 products were introduced in the current year 2009-2010. Indian Companies continued to lead the IPM as compared to the multinationals. Indian Companies outgrew the market at 15.9%, while multinationals registered a growth of 15%. Acute segment continued to dominate the market.

The Indian Pharma Industry still has to face some great challenges. The new price control policy is still pending review by the Government. Compulsory licensing, patent oppositions and litigations, increasing regulations and compliances, infrastructure development and menace of counterfeit drugs are seen as major hurdles.

DIRECTORS' REPORT

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 12.8% as against the IPM growth of 17.7%. Your Company is ranked at the 23rd position, attaining a market share of 1.68%. [Source: Organisation Research Group (ORG) March, Moving Annual Total (MAT) 2010]

In 2009, the Company's top brand "ELECTRAL" was launched in a ready to serve tetra pack. This brand has registered a robust growth and is the only innovative World Health Organisation (WHO) recommended Oral Rehydration Salt (ORS) in tetra pack for the first time in the country. This brand has been well accepted by pediatricians for its rationale osmolarity.

Gutrite, with its aggressive performance in the pre-probiotic combination market has done impressively well and has been very well appreciated by pediatricians.

Your Company introduced various products during the year 2009-2010 which are being aggressively promoted in various therapeutic categories. The performance of the new products are encouraging.

With a view to improve the doctor coverage, the Company has launched a new division with a primary focus on coverage of pediatricians. The new division will have a pan India presence in the current year.

b. Financial Performance

Your Company's turnover and net profits increased by 11.30% and 78.38% respectively over the previous year.

The measures initiated by the Company in terms of investments in the field / new product pipeline and cost control have resulted in better sales and profitability.

As you are aware, the Company's treasury operations suffered a set back in the previous year due to extreme market volatility. However, with the new Government in place during the current year, the markets have stabilised and have yielded good returns during the current year.

On international front your Company was not much affected by foreign exchange fluctuations, due to less dependence on exports.

Cost controls across all levels of functions is a continuous and ongoing exercise.

The Company's internal control procedures commensurate to the extent and nature of its operations. 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 ended March 31, 2010 was Rs. 5,587.74 lacs as compared to Rs. 5,064.39 lacs for the year ended March 31, 2009. The improved performance resulted from products exported to USA, UK, South America, Ukraine, Myanmar and Afghanistan. New product registrations were received in the UK, Ukraine, Malaysia, Vietnam, Kenya, Lithuania, Chile, Ethiopia and Mozambique. Opportunities for markets in USA, UK and rest of the world are being explored.

Major NGOs continued to endorse their faith in Company's competence and reliability in delivering quality products. The Company is a preferred source for procurement of ORS, ReSomal and Zinc Sulphate tablets by the leading NGOs for their emergency procurement plans.

5. RESEARCH & DEVELOPMENT

a. Formulations

Your Company as reported earlier, has launched products in the various therapeutic groups. 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 recently commissioned NOVEL DRUG DELIVERY RESEARCH LABORATORY, (NDDR) for increasing overall therapeutic and commercial value of commonly prescribed drugs, by enhancing their performance and reducing adverse effect profile, thereby improving patient convenience and compliance. The current focus of the NDDR is on the selected therapeutic segments like anti-infectives, respiratory and anti-inflammatory agents.

Various patent applications and dossier filing were undertaken during the current year.

b. Synthetics

Laboratory process development for the synthesis of Famciclovir was developed and technology was successfully transferred to Roha Plant.

Backward integrated APIs in Dermatology and Ophthalmology segments are under active development. In collaboration with National Chemical Laboratory, Pune, several compounds with antifungal activity have been developed. Few of those compounds have shown promising results.

Seven process patents have been filed. Three Patents have been granted for improved process for Dorzolamide and manufacture of Flurbiprofen, respectively. U.S. Drug Master File submissions for Latanoprost is in the final stage.

DIRECTORS' REPORT

c. Nutraceuticals

Your Company successfully launched brand extension to its well established and recognised energy drink "ENERZAL" Orange and Lime flavour.

After the successful launch of its infant milk substitute, MUM-MUM 1, your Company is in the process of launching MUM-MUM 2, a specially developed infant milk substitute for infants between 6 months to 1 year taking into account the nutritional needs of the infants.

d. Biotechnology

As reported to you earlier, with regard to the license technology agreement signed by your Company with an Israel based Company, for production and purification of recombinant protein licensed to FDC, your Company has received the test license from Daman Food and Drug Administration, for containerisation of the recombinant product in the pre-filled syringes from an external party. Compilation of data for consistency batch dossier is underway. The consistency batch data will be submitted to the Department of Bio-technology, for obtaining permission to conduct pre-clinical trials of the recombinant product.

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, Dr. R.H. Muljani and Dr. S.S. Ugrankar, retire by rotation at the ensuing annual general meeting and being eligible, offer themselves for re-appointment.

Mr. Ameya A. Chandavarkar was appointed as a whole-time director of the Company for a period of five years, w.e.f. from November 01, 2009, subject to the approval of the Central Government. His appointment was approved by the shareholders vide a postal ballot special resolution dated December 21, 2009. Necessary application for seeking approval of the Central Government is already submitted.

9. DIRECTORS' RESPONSIBILITY STATEMENT

Your directors confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed;
- b. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended March 31, 2010 and of the profit and loss account for that period;
- c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors have prepared the annual accounts on a going concern basis.

10. CORPORATE GOVERNANCE

As required by the existing clause 49 of the listing 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 auditors of your Company M/s. S.R. Batliboi & Associates, Chartered Accountants, Mumbai, retire at the ensuing annual general meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

12. COST AUDITORS

The directors have appointed Shri. Prakash Sevekari, Cost Auditor, to conduct the cost audit of bulk drugs and

DIRECTORS' REPORT

formulations for the financial year ending March 31, 2011. The requisite applications for approval of his appointment will be submitted to the Central Government.

13. PUBLIC DEPOSITS

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

14. PARTICULARS OF SUBSIDIARIES AND ITS OPERATIONS

Your Company's Wholly Owned Subsidiary (WOS) at USA, namely FDC Inc., reported a loss of USD 1,260 (Rs. 6.19 lacs) for the year ended March 31, 2010.

Your Company's WOS at UK, namely FDC International Ltd., has reported a profit of GBP 219,748 (Rs. 150.16 lacs) for the year ended March 31, 2010.

Your Company's joint venture business at South Africa namely Fair Deal Corporation Pharmaceutical SA (Pty) Ltd., reported a loss of ZAR 1,990,094 (Rs. 118.82 lacs) for the year ended March 31, 2010.

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 International Limited, UK and FDC Inc., USA, for the financial year ended March 31, 2010. However, as directed by the Central Government, the financial data of the subsidiaries have been furnished under "Notes to the Consolidated Financial Statements".

Also, as directed by the Central Government, annual accounts of the subsidiaries and the related detailed

information will be made available to the holding and subsidiary Company's investors, on request and the same is available for inspection by the members at the registered office of the Company, between 10.00 a.m. to 12.00 noon on all days except Fridays and holidays, till the date of the forthcoming meeting and will also be placed before the said meeting.

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

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

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

16. ACKNOWLEDGMENTS

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

For and on behalf of the board

Place : Mumbai
Date : May 29, 2010

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, 2010.

A. CONSERVATION OF ENERGY

a. Energy conservation measures undertaken at various plants

Baddi

- Humidstat for Bry Air humidifiers.
- Temperature Controller for Cooling Tower.
- New Brine Chiller for Low RH Area (50 TR).
- Sull- Air Screw Compressor.

Goa

- LED fixtures have been installed in place of standard fluorescent lamps for new areas.
- VRF (Variable Refrigeration Flow) system has been installed with digital scroll compressor for the new areas saving substantial energy.
- Diesel fired hot water generator has been totally stopped by utilizing the warm water from condenser of the chiller for maintaining environmental conditions in the area.

Waluj

- AHU of total 30TR DX system taken on centralised chilled water system.
- #### b. Proposals for energy conservation
- Photovoltaic Solar Modules for Security, Street & Toilet Lights (All Plants).
 - Electronically Controlled, Eddy Current Motor with Blowers for AHU's (All Plants).
 - 240 TR Screw Chiller to replace Air Conditioning Load of split & window A/C's (Jogeshwari).

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

	2009-2010	2008-2009
1. Electricity		
a. Purchased unit (kwh)	14,341,636	13,255,873
Total amount (Rs.)	82,535,675	72,415,309
Rate/unit (Rs.)	5.75	5.46
b. Own Generation		
i. Through diesel Generator unit (kwh)	1,050,099	1,296,315
Unit per litre of diesel oil (Rs.)	3.17	3.37
Cost/unit (Rs.)	10.65	10.91
ii. Through steam turbine/generator	N.A.	N.A.
2. Coal	N.A.	N.A.
3. Furnace Oil		
Qty. (Kilo litre)	348	384
Total Cost (Rs.)	10,099,921	11,528,478
Rate/unit (Rs.)	29.04	30.05
4. Bagasse		
Qty. (Kgs)	2,114,719	1,687,900
Total Cost (Rs.)	9,122,446	6,218,040
Rate/unit (Rs.)	4.31	3.68
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 segments.
- Development of recombinant DNA based biotherapeutics such as colony stimulating factor and third generation thrombolytics.
- Ocular cytotoxicity studies by Invitro assay to evaluate the effect of ophthalmic products on corneal cell lines.

- Development processes to synthesize enantio pure drugs.
- Process development and improvement for the existing range of products such as Flurbiprofen, Timolol Maleate and Dorzolamide.

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

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

3. Future plan of action

- Pre-clinical and clinical trials of recombinant cytokine followed by commercial production using optimised and standardised process parameters.
- Develop and launch of novel drug delivery systems for different molecules.
- Development of APIs based on patent expiry.
- To file process and product patents.

4. Expenditure on R&D

	2009-2010 Rupees in lacs	2008-2009 Rupees in lacs
a. Capital	*559.19	*440.97
b. Recurring	1,371.26	1,669.35
c. Total	1,930.45	2,110.32
d. Total R&D expenditure as a percentage of total turnover	2.92%	3.56%

* Including W.I.P.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

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

2. Benefits derived as a result of the above efforts

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

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

FDC's foreign exchange earnings, stood at Rs. 5,616.99 lacs for the year 2009-2010 against Rs. 5,086.05 lacs in 2008-2009. This was achieved despite the strong US dollar against the Indian rupee for a major part of the financial year. The Company is continuously exploring possibilities of exporting more of its products to different markets.

2. Total foreign exchange earnings and outgo

	2009-2010 Rupees in lacs	2008-2009 Rupees in lacs
i. Earnings	5,616.99	5,086.05
ii. Outgo	4,783.29	4,510.34

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

For and on behalf of the board

Place : Mumbai
Date : May 29, 2010

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

2. BOARD OF DIRECTORS

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

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

* Appointed as a whole-time director w.e.f. November 01, 2009

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

During the year under review, 5 board meetings were held on May 22, 2009, July 30, 2009, September 09, 2009, October 29, 2009, and January 27, 2010. The last AGM of the Company was held on August 29, 2009.

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

c. Membership/ Chairmanship of other boards and committees thereof

Name of the director	*Number of directorships held in other companies	Other committees	
		Member	Chairman
Mr. Mohan A. Chandavarkar	Nil	Nil	Nil
Mr. Ashok A. Chandavarkar	Nil	Nil	Nil
Mr. Nandan M. Chandavarkar	Nil	Nil	Nil
Mr. Ameya A. Chandavarkar	Nil	Nil	Nil
CA Girish C. Sharedalal	3	1	1
Dr. Satish S. Ugrankar	Nil	Nil	Nil
Dr. Rahim H. Muljiani	Nil	Nil	Nil
Dr. Nagam H. Atthreya	1	1	Nil

* The listing above excludes private & foreign companies.

d. Code of Conduct

All board members and the senior management personnel of the Company have affirmed compliance with the code of conduct for year ended March 31, 2010. The said code is posted on the website of the Company. www.fdcindia.com

e. Notes on directors seeking appointment/ re-appointment

i. Dr. S.S. Ugrankar

Dr. S.S. Ugrankar is a non-executive director of the Company since 1977. He is a renowned consulting Orthopedic Surgeon. Dr. Ugrankar is not holding directorship in any other Company. He is not related to any director of the Company.

ii. Dr. R.H. Muljiani

Dr. R.H. Muljiani is a non-executive director of the Company since 2000. He is a reputed and one of the senior most Ophthalmologists in India. He is actively associated with the Company and provides advice and guidance to the Company on its varied range of Ophthalmic Products. Dr. Muljiani is the member of the Company's Audit Committee and Investor Grievance Committee. He is not holding directorship in any other Company nor is he related to any director of the Company.

3. AUDIT COMMITTEE

a. Brief description of terms of reference

The terms of reference of this committee covers the matters specified under Section 292A of the Companies Act, 1956 and also the matters listed under the listing agreement with the stock exchanges. The committee, comprising of financially literate members, is responsible for effective supervision of the financial operations and

CORPORATE GOVERNANCE

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 CA 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, 6 audit committee meetings were held on May 21, 2009, June 18, 2009, July 30, 2009, September 26, 2009, October 29, 2009 and January 27, 2010.

The attendance of members at the meetings was as follows :

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

4. REMUNERATION TO DIRECTORS**a. Details of remuneration paid 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	3,321,600	17,634	560,520	82,55,725
Mr. Ashok A. Chandavarkar	2,827,200	23,594	477,090	66,04,580
Mr. Nandan M. Chandavarkar	36,48,000	182,270	615,600	66,04,580
* Mr. Ameya A. Chandavarkar	12,00,000	8,265	202,500	17,19,943

* Appointed as whole-time director w.e.f. November 01, 2009.

The agreement with whole-time 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 shareholding of non-executive directors in the Company

Name of the director	Commission (Rs.)	Sitting fees (Rs.)	Audit committee fees (Rs.)
* Mr. Ameya A. Chandavarkar	Nil	5,000	N.A.
# CA Girish C. Sharedalal	825,573	10,000	45,000
Dr. Satish S. Ugrankar	40,000	12,500	N.A.
# Dr. Rahim H. Muljiani	40,000	10,000	37,500
# Dr. Nagam H. Atthreya	40,000	12,500	45,000

* Non-executive director upto October 31, 2009. Thereafter was appointed as a whole-time director w.e.f. November 01, 2009.

Members of the audit committee.

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

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

Name of the director	No. of shares
* Mr. Ameya A. Chandavarkar	4,388,996
CA Girish C. Sharedalal	10,000
Dr. Satish S. Ugrankar	480,990
Dr. Rahim H. Muljiani	4,000
Dr. Nagam H. Atthreya	Nil

* Non-executive director upto October 31, 2009. Thereafter was appointed as a whole-time director w.e.f. November 01, 2009.

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, 2010. All the members of the committee attended the above meeting.

b. Name and designation of the compliance officer

Ms. Shalini Kamath
Company Secretary

CORPORATE GOVERNANCE

c. Number of complaints received and resolved

During the year under review, the Company received 44 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, 2010. 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
2006-2007	WelcomHotel Rama International R-3, Chikalthana Aurangabad - 431 210 Maharashtra	August 25, 2007	10.00 a.m.	2
2007-2008	WelcomHotel Rama International R-3, Chikalthana Aurangabad - 431 210 Maharashtra	August 30, 2008	10.00 a.m.	Nil
2008-2009	Taj Residency 8-N-12, CIDCO Dr. Rafiq Zakaria Marg Rauza Bagh Aurangabad - 431 003 Maharashtra	August 29, 2009	10.00 a.m.	3

b. Resolutions passed through Postal Ballot :

During the year, 2 special resolutions as proposed in Postal Ballot notice dated October 29, 2009 were passed on December 21, 2009.

The resolutions were passed with requisite majority as mentioned below :

Sr. No.	Particulars of Special Resolutions	Percentage of votes cast in favour of the resolution
1.	The buyback of equity shares of Re. 1/- each not exceeding 86,50,000 (Maximum Offer Shares) at a price not exceeding Rs. 65/- per share, (Maximum Offer Price) and upto a maximum limit of Rs. 5,600 lacs (Maximum Offer Size) from the open market through stock exchanges in one or more tranches.	99.98%
2.	The appointment of Mr. Ameya A. Chandavarkar, as a whole-time director of the Company, for a period of five years, w.e.f. November 01, 2009 pursuant to Section 198, 269, 309 and Schedule XIII of the Companies Act, 1956, subject to the approval of the Central Government.	99.99%

Mr. Deependra Shukla, Practicing Company Secretary, was appointed as the scrutinizer for conducting the postal ballot process. The Chairman and Managing Director, Mr. Mohan A. Chandavarkar declared the results of the postal ballot on December 21, 2009, based on the report submitted by the Scrutiniser.

c. None of the resolutions proposed for the ensuing AGM need to be passed by postal ballot.

7. DISCLOSURES

- 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.
- During the past 3 years there has been no instance of non-compliance by the Company with the requirements of the stock exchanges, Securities and Exchange Board of India ('SEBI') or any other statutory authority on any matter related to capital markets.
- Non-mandatory requirements of corporate governance have not been adopted.

8. MEANS OF COMMUNICATION

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

- Economic Times (English)
- Maharashtra Times (Marathi)

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

- As per Clause 51 of the listing agreement, all the data related to quarterly financial results, shareholding pattern etc. upto December 2009 is posted on the Electronic Data Information Filing and Retrieval ('EDIFAR') website www.sebiedifar.nic.in. [SEBI vide its notice dated April 16, 2010 has discontinued the (EDIFAR) system]
- 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 21, 2010
Time : 10 a.m.
Venue : WelcomHotel Rama International
R-3, Chikalthana
Aurangabad - 431 210, Maharashtra

b. Financial Calendar (tentative)

Particulars	Date
Unaudited results of the first quarter ending June 30, 2010	Last week of July 2010
Unaudited results of the second quarter and half year ending September 30, 2010	Last week of October 2010
Unaudited results of the third quarter and nine months ending December 31, 2010	Last week of January 2011
Audited results for the year ending March 31, 2011	Last week of May 2011

CORPORATE GOVERNANCE

c. Dates of book closure

August 12, 2010 to August 21, 2010
(both days inclusive)

d. Dividend payment date

Latest by September 17, 2010

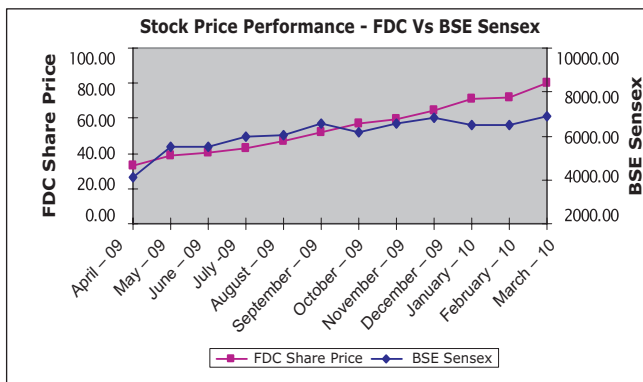
e. Stock Exchanges where listed

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

f. Stock Code: BSE - 531599, NSE – FDC EQ**g. Market Price Data**

Month	BSE		NSE	
	High	Low	High	Low
April, 2009	39.50	31.00	39.90	31.50
May, 2009	42.70	33.10	43.20	32.05
June, 2009	49.30	37.20	49.70	38.10
July, 2009	45.00	37.15	43.75	38.10
August, 2009	48.10	40.05	48.20	40.15
September, 2009	53.90	40.00	53.90	45.05
October, 2009	57.45	48.60	57.75	45.10
November, 2009	61.50	53.25	61.30	53.25
December, 2009	68.50	59.50	68.50	59.60
January, 2010	73.80	64.50	73.70	64.25
February, 2010	79.25	69.15	84.00	66.20
March, 2010	83.85	71.65	84.00	72.10

(Source: BSE website/NSE trade statistics)

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

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

i. Registrars & Share Transfer Agents

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

j. Share Transfer System

The Company has set up a committee of the board of directors known as the share transfer committee, which meets generally once in 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 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, 2010

Category	No. of shares held	Percentage of shareholding
A. Promoters holding		
1. Promoters		
- Indian Promoter	122,504,656	65.76
- Foreign Promoter	-	-
2. Persons acting in concert	-	-
Sub-Total (A)	122,504,656	65.76
B. Non-Promoter Holding		
3. Institutional Investors		
a. Mutual Funds and UTI	15,348,389	8.24
b. Banks, Financial Inst., Insurance Companies, Venture Capital Funds (Central/State Govt. Inst./ Non-Govt. Institutions)	1,906,470	1.02
c. Foreign Institutional Investors	3,463,081	1.86
Sub-Total (B)	20,717,940	11.12
4. Others		
a. Private Corporate Bodies	7,021,901	3.77
b. Indian Public	33,609,300	18.05
c. NRIs/OCBs	2,336,812	1.25
d. Clearing members	87,920	0.05
Total (C)	43,055,933	23.12
* Grand Total (A+B+C)	186,278,529	100.00

* Refer notes to Financial statements N-24

Distribution of Shareholding as on March 31, 2010

Equity shares of face value of Re. 1 each	Shareholders		Equity shares	
	Number	% of total	Number	% to total
Upto 5,000	28,835	97.44	14,555,181	7.81
5,001 to 10,000	436	1.47	3,197,567	1.72
10,001 to 20,000	124	0.42	1,896,052	1.02
20,001 to 30,000	45	0.15	1,132,299	0.61
30,001 to 40,000	23	0.08	849,030	0.45
40,001 to 50,000	11	0.04	503,529	0.27
50,001 to 1,00,000	34	0.11	2,546,955	1.37
Above 1,00,001	85	0.29	161,597,916	86.75
Total	29,593	100	186,278,529	100

CORPORATE GOVERNANCE

I. Dematerialisation of shares and liquidity

The shares of the Company are in the compulsory demat segment and are available in the depository system both in National Security Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). As on March 31, 2010, 179,179,462 shares aggregating to 96.19% of the total number of fully paid equity shares having face value of Re.1 each are held by the shareholders in the dematerialised form.

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

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

n. Plant locations

As mentioned on the cover page.

o. Address for correspondence

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

For and on behalf of the board

Place : Mumbai
Date : May 29, 2010

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, 2010, 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 & ASSOCIATES
Firm registration number: 101049W
Chartered Accountants

Place : Mumbai
Date : May 29, 2010

per AMIT MAJMUDAR
Partner
Membership No.: 36656

AUDITORS' REPORT

Auditors' Report To the Members of FDC Limited

1. We have audited the attached Balance Sheet of FDC Limited ('the Company') as at March 31, 2010 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, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 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, 2010;
 - b) in the case of the Profit and Loss account, of the profit for the year ended on that date; and
 - c) in the case of Cash Flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES

Firm Registration No.101049W
Chartered Accountants

per AMIT MAJMUDAR

Partner
Membership No.:36656

Place: Mumbai
Date: May 29, 2010

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 and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
- (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 been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

AUDITORS' REPORT

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

Name of Statute (Nature of Dues)	Period to which the amount relates	Forum where dispute is pending	Amount (Rupees in lacs)
Bihar Sales Tax Act/ Gujarat Sales Tax Act/ Uttar Pradesh Sales Tax Act/ West Bengal Sales Tax Act (Tax / Penalty/ Interest)	Apr 2000 - Mar 2001	Commissionerate	14.67
	Apr 2001 - Mar 2002	Commissionerate	11.07
	Apr 2002 - Mar 2003	Commissionerate	61.68
	Apr 2003 - Mar 2004	Commissionerate	13.15
	Apr 2004 - Mar 2005	Commissionerate	1.43
	Total		102.00
Central Excise Act/ Service Tax (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	11.58
	Apr 2005 - Sep 2006	Commissionerate	28.56
	Apr 2007 - Mar 2008	Commissionerate	1.28
	Sub-total (b)		45.58
	Total (a+b)		138.13
Total			240.13

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company has no outstanding dues in respect of a financial institution, bank or debenture holders.
- (xii) 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 and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities and other investments have been held by the Company, in its own name.

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 & ASSOCIATES

Firm Registration No.101049W
Chartered Accountants

per AMIT MAJMUDAR

Partner
Membership No.:36656

Place: Mumbai

Date: May 29, 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	31st March, 2010 Rupees in lacs	31st March, 2009 Rupees in lacs
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	' A '	1,870.65	1,889.55
Reserves and surplus	' B '	50,556.19	40,187.72
		52,426.84	42,077.27
LOAN FUNDS			
Unsecured loans	' C '	243.80	268.64
DEFERRED TAX LIABILITY (NET) (Refer Note 10 of Schedule 'N')			
		2,390.71	1,843.28
TOTAL		55,061.35	44,189.19
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross block	' D '	35,174.29	32,452.15
Less: Depreciation, Amortisation and Impairment		10,158.80	8,846.57
Net block		25,015.49	23,605.58
Capital work-in-progress including capital advances [Net of provision for impairment Rs. 144.79 lacs (Previous year - Rs. 144.79 lacs)]		3,006.50	2,709.00
		28,021.99	26,314.58
INVESTMENTS			
	' E '	22,949.47	11,132.12
CURRENT ASSETS, LOANS AND ADVANCES			
	' F '		
Inventories		8,897.15	9,539.93
Sundry debtors		3,547.85	3,467.06
Cash and bank balances		1,431.03	970.37
Loans and advances		2,416.51	2,539.53
		16,292.54	16,516.89
Less : CURRENT LIABILITIES AND PROVISIONS			
	' G '		
Current liabilities		7,834.11	6,783.59
Provisions		4,368.54	2,990.81
		12,202.65	9,774.40
NET CURRENT ASSETS		4,089.89	6,742.49
TOTAL		55,061.35	44,189.19
Significant Accounting Policies			
Notes to Financial Statements			
	' M '		
	' N '		

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

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES

Firm Registration No. 101049W
Chartered Accountants

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ASHOK A. CHANDAVARKAR
Director

per AMIT MAJUMDAR

Partner
Membership No. 36656

SHALINI KAMATH
Company Secretary

Place : Mumbai
Date : May 29, 2010

Place : Mumbai
Date : May 29, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010 _____

	Schedule	2009-2010 Rupees in lacs	2008-2009 Rupees in lacs
INCOME			
Sales		65,999.75	59,297.98
Less : Excise duty		1,041.72	1,661.83
		64,958.03	57,636.15
Other income	' H '	3,172.47	1,164.71
TOTAL		68,130.50	58,800.86
EXPENDITURE			
Cost of materials	' I '	28,213.52	26,347.58
Employees' cost	' J '	7,187.86	5,828.37
Operating expenses	' K '	13,169.96	14,720.08
Finance expenses	' L '	131.99	146.04
Depreciation and Amortisation	' D '	1,460.69	1,285.97
Less: Transfer from revaluation reserve	' B '	12.66	12.66
		1,448.03	1,273.31
TOTAL		50,151.36	48,315.38
Profit before taxation		17,979.14	10,485.48
Provision for taxation			
For the year			
- Current tax		2,865.00	1,430.00
- MAT credit entitlement		(540.00)	-
- Deferred tax		547.43	447.56
- Fringe benefit tax		-	230.00
		2,872.43	2,107.56
For earlier years - Current		224.78	35.00
		3,097.21	2,142.56
Profit after taxation		14,881.93	8,342.92
Balance brought forward		12,736.11	9,643.17
Amount available for appropriation		27,618.04	17,986.09
APPROPRIATIONS			
Final dividend - proposed		3,259.87	2,350.51
Dividend tax		541.42	399.47
Transfer to General Reserve		3,000.00	2,500.00
Reversal of excess provision of dividend (Refer Note 24 of Schedule 'N')		(25.73)	-
Balance carried to Balance Sheet		20,842.48	12,736.11
		27,618.04	17,986.09
Earnings per share (Refer Note 16 of Schedule 'N')			
Basic and diluted - Par value Re. 1 per share (Previous year Re. 1 per share)		7.97	4.37
Significant Accounting Policies	' M '		
Notes to Financial Statements	' N '		

The schedules referred to above and the notes to financial statements form an integral part of the Profit and Loss Account.
As per our report of even date

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

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ASHOK A. CHANDAVARKAR
Director

per AMIT MAJMUDAR
Partner
Membership No. 36656

SHALINI KAMATH
Company Secretary

Place : Mumbai
Date : May 29, 2010

Place : Mumbai
Date : May 29, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	2009-2010 Rupees in lacs	2008-2009 Rupees in lacs
CASH FLOWS FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAXATION	17,979.14	10,485.48
Adjustments for :		
Depreciation and Amortisation	1,448.03	1,273.31
Interest expense	98.21	113.86
Interest income	(76.80)	(104.10)
(Profit)/ Loss on sale of fixed assets (net)	(15.72)	2.95
Dividend income	(483.14)	(293.46)
Diminution in value of current investments	26.86	1,347.53
(Profit)/ Loss on sale of investments (net)	(962.09)	315.47
Investment in subsidiary company written off on liquidation	-	25.37
Unrealised foreign exchange loss/ (gain) on restatement	47.70	(12.95)
Provision for doubtful debts	16.69	41.47
Provision for expenses no longer required, written back	(91.72)	(89.50)
Provision for doubtful debts/advances no longer required, written back	(23.11)	(21.36)
Provision for diminution in value of current investments, written back	(852.73)	(104.14)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	17,111.32	12,979.93
Movements in Working Capital :		
(Increase) in debtors	(103.26)	(1,552.11)
Decrease/(increase) in inventories	642.78	(450.14)
Decrease/(increase) in advances	282.63	(624.82)
Increase/(decrease) in creditors	1,152.96	(78.60)
Increase in provisions	281.31	39.90
CASH GENERATED FROM OPERATIONS	19,367.74	10,314.16
Direct taxes paid (including Fringe benefit tax, net of refunds)	(2,628.88)	(1,641.50)
NET CASH FROM OPERATING ACTIVITIES	16,738.86	8,672.66
(A)		
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of fixed assets	(3,227.98)	(5,634.38)
Proceeds from sale of fixed assets	75.60	32.89
(Increase)/ decrease in inter-corporate deposits given	-	1,000.00
(Increase)/ decrease in fixed and margin deposits	(5.64)	22.88
Repayment of loan by joint venture entity	-	45.67
Purchase of investments - others	(22,942.31)	(11,075.31)
Proceeds from sale of investments - others	12,912.92	10,456.30
Dividend received	485.50	286.95
Interest received	57.44	107.34
NET CASH USED IN INVESTING ACTIVITIES	(12,644.47)	(4,757.66)
(B)		
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Repayment of borrowings	-	(1,000.60)
Deferral from sales tax collection	14.78	21.89
Repayment of interest free sales tax loan	(39.62)	(40.10)
Payment towards buy back of shares	(744.14)	(1,034.23)
Dividend paid	(2,324.78)	(1,914.62)
Dividend tax paid	(399.47)	(325.39)
Interest paid	(98.21)	(113.86)
NET CASH USED IN FINANCING ACTIVITIES	(3,591.44)	(4,406.91)
(C)		
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	502.95	(491.91)
(A)+(B)+(C)		
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	861.58	1,353.49
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Refer Note 1 below)	1,364.53	861.58

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, 2010 Rupees in lacs	31st March, 2009 Rupees in lacs
Cash on hand	12.26	8.72
Balance with scheduled banks:		
In current accounts (Refer Note 2 below)	1,354.85	903.37
Unrealised foreign exchange loss/ (gain) on restatement of cash and cash equivalents	(2.58)	(50.51)
	1,364.53	861.58

2. The balance in current accounts include Rs. 65.17 lacs (Previous year - Rs. 54.68 lacs) towards unclaimed dividend accounts which are not available for use by the Company as they represent corresponding dividend liabilities.

As per our report of even date

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

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ASHOK A. CHANDAVARKAR
Director

per AMIT MAJMUDAR
Partner
Membership No. 36656

SHALINI KAMATH
Company Secretary

Place : Mumbai
Date : May 29, 2010

Place : Mumbai
Date : May 29, 2010

SCHEDULES TO THE ACCOUNTS

	31st March, 2010 Rupees in lacs	31st March, 2009 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		
189,423,529 (Previous year - 191,314,233) Equity shares of Re. 1 each	1,894.24	1,913.14
SUBSCRIBED AND PAID-UP		
186,278,529 (Previous year - 188,169,233) Equity shares of Re. 1 each, fully paid-up	1,862.79	1,881.69
Add: 3,145,000 (Previous year - 3,145,000) Equity shares forfeited (Refer Note 24 of Schedule 'N')	7.86	7.86
TOTAL	1,870.65	1,889.55
Of the above shares:		
(i) 15,000 (Previous year - 15,000) shares of Re. 1 each were allotted as fully paid-up pursuant to a contract for consideration other than cash.		
(ii) 28,900,000 (Previous year - 28,900,000) shares of Re. 1 each were allotted as fully paid-up by way of Bonus shares by capitalisation out of General Reserve.		
(iii) 95,730,551 (Previous year - 95,730,551) shares of Re. 1 each were allotted as fully paid-up by way of Bonus shares by capitalisation out of Securities Premium Account.		
B. RESERVES AND SURPLUS		
CAPITAL RESERVE	45.01	45.01
CAPITAL REDEMPTION RESERVE		
Opening Balance	49.73	16.81
Add: Transfer from General Reserve on account of buy back of shares (Refer Note 24 of Schedule 'N')	18.90	32.92
Closing Balance	68.63	49.73
SECURITIES PREMIUM ACCOUNT		
Opening Balance	*72.90	*607.58
Less : Premium paid for buy back of shares	-	534.68
Closing Balance	72.90	72.90
* Represents securities premium received on forfeited shares Rs. 72.90 lacs (Previous year - Rs. 72.90 lacs)		
REVALUATION RESERVE		
Opening Balance	97.12	109.78
Less : Transfer to Profit and Loss Account	12.66	12.66
Closing Balance	84.46	97.12
GENERAL RESERVE		
Opening Balance	25,686.85	23,686.40
Less : Premium paid for buy back of shares (Refer Note 24 of Schedule 'N')	725.24	466.63
Less: Transfer to Capital Redemption Reserve Account	18.90	32.92
Add : Transfer from Profit and Loss Account	3,000.00	2,500.00
Closing Balance	27,942.71	25,686.85
RESERVE FOR DIMINUTION IN VALUE / LOSS ON SALE OF INVESTMENTS	1,500.00	1,500.00
SURPLUS IN PROFIT AND LOSS ACCOUNT	20,842.48	12,736.11
TOTAL	50,556.19	40,187.72
C. UNSECURED LOANS		
Interest-free Sales tax loans (Refer Note 5 of Schedule 'N') [Due within one year - Rs. 35.62 lacs (Previous year - Rs. 39.62 lacs)]	243.80	268.64
TOTAL	243.80	268.64

SCHEDULES TO THE ACCOUNTS

D. FIXED ASSETS

Rupees in lacs

PARTICULARS	GROSS BLOCK				DEPRECIATION/ AMORTISATION/ IMPAIRMENT				NET BLOCK	
	As at 31.03.2009	Additions	Deletions / Adjustments	As at 31.03.2010	As at 31.03.2009	Depreciation For the year	Deletions / Adjustments	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
Leasehold land *	373.90	-	-	373.90	115.29	5.82	-	121.11	252.79	258.61
Freehold land **	1,304.68	62.39	-	1,367.07	-	-	-	-	1,367.07	1,304.68
Buildings ***	10,322.89	1,073.55	3.80	11,392.64	1,337.15	275.85	1.05	1,611.95	9,780.69	8,985.74
Plant and machinery	12,071.96	430.60	138.32	12,364.24	@ 5,241.84	714.63	101.20	@ 5,855.27	6,508.97	6,830.12
Laboratory testing machines	1,795.22	298.32	(46.05)	2,139.59	363.83	91.10	(4.07)	459.00	1,680.59	1,431.39
Electrical installations	1,049.92	138.97	6.36	1,182.53	232.77	53.10	2.95	282.92	899.61	817.15
Furniture, fixtures and fittings	1,909.13	225.74	2.01	2,132.86	502.77	127.70	1.17	629.30	1,503.56	1,406.36
Office equipments	1,168.65	106.65	2.63	1,272.67	204.96	58.14	0.75	262.35	1,010.32	963.69
Vehicles	346.91	39.54	44.78	341.67	183.20	28.15	36.87	174.48	167.19	163.71
Capital expenditure on R&D										
Tangible										
Buildings	109.91	-	-	109.91	48.40	3.49	-	51.89	58.02	61.51
Equipments	1,914.51	297.33	56.49	2,155.35	588.89	88.98	8.54	669.33	1,486.02	1,325.62
Furniture and fixtures	84.47	24.01	-	108.48	27.47	7.29	-	34.76	73.72	57.00
Intangible										
Technical know-how	-	233.38	-	233.38	-	6.44	-	6.44	226.94	-
TOTAL	32,452.15	2,930.48	208.34	35,174.29	8,846.57	1,460.69	148.46	10,158.80	25,015.49	23,605.58
Previous year	24,598.36	7,931.31	77.52	32,452.15	7,602.28	1,285.97	41.68	8,846.57	23,605.58	

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

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

*** Building of Rs. 2,760.76 lacs (Previous year - Rs. 2,521.75 lacs) includes cost of unquoted fully paid shares in various co-operative housing societies.

@ Includes impairment of Rs. 49.80 lacs

SCHEDULES TO THE ACCOUNTS

	31st March, 2010 Rupees in lacs	31st March, 2009 Rupees in lacs
E. INVESTMENTS		
I. LONG TERM INVESTMENTS (At cost)		
Government Securities (Other than trade, Unquoted) (Refer Note 7 of Schedule 'N')		
National Savings Certificates	0.07	0.07
35 (Previous year - 35) Government of India G.P. Notes - face value of Rs. 2,000	0.02	0.02
Trade (Unquoted)		
Fully paid-up Equity Shares		
In Subsidiaries		
374,085 (Previous year - 374,085) Equity Shares of FDC International Limited, of GBP 0.01 each	0.00	0.00
500 (Previous year - 500) Equity Shares of FDC Inc., of USD 100 each	22.00	22.00
In Joint Venture Entity		
159,250 (Previous year - 159,250) Equity Shares of Fair Deal Corporation Pharmaceutical SA (Pty) Ltd., of ZAR 1 each (Refer Note 15 of Schedule 'N')	11.30	11.30
Other than Trade (Unquoted)		
In Others		
1,000 (Previous year - 1,000) Equity Shares of The Saraswat Co-op. Bank Limited of Rs. 10 each fully paid-up	0.10	0.10
5,000 (Previous year - 5,000) Equity Shares of The North Kanara G.S.B. Co-op Bank Limited of Rs. 10 each fully paid-up	0.50	0.50
100 (Previous year - 100) Shares of Roha Industries Association Sahakari Grahak Bhandar Limited of Rs. 25 each fully paid-up	0.03	0.03
SUB TOTAL (I)	34.02	34.02
II. CURRENT INVESTMENTS (At lower of cost and market value)		
Other than Trade		
Fully paid-up Equity Shares of Exchange Traded Fund (Quoted)		
10,000 (Previous year - Nil) Equity Shares of Goldbees, Benchmark Mutual Fund of Rs. 100 each	163.78	-
Fully paid-up Equity Shares (Quoted)		
Nil (Previous year - 85,000) Equity Shares of Assam Company Limited of Re. 1 each	-	28.39
Nil (Previous year - 1,400) Equity Shares of B. L. Kashyap & Sons Limited of Rs. 5 each	-	24.43
Nil (Previous year - 500) Equity Shares of Blue Star Limited of Rs. 2 each	-	1.38
Nil (Previous year - 21,500) Equity Shares of Cairn India Limited of Rs. 10 Each	-	49.03
Nil (Previous year - 7,000) Equity Shares of Cipla Limited of Rs. 2 each	-	14.23
Nil (Previous year - 14,500) Equity Shares of Century Textiles & Industries Limited of Rs. 10 each	-	135.98
Nil (Previous year - 13,500) Equity Shares of Deccan Chronicle Holdings Limited of Rs. 2 each	-	27.75
Nil (Previous year - 7,250) Equity Shares of Everest Kanto Cylinder Limited of Rs. 2 each	-	15.58
Nil (Previous year - 20,000) Equity Shares of Finolex Cables Limited of Rs. 2 each	-	20.05
Nil (Previous year - 4,600) Equity Shares of Glenmark Pharmaceuticals Limited of Re. 1 each	-	15.51
Nil (Previous year - 17,900) Equity Shares of Great Eastern Shipping Company Limited of Rs. 10 each	-	61.85
Nil (Previous year - 3,500) Equity Shares of Great Offshore Limited of Rs. 10 each	-	16.49
Nil (Previous year - 3,000) Equity Shares of Hindalco Industries Limited of Re. 1 each	-	4.64
Nil (Previous year - 3,000) Equity Shares of ICICI Bank Limited of Rs. 10 each	-	29.97
Nil (Previous year - 31,000) Equity Shares of ISMT Limited of Rs. 5 each	-	31.17
Nil (Previous year - 4,500) Equity Shares of Kotak Mahindra Bank Limited of Rs. 10 each	-	34.04
Nil (Previous year - 11,000) Equity Shares of Madras Cements Limited of Re. 1 each	-	15.74
Nil (Previous year - 12,000) Equity Shares of Marico Industries Limited of Re. 1 each	-	6.86
Nil (Previous year - 7,900) Equity Shares of Piramal Healthcare Limited of Rs. 2 each	-	27.67
Nil (Previous year - 10,600) Equity Shares of Praj Industries Limited of Rs. 2 each	-	22.87
Nil (Previous year - 7,039) Equity Shares of Prithvi Information Solutions Limited of Rs. 10 each	-	18.25
Nil (Previous year - 5,200) Equity Shares of Punj Lloyd Limited of Rs. 2 each	-	14.00
Nil (Previous year - 13,368) Equity Shares of Reliance Industries Limited of Rs. 10 each	-	329.80
Nil (Previous year - 25,500) Equity Shares of Reliance Petroleum Limited of Rs. 10 each	-	40.89
Nil (Previous year - 13,700) Equity Shares of Siemens Limited of Rs. 2 each	-	118.72
Nil (Previous year - 5,250) Equity Shares of Sintex Industries Limited of Rs. 2 each	-	20.33
Nil (Previous year - 1,900) Equity Shares of State Bank of India of Rs. 10 each	-	29.80
Nil (Previous year - 7,500) Equity Shares of TATA Steel Limited of Rs. 10 each	-	53.69
Nil (Previous year - 37,200) Equity Shares of Voltas Limited of Re. 1 each	-	91.33
Nil (Previous year - 5,200) Equity Shares of Welspun Gujarat Stahl Rohern Ltd of Rs. 5 each	-	18.79
Nil (Previous year - 2,500) Equity Shares of Bharati Airtel Limited of Rs. 5 each	-	24.30
Nil (Previous year - 1,250) Equity Shares of Bharat Heavy Electricals Limited of Rs. 10 each	-	25.90
Nil (Previous year - 6,400) Equity Shares of Larsen & Toubro Limited of Rs. 2 each	-	90.37
Nil (Previous year - 5,000) Equity Shares of Reliance Communication Limited of Rs. 5 each	-	31.79
Nil (Previous year - 10,000) Equity Shares of Sun Pharma Advance Reserch Company Limited of Re. 1 each	-	11.30
Nil (Previous year - 10,000) Equity Shares of Sun TV Network Limited of Rs. 5 each	-	35.50
	163.78	1,538.39
Less: Provision for diminution in value of Equity Shares	2.97	864.94
	160.81	673.45

SCHEDULES TO THE ACCOUNTS

	31st March, 2010 Rupees in lacs	31st March, 2009 Rupees in lacs
E. INVESTMENTS		
Units of Mutual Funds (Unquoted)		
Nil (Previous year - 9,044,798.087) units of Rs.10 each in Birla Sunlife Cash Manager Fund - Institutional Growth Option	-	1,327.71
Nil (Previous year - 392,257) units of Rs.10 each in Birla Sunlife Short Term Fund - Retail - Dividend	-	39.93
17,788,260.428 (Previous year - Nil) units of Rs.10 each in Birla Sun Life Medium Term Plan - Institutional - Growth	1,824.93	-
2,670,226.969 (Previous year - Nil) units of Rs.10 each in Birla Sun Life Monthly Income - Monthly Dividend - Payout	300.00	-
4,874,689.528 (Previous year - Nil) units of Rs.10 each in Birla Sun Life Interval Income Fund-Instl-Quarterly-Series I-Growth	487.47	-
5,167,291.048 (Previous year - Nil) units of Rs.10 each in Birla Sun Life Dynamic Bond Fund - Retail - Growth	800.00	-
1,500,000 (Previous year - Nil) units of Rs.10 each in Bharti AXA Focussed Infrastructure Fund Regular Dividend - Payout	150.00	-
Nil (Previous year - 1,854,214.258) units of Rs.10 each in Canara Robeco Floating Rate Short Term Growth Fund	-	250.00
Nil (Previous year - 1,971,738.416) units of Rs.10 each in DSP Merrill Lynch Top 100 Equity Fund - Dividend Regular	-	300.00
5,609,403.341 (Previous year - Nil) units of Rs.10 each in DSP Black Rock Floating Rate Fund - Regular Plan - Growth	803.53	-
2,258,869.266 (Previous year - Nil) units of Rs.10 each in DSP Black Rock Short Term Fund - Growth	355.69	-
3,733,537.516 (Previous year - Nil) units of Rs.10 each in DWS Twin Advantage Fund - Regular - Monthly Dividend - Payout	400.00	-
Nil (Previous year - 1,000,000.000) units of Rs.10 each in HDFC Infrastructure Fund - Dividend Payout Option	-	100.00
Nil (Previous year - 6,117,990.726) units of Rs.10 each in HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Growth	-	1,174.01
10,935,796.36 (Previous year - Nil) units of Rs.10 each in HDFC High Interest Fund - Short Term Plan - Growth	1,996.71	-
20,256,854.786 (Previous year - Nil) units of Rs.10 each in HDFC Monthly Income Plan - Short Term - Monthly Dividend Payout	2,277.52	-
2,391,088.435 (Previous year - Nil) units of Rs.10 each in HDFC Monthly Income Plan - Long Term - Growth	492.86	-
Nil (Previous year - 2,076,146.453) units of Rs.10 each in HSBC Floating Rate Fund - Long Term Plan - Institutional - Growth	-	284.93
446,798.526 (Previous year - 2,432,372.662) units of Rs.100 each in ICICI Prudential Flexible Income Plan Premium - Growth	754.50	395.93
Nil (Previous year - 1,524,808.454) units of Rs.10 each in ICICI Prudential Liquid Plan Institutional Plus - Growth	-	333.57
Nil (Previous year - 1,682,297.856) units of Rs.10 each in ICICI Prudential Institutional Short Term Plan - Monthly Dividend - Reinvest	-	202.37
4,362,621.063 (Previous year - Nil) units of Rs.10 each in ICICI Prudential Monthly Income Plan - Monthly Dividend Payout	500.00	-
Nil (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
Nil (Previous year - 1,775,083.529) units of Rs.10 each in IDFC Super Saver Income Fund - Investment Plan - Plan A - Quarterly Dividend - Payout	-	201.74
3,569,254.525 (Previous year - Nil) units of Rs.10 each in IDFC Money Manager Fund - Investment Plan - Inst. Plan B - Growth	500.00	-
4,000,000.000 (Previous year - Nil) units of Rs.10 each in JPMorgan India Short Term Income Fund - Growth	400.00	-
Nil (Previous year - 3,675,815.196) units of Rs.10 each in Kotak Floater Short Term - Growth Option	-	530.90
2,920,901.975 (Previous year - Nil) units of Rs.10 each in Kotak Income Plus - Monthly Dividend Payout	300.00	-
Nil (Previous year - 1,757,741.092) units of Rs.10 each in LICMF Floating Rate Fund - Short Term Plan - Growth	-	250.00

SCHEDULES TO THE ACCOUNTS

	31st March, 2010 Rupees in lacs	31st March, 2009 Rupees in lacs
Nil (Previous year - 1,873,711.823) units of Rs.10 each in LICMF Liquid Fund - Growth Plan	-	300.00
1,200,746.865 (Previous year - Nil) units of Rs.10 each in Principal Income Fund - Short Term Plan - Growth	200.00	-
3,459,758.682 (Previous year - Nil) units of Rs.10 each in Principal Ultra Short Term Fund - Growth Plan	403.13	-
1,083,742.771 (Previous year - Nil) units of Rs.10 each in Principal Floating Rate Fund FMP - Inst - Growth	157.93	-
7,812,579.061 (Previous year - Nil) units of Rs.10 each in Principal Monthly Income Plan - Monthly Dividend Payout	848.31	-
1,310,638.893 (Previous year - Nil) units of Rs.10 each in Principal Monthly Income Plan - MIP Plus - Monthly Dividend Payout	150.00	-
Nil (Previous year - 12,494,437.992) units of Rs.10 each in Reliance Medium Term Fund - Retail Plan - Growth Plan - Growth Option	-	2,267.76
Nil (Previous year - 232,236) units of Rs.10 each in Reliance Medium Term Fund - Weekly Dividend	-	39.72
4,153,451.182 (Previous year - Nil) units of Rs.10 each in Reliance Floating Rate Fund - Growth Plan	593.09	-
32,143.79 (Previous year - Nil) units of Rs.1,000 each in Reliance Money Manager Fund - Institutional - Growth Plan	399.75	-
1,271,927.517 (previous year - Nil) units of Rs.10 each in Reliance Short Term Fund - Retail - Growth	221.00	-
15,309,648.244 (Previous year - Nil) units of Rs.10 each in Reliance Monthly Income Plan - Monthly Dividend Payout	1,701.54	-
Nil (Previous year - 2,057,682.569) units of Rs.10 each in SBI Magnum Insta Cash Fund - Cash Option	-	403.82
Nil (Previous year - 1,496,255.620) units of Rs.10 each in SBI Magnum Income Fund Floating Rate - Short Term Plan - Growth	-	200.00
Nil (Previous year - 5,000,000.000) units of Rs.10 each in Sundaram BNP Paribas Energy Opportunities Fund - Dividend Payout Option	-	500.00
Nil (Previous year - 1,514,623.692) units of Rs.10 each in Sundaram BNP Paribas Floater Short Term Regular - Growth	-	200.00
4,171,941.783 (Previous year - Nil) units of Rs.10 each in Sundaram BNP Paribas PSU Opp. Fund - Dividend - Payout	417.19	-
Nil (Previous year - 2,380,257.481) units of Rs.10 each in TATA Floating Rate Fund Short Term - Institutional Plan - Growth	-	324.83
Nil (Previous year - 3,033) units of Rs.1,000 each in TATA Liquid Fund - Hip	-	34.79
1,555,810.017 (Previous year - 2,834,072.691) units of Rs.10 each in Templeton Floating Rate Income Fund - Short Term Plan - Retail - Growth	248.09	450.00
5,647,195.878 (Previous year - Nil) units of Rs.10 each in Templeton Floating Rate Income Fund - Long Term Plan - Institutional - Growth	756.53	-
23,189.552 (Previous year - Nil) units of Rs.1,000 each in Templeton India Short Term Income Fund - Retail Plan-Qly Dividend-Payout	250.00	-
122,011.205 (Previous year - Nil) units of Rs.1,000 each in Templeton India Short Term Income Fund - Retail Plan - Growth	2,223.40	-
8,755,906.756 (Previous year - Nil) units of Rs.10 each in FT India Monthly Income Plan B - Monthly Dividend Payout	1,000.41	-
Nil (Previous year - 2,500,000.000) units of Rs.10 each in UTI Infrastructure Advantage Fund Series 1- Dividend Payout Option	-	250.00
Nil (Previous year - 32,428.095) units of Rs.1,000 each in UTI Liquid Cash Plan - Institutional - Growth	-	468.35
3,118,031.305 (Previous year - Nil) units of Rs.10 each in UTI Short Term Income Fund - Growth	489.95	-
3,100,391.549 (Previous year - Nil) units of Rs.10 each in UTI Monthly Income Scheme - Dividend Payout	375.00	-
	22,778.53	10,930.36
Less: Provision for diminution in value of Mutual Funds	23.89	505.71
	22,754.64	10,424.65
SUB TOTAL (II)	22,915.45	11,098.10
TOTAL (I + II)	22,949.47	11,132.12
Aggregate amount of quoted investments	160.81	673.45
Aggregate amount of unquoted investments	22,788.66	10,458.67
Aggregate market value of quoted investments	160.81	674.94
Aggregate repurchase prices of mutual funds	22,958.87	10,450.42

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

No.	Company	Face Value (Rs.)	No. of shares	Cost Rupees in lacs
1	Ambuja Cement Ltd.	2	5,000	5.00
2	Aban Offshore Limited	2	1,500	19.90
3	Axis Bank Ltd.	10	2,000	18.48
4	Bharti Airtel Ltd.	5	11,350	34.10
5	Bajaj Auto Limited	10	900	8.10
6	Balrampur Chini Mills Ltd.	1	13,200	14.75
7	Bharat Heavy Electricals Limited	10	1,750	39.07
8	Blue Star Ltd.	2	4,300	13.35
9	Cairn India Ltd.	10	14,091	31.17
10	Central Bank of India	10	21,000	22.31
11	Cipla Limited	2	4,250	12.76
12	Century Textiles	10	500	2.28
13	Exide Industries Ltd.	1	16,800	13.48
14	Great Eastern Shipping Company Limited	10	2,000	5.10
15	Glenmark Pharmaceuticals Ltd.	1	400	0.99
16	Hero Honda Ltd.	2	950	14.49
17	ICICI Bank Ltd.	10	3,250	22.76
18	IDFC Ltd.	10	8,500	11.88
19	Indian Overseas bank	10	8,800	5.62
20	Jaiprakash Associates Ltd.	2	2,000	4.18
21	Larsen & Toubro Limited	2	3,800	55.47
22	Maruti Udyog Ltd.	5	1,250	18.16
23	NHPC Ltd.	10	7,607	2.74
24	Opto Circuits (India) Ltd.	10	4,500	9.41
25	Patni Computer Systems Ltd.	2	2,200	3.64
26	Piramal Healthcare Ltd.	2	400	0.84
27	Punj Lloyd Limited	2	4,000	8.09
28	Ranbaxy Laboratories Ltd.	5	7,500	19.97
29	Reliance Communications Limited	5	500	1.19
30	Reliance Industries Limited	10	6,324	133.00
31	Reliance Industrial Infrastructure Ltd.	10	1,000	9.62
32	Shree Renuka Sugars Ltd.	1	2,500	3.85
33	Siemens Limited	2	1,100	5.17
34	State Bank of India	10	2,500	39.92
35	Sun Pharmaceuticals Industries Ltd.	5	750	10.50
36	Suzlon Energy Ltd.	2	2,000	1.78
37	Sesa Goa Ltd.	1	9,000	15.74
38	Tata Steel Ltd.	10	8,000	35.04
39	Tata Communications Ltd.	10	2,500	12.01
40	Tata Consultancy Services Ltd.	1	3,000	18.48
41	Tata Motors Ltd.	10	4,550	24.29
		Total		<u>728.68</u>

During the year, the following number of units of Mutual Funds were purchased and sold: (OTHER THAN 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	Birla Sun Life Infrastructure Fund - Plan B - Dividend Payout	10	4,324,190.754	419.45
		Birla Sun Life Savings Fund - Institutional - Growth	10	18,298,987.234	3,131.65
		Birla Sun Life Infrastructure Fund - Plan A - Dividend Payout	10	5,992,457.965	737.47
		Birla Sun Life Midcap Fund - Plan A - Dividend Payout	10	6,336,087.830	1,618.30
		Birla Sun Life India Opportunities Fund - Dividend Payout	10	1,627,845.610	309.13
		Birla Sun Life Short Term Fund - Retail - Fortnightly Dividend - Reinvest	10	249,960.000	25.57
				36,829,529.393	6,241.57
2	Benchmark Mutual Fund	Benchmark S&P CNX 500 Fund - Dividend Plan - Payout	10	1,395,276.153	250.00
				1,395,276.153	250.00
3	DSP BlackRock Mutual Fund	DSP BlackRock Floating Rate Fund - Regular Plan - Growth	10	3,766,061.952	538.03
		DSP BlackRock Top 100 Equity Fund - Regular - Dividend Payout	10	4,801,347.236	868.40
		DSP BlackRock Equity Fund - Regular Plan - Dividend - Payout	10	401,961.173	203.48
		DSP BlackRock Cash Manager Fund - Regular Plan - Growth	1000	59,078.719	676.95
		DSP BlackRock Liquidity Fund - Regular Plan - Growth	10	1,626,620.986	354.34
				10,655,070.066	2,641.20
4	Fortis Mutual Fund	Fortis Overnight Fund - Institutional Growth	10	1,483,437.421	200.00
				1,483,437.421	200.00
5	Fidelity Mutual Fund	Fidelity Ultra S. T. Debt Fund - Institutional - Growth	10	2,670,250.737	300.00
		Fidelity India Special Situations Fund - Dividend Payout	10	1,917,795.737	305.03
				4,588,046.474	605.03
6	HDFC Mutual Fund	HDFC Floating Rate Income Fund - Short Term Plan - Wholesale - Growth	10	3,002,897.710	450.00
		HDFC Cash Management Fund- Treasury Advantage Plan- Wholesale-Growth	10	17,906,395.969	3,546.68
		HDFC Short Term Plan - Growth	10	1,444,385.385	250.00
		HDFC Top 200 Fund - Dividend - Payout	10	4,570,552.066	1,970.02
		HDFC Cash Management Fund - Savings Plan - Growth	10	2,577,732.209	484.90
		HDFC Equity Fund - Dividend - Payout	10	2,238,784.094	955.50
				31,740,747.433	7,657.10
7	ICICI Prudential Mutual Fund	ICICI Prudential Institutional STP - Monthly Dividend Reinvest	10	16,365.426	1.98
		ICICI Prudential Flexible Income Plan Premium - Growth	100	655,839.488	1,106.52
		ICICI Prudential Discovery Fund - Dividend Payout	10	6,106,364.277	1,103.43
		ICICI Prudential Floating Rate Plan B - Weekly Dividend - Reinvest	10	899,420.000	90.01
				7,677,989.191	2,301.94
8	IDFC Mutual Fund	IDFC Money Manager Fund - Treasury Plan - Inst. Plan B - Growth	10	1,387,848.003	200.00
				1,387,848.003	200.00

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

No.	Name of Mutual Fund	Name of Scheme	Face Value (Rs.)	No. of units	Cost Rupees in lacs
9	LIC Mutual Fund	LICMF Floating Rate Fund - Short Term Plan - Growth LICMF Liquid Fund - Growth Plan LICMF Savings Plus Fund - Growth Plan	10 10 10	2,752,053.720 3,104,638.226 1,757,061.631 7,613,753.577	400.00 500.00 250.00 1,150.00
10	Morgan Stanley Mutual Fund	Morgan Stanley Active Bond Fund - Regular - Growth	10	2,000,000.000 2,000,000.000	200.00 200.00
11	Principal Mutual Fund	Principal Ultra Short Term Fund - Growth Plan Principal Large Cap Fund - Dividend - Payout Principal Emerging Blue Chip Fund - Regular - Dividend Payout Principal Income Fund - Short Term Plan - Institutional - Growth	10 10 10 10	8,336,728.165 1,801,666.644 2,257,794.725 943,568.324 13,339,757.858	967.85 301.24 475.60 150.00 1,894.69
12	Reliance Mutual Fund	Reliance Infrastructure Fund - Institutional Plan - Dividend Payout Reliance Floating Rate Fund - Growth Plan Reliance Money Manager Fund - Institutional - Growth Plan Reliance Equity Opportunities Fund - Retail - Dividend Payout Reliance Medium Term Fund - Weekly Dividend - Reinvest	10 10 1000 10 10	5,100,000.000 3,812,317.888 56,678.769 4,147,863.314 343,634.000 13,460,493.971	510.00 539.31 700.25 743.45 58.77 2,551.78
13	Religare Mutual Fund	Religare PSU Equity Fund - Dividend Payout	10	1,000,000.000 1,000,000.000	100.00 100.00
14	SBI Magnum Mutual Fund	SBI Magnum Global Fund - Dividend Payout	10	803,600.129 803,600.129	250.00 250.00
15	Sundaram BNP Paribas Mutual Fund	Sundaram BNP Paribas Ultra Short Term Fund - Institutional - Growth Sundaram BNP Paribas Flexible Fund Short Term Institutional - Growth Sundaram BNP Paribas Money Fund Institutional - Growth Sundaram BNP Paribas Select Midcap Fund - Dividend - Payout Sundaram BNP Paribas SMILE Fund - Dividend - Payout	10 10 10 10 10	3,428,082.222 2,172,952.535 8,053,239.050 3,062,780.955 5,957,694.227 22,674,748.989	416.26 300.00 1,518.88 512.88 859.06 3,607.08
16	Tata Mutual Fund	Tata Liquid Fund - HIP - Weekly Dividend - Reinvest	1000	7.000 7.000	0.08 0.08
17	Franklin Templeton Mutual Fund	Franklin India Prima Fund - Dividend - Payout Templeton Floating Rate Income Fund - STP - Retail - Growth Templeton Floating Rate Income Fund - LTP - Institutional - Growth Templeton India Short Term Income Fund - Retail Plan - Growth Templeton India Ultra Short Bond Fund - Institutional Plan - Growth	10 10 10 1000 10	685,119.287 1,555,810.017 1,444,178.876 16,862.667 2,616,157.388 6,318,128.235	308.19 250.00 193.47 299.76 300.00 1,351.42
Total					31,201.89

SCHEDULES TO THE ACCOUNTS

	31st March, 2010 Rupees in lacs	31st March, 2009 Rupees in lacs
F. CURRENT ASSETS, LOANS AND ADVANCES		
INVENTORIES (at lower of cost and net realisable value)		
Raw materials	1,729.48	1,786.08
[Including Stock in transit Rs. 136.65 lacs (Previous year - Rs. 236.10 lacs)]		
Packing materials	374.65	375.82
[Including Stock in transit Rs. 28.85 lacs (Previous year - Rs. Nil)]		
Work-in-process	998.35	719.68
Finished products	5,794.67	6,658.35
[Including Stock in transit Nil (Previous year - Nil)]		
	8,897.15	9,539.93
SUNDRY DEBTORS (Unsecured)		
Debts outstanding for a period exceeding six months:		
Considered good	-	60.99
Considered doubtful	173.96	179.80
Other debts:		
Considered good	3,547.85	3,406.07
Considered doubtful	-	-
	3,721.81	3,646.86
Less: Provision for doubtful debts	173.96	179.80
	3,547.85	3,467.06
CASH AND BANK BALANCES		
Cash on hand	12.26	8.72
Balance with scheduled banks:		
In current accounts	1,354.85	903.37
In fixed and margin deposits (provided against bank guarantees)	63.92	58.28
	1,431.03	970.37
LOANS AND ADVANCES (Unsecured)		
Advances recoverable in cash or in kind or for value to be received:		
Considered good	1,294.32	1,571.02
Considered doubtful	14.89	15.89
	1,309.21	1,586.91
Less : Provision for doubtful advances	14.89	15.89
	1,294.32	1,571.02
Loan to FDC International Limited, U.K., wholly owned subsidiary *	231.04	247.37
[Maximum balance during the year Rs. 231.04 lacs (Previous year - Rs. 291.61 lacs)]		
Loan to Fair Deal Corporation Pharmaceutical SA (Pty) Ltd., joint venture entity #	226.32	195.51
[Maximum balance during the year Rs. 226.32 lacs (Previous year - Rs. 225.49 lacs)]		
Sundry deposits	122.07	105.06
Advance tax (net of provision)	-	415.79
MAT credit entitlement	540.00	-
Balance with customs and excise authorities	2.76	4.78
	2,416.51	2,539.53
TOTAL	16,292.54	16,516.89

* The loan will be due and payable on 31st March, 2012 or 60 days after a written notice is served, whichever is sooner.

The loan is payable on demand.

SCHEDULES TO THE ACCOUNTS

	31st March, 2010 Rupees in lacs	31st March, 2009 Rupees in lacs
G. CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry creditors		
Micro and Small Enterprises (Refer Note 6 of Schedule 'N')	-	-
Others	4,144.67	3,603.56
	<u>4,144.67</u>	<u>3,603.56</u>
Other liabilities	2,479.84	2,049.52
Sundry deposits	1,076.72	1,002.97
Advance from customers	67.71	72.88
Investor Education and Protection Fund (shall be credited as and when due by the following amount)		
Unpaid dividend (Refer Note 23 of Schedule 'N')	65.17	54.66
	<u>7,834.11</u>	<u>6,783.59</u>
PROVISIONS		
Provision for tax (net of advances)	57.09	-
Provision for fringe benefit tax (net of advances)	3.00	14.98
Provision for retirement benefits (Refer Note 8 of Schedule 'N')	291.74	182.28
Provision for gratuity fund (Refer Note 8 of Schedule 'N')	210.84	36.82
Provision for Wealth tax	4.58	6.75
Proposed dividend - final	3,259.87	2,350.51
Dividend tax	541.42	399.47
	<u>4,368.54</u>	<u>2,990.81</u>
TOTAL	<u>12,202.65</u>	<u>9,774.40</u>

SCHEDULES TO THE ACCOUNTS

	2009-2010 Rupees in lacs	2008-2009 Rupees in lacs
H. OTHER INCOME		
Operating Income :		
Export incentives	186.64	176.82
Claims received	202.84	24.34
Miscellaneous receipts	173.11	232.30
Income from processing charges	53.70	-
Profit on sale of fixed assets (net)	15.72	-
Provision for doubtful debts/advances no longer required, written back	23.11	21.36
Provision for expenses no longer required, written back	91.72	89.50
SUB TOTAL (A)	746.84	544.32
Non Operating Income :		
Interest received [Includes Rs.16.79 lacs (Previous year Rs. 9.43 lacs) from subsidiaries]	76.80	104.10
[Tax deducted at source Rs. 1.62 lacs (Previous year - Rs. 9.44 lacs)]		
Miscellaneous receipts	50.87	7.83
Provision for diminution in value of current investments, written back	852.73	104.14
Income from current investments :		
Dividend on current investments (other than trade)	483.04	290.31
Profit on sale of current investments (net)	962.09	-
	1,445.13	290.31
Income from long term investments :		
Dividend on long term investments (other than trade)	0.10	3.15
Profit on sale of long term investments (net)	-	110.86
	0.10	114.01
	1,445.23	404.32
SUB TOTAL (B)	2,425.63	620.39
TOTAL (A+B)	3,172.47	1,164.71
I. COST OF MATERIALS		
Raw materials consumed	14,001.76	13,670.95
Packing materials consumed	3,813.91	3,838.71
Purchase for resale	9,825.68	9,195.58
Decrease/ (increase) in Stock		
Closing stock :		
Work - in - process	998.35	719.68
Finished products	5,794.67	6,658.35
	6,793.02	7,378.03
Less : Opening stock :		
Work - in - process	719.68	922.42
Finished products	6,658.35	6,112.65
	7,378.03	7,035.07
Decrease/ (increase) in Stock	585.01	(342.96)
Decrease in excise duty on finished products	(12.84)	(14.70)
TOTAL	28,213.52	26,347.58
J. EMPLOYEES' COST		
Salaries, wages, bonus and commission	6,088.22	4,973.43
Contribution to provident and other funds (Refer Note 8 of Schedule 'N')	806.21	591.64
Welfare expenses	293.43	263.30
TOTAL	7,187.86	5,828.37

SCHEDULES TO THE ACCOUNTS

	2009-2010 Rupees in lacs	2008-2009 Rupees in lacs
K. OPERATING EXPENSES		
Processing charges	508.79	642.91
Power, fuel and water charges	1,144.19	1,019.27
Pharma Miscellaneous expenses	911.37	756.76
Repairs and maintenance:		
Building	267.17	202.71
Plant and machinery	415.55	557.76
Other assets	230.13	179.94
	<u>912.85</u>	<u>940.41</u>
Stores and spares	262.42	242.49
Rent (Refer Note 13 of Schedule 'N')	66.30	53.79
Rates and taxes	78.84	120.43
Insurance	56.37	40.47
Travelling and conveyance	2,474.49	2,212.30
Communication expenses	146.38	127.88
Carriage, freight and forwarding	1,157.49	1,128.49
Advertisement and sales promotion	3,081.56	3,004.29
Sales tax/ Value added tax	74.33	79.15
Commission on sales	347.24	509.15
Auditors' remuneration :		
As Auditors	13.93	13.33
In other manner - Certification	1.82	0.55
	<u>15.75</u>	<u>13.88</u>
Directors sitting fees	1.78	2.38
Bad debts written off	-	28.82
Less: Transfer from Provision for doubtful debts	-	(28.82)
	<u>-</u>	<u>-</u>
Provision for doubtful debts	16.69	41.47
Provision for diminution in value of current investments	26.86	1,347.53
Investment in subsidiary company written off on liquidation	-	25.37
Loss on fixed assets sold/scrapped (net)	-	2.95
Loss on sale of current investments (net)	-	426.33
Research and Development Expenses	563.94	762.99
Donation	35.56	80.41
Miscellaneous expenses	1,286.76	1,138.98
TOTAL	<u>13,169.96</u>	<u>14,720.08</u>
L FINANCE EXPENSES		
Interest : (Refer Note 9 of Schedule 'N')		
on Bank	-	12.06
on Others	98.21	101.80
Bank Charges	33.78	32.18
TOTAL	<u>131.99</u>	<u>146.04</u>

M. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, except for certain fixed assets, which were revalued on 30th September 1993 (refer Note 3 below) and in case of assets where a provision is made for impairment losses, on accrual basis and are in accordance with the requirements of the Companies Act, 1956 and comply with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2. USE OF ESTIMATES

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

3. FIXED ASSETS

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

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

4. DEPRECIATION/ AMORTISATION/ IMPAIRMENT

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

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

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

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

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

Leasehold land / improvements are amortised over the period of lease.

5. INTANGIBLE ASSETS

Technical know-how

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

6. INVESTMENTS

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

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

7. INVENTORIES

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

Finished products including traded goods and work-in-process are valued at lower of cost and net realisable value 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.

8. REVENUE RECOGNITION

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

Revenue from sale of goods is recognised when significant risks and rewards of ownership are transferred to customers, which coincides with dispatch of goods to customers. Sales include excise duty but exclude sales tax/ value added tax.

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

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

9. FOREIGN CURRENCY TRANSLATION/ TRANSACTIONS

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

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

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

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

10. GOVERNMENT GRANTS

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

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

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

11. EMPLOYEE BENEFITS

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

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

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

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

12. RESEARCH AND DEVELOPMENT

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

13. LEASE ACCOUNTING

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

14. EARNING PER SHARE

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

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

15. ACCOUNTING FOR TAXES ON INCOME

Tax expense comprises of current, 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.

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

16. PROVISIONS AND CONTINGENCIES

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

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

17. CASH AND CASH EQUIVALENTS

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

N. NOTES TO FINANCIAL STATEMENTS

1. Contingent liabilities not provided for:

	31st March, 2010 Rupees in lacs	31st March, 2009 Rupees in lacs
(i) <u>Disputed tax matters</u>		
Income tax	10.29	221.89
Excise duty	138.13	135.98
Sales tax	107.03	107.49
(ii) In respect of guarantees given by banks	78.72	72.57
2. Letter of credit issued by bankers	971.41	1,013.56
3. Estimated amount of duty payable on export obligation against outstanding advance licences	3.47	1.72
4. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid) - Tangible assets	275.69	655.60
5. Under various schemes of Government of Maharashtra, the Company has entitled to Sales Tax deferral incentives for its units at Waluj and Sinnar. These are repayable 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 Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.		
7. Of the total investments stated in Schedule 'E' to the accounts, National Savings Certificates of the value of Rs. 0.04 lacs (Previous year – Rs. 0.04 lacs) and Government of India G.P. Notes of the value of Rs. 0.02 lacs (Previous year – Rs. 0.02 lacs) have been lodged with the Excise authorities. National Savings Certificates of Rs. 0.03 lacs (Previous year – Rs. 0.03 lacs) have been lodged with the Sales tax authorities.		
8. As per Accounting Standard 15 (revised 2005) - "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:		

Defined Contribution Plan

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

	2009-2010 Rupees in lacs	2008-2009 Rupees in lacs
Employer's Contribution to Provident Fund	200.54	163.10
Employer's Contribution to Pension Scheme	199.92	181.80
Employer's Contribution to Superannuation Fund	63.54	37.84

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, 2010	31st March, 2009
I	Change in Benefit Obligation		
	Liability at the beginning of the year	407.99	363.56
	Interest Cost	36.33	31.82
	Current Service Cost	81.58	70.54
	Benefit Paid	(41.75)	(72.57)
	Actuarial (gain)/ loss on obligations	123.10	14.64
	Liability at the end of the year	607.25	407.99
II	Fair Value of Plan Assets		
	Fair Value of Plan Assets at the beginning of the year	371.17	362.14
	Expected Return on Plan Assets	32.37	31.10
	Contributions	54.41	63.00
	Benefit Paid	(41.75)	(72.57)
	Actuarial gain/ (loss) on Plan Assets	(19.79)	(12.50)
	Fair Value of Plan Assets at the end of the year	396.41	371.17
	Total Actuarial gain/ (loss)	(142.89)	(27.14)
III	Actual Return on Plan Assets		
	Expected Return on Plan Assets	32.37	31.10
	Actuarial gain/ (loss) on Plan Assets	(19.79)	(12.50)
	Actual Return on Plan Assets	12.58	18.60
IV	Amount recognised in the Balance Sheet		
	Liability at the end of the year	(607.25)	(407.99)
	Fair Value of Plan Assets at the end of the year	396.41	371.17
	Amount recognised in the Balance Sheet	(210.84)	(36.82)
V	Expenses recognised in the Income Statement		
	Current Service Cost	81.58	70.54
	Interest Cost	36.33	31.82
	Expected Return on Plan Assets	(32.37)	(31.10)
	Net Actuarial (gain)/ loss	142.89	27.14
	Expense recognised in Profit and Loss Account	228.43	98.40
VI	Balance Sheet Reconciliation		
	Opening Net Liability	36.82	1.42
	Expense as above	228.43	98.40
	Employers Contribution	(54.41)	(63.00)
	Amount recognised in the Balance Sheet	210.84	36.82
VII	Investment Details		
	Government of India Assets	103.09	108.85
	Corporate Bonds	140.83	129.47
	State Government	87.59	54.79
	Equity	53.22	40.13
	Others	11.68	37.93
	Total	396.41	371.17
VIII	Actuarial Assumptions		
	Discount Rate Current	7.50%	7.75%
	Rate of Return on Plan Assets Current	8.00%	8.00%
	Salary Escalation Current	7.00%	5.00%

IX Experience Adjustments

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

X Salary Escalation Rate

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

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

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

XII The Company expects to contribute Rs. 232.25 lacs to gratuity in next year.

The liability for Leave Encashment as at the year end is Rs. 291.74 lacs (Previous year - Rs. 182.28 lacs).

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

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

		31st March, 2010 Rupees in lacs	31st March, 2009 Rupees in lacs
Deferred tax liabilities			
Depreciation		2,691.15	2,338.87
Others		3.76	0.59
	(A)	2,694.91	2,339.46
Less:- Deferred tax assets			
Provision for doubtful debts/ advances		62.73	66.51
Provision for diminution in the value of investments		7.99	235.59
Liabilities disallowed under Section 43B of the Income-tax Act, 1961		200.79	169.63
Expenses disallowed under Section 40(a)(ia) of the Income-tax Act, 1961		32.69	24.45
	(B)	304.20	496.18
Net Deferred tax liability	(A)-(B)	2,390.71	1,843.28

11. Segment Information:

Primary segment information

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

Secondary segment information

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

The information related to secondary segment is as under:

Rupees in lacs

Particulars	India	Others	Total
Segment Revenue (Net)	59,250.49 (52,404.82)	5,707.54 (5,231.33)	64,958.03 (57,636.15)
Carrying amount of assets by location of assets	42,734.09 (41,258.90)	1,580.44 (1,572.57)	44,314.53 (42,831.47)
Additions to tangible and intangible assets	2,903.98 (5,634.38)	324.00 (-)	3,227.98 (5,634.38)

Previous year's figures are shown in brackets.

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

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

Subsidiary Companies

- FDC International Limited
- FDC Inc.

Joint Venture Entity

- Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.

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

Key Management Personnel

- Mr. Mohan A. Chandavarkar
- Mr. Ashok A. Chandavarkar
- Mr. Nandan M. Chandavarkar
- Mr. Ameya A. Chandavarkar (from 1st November 2009)

Relatives of Key Management Personnel

- Mr. Ameya A. Chandavarkar (upto 30th October 2009), Son of Mr. Ashok A. Chandavarkar
- Ms. Sandhya M. Chandavarkar, Wife of Mr. Mohan A. Chandavarkar
- Ms. Mangala A. Chandavarkar, Wife of Mr. Ashok A. Chandavarkar
- Ms. Aditi Bhanot, Daughter of Mr. Ashok A. Chandavarkar

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

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

Nature of transaction:

Rupees in lacs

Particulars	Subsidiary Companies	Joint Venture Entity	Key Management Personnel	Relatives of Key Management Personal	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Total
Sale of goods	806.13 (504.87)	24.51 (24.98)	- (-)	- (-)	- (-)	830.64 (529.85)
Services received	- (-)	- (-)	- (-)	- (-)	44.32 (39.41)	44.32 (39.41)
Rent paid	- (-)	- (-)	- (-)	- (-)	0.33 (1.06)	0.33 (1.06)
Reimbursement of expenses	72.62 (-)	- (-)	- (-)	- (-)	- (-)	72.62 (-)
Finance						
- Loans granted	- (291.61)	- (-)	- (-)	- (-)	- (-)	- (291.61)
- Loans recovered	- (166.18)	- (45.67)	- (-)	- (-)	- (-)	- (211.85)
Interest income	16.79 (9.43)	11.32 (10.72)	- (-)	- (-)	- (-)	28.11 (20.15)
Remuneration*	- (-)	- (-)	130.84 (100.07)	- (-)	- (-)	130.84 (100.07)
Commission	- (-)	- (-)	231.85 (153.52)	- (-)	- (-)	231.85 (153.52)
Sitting fees	- (-)	- (-)	- (-)	0.05 (0.03)	- (-)	0.05 (0.03)
Dividend paid	- (-)	- (-)	268.26 (214.61)	346.82 (277.46)	417.81 (334.25)	1032.89 (826.32)
Outstanding Balances						
- Payable	- (-)	- (-)	242.51 (160.46)	- (-)	- (-)	242.51 (160.46)
- Loans granted	231.04 (247.37)	226.32 (195.51)	- (-)	- (-)	- (-)	457.36 (442.88)
- Interest on loans granted	25.59 (9.43)	11.32 (10.72)	- (-)	- (-)	- (-)	36.91 (20.15)
- Receivable against debtors	108.96 (-)	- (7.03)	- (-)	- (-)	- (-)	108.96 (7.03)

* 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:

	2009 - 2010 Rupees in lacs	2008 - 2009 Rupees in lacs
1 Sale of goods		
FDC International Limited	806.13	504.87
2 Services received		
Anand Synthochem Limited	12.79	10.44
Mejda Marketing Private Limited	19.17	19.29
Akhil Farma Limited	12.36	9.68
3 Rent paid		
Aditi Sales Corporation	-	0.50
Akhil Farma Limited	0.33	0.56
4 Reimbursement of expenses		
FDC International Limited	72.62	-
5 Loans granted		
FDC International Limited	-	291.61
6 Loans recovered		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	-	45.67
FDC Holdings Netherlands B.V.	-	166.18
7 Equity contribution in cash or in kind		
FDC International Limited	-	0.00
8 Interest received		
FDC International Limited	16.79	9.43
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	11.32	10.72
9 Remuneration		
Mr. Mohan A. Chandavarkar	39.00	38.25
Mr. Ashok A. Chandavarkar	33.28	31.54
Mr. Nandan M. Chandavarkar	44.46	30.28
Mr. Ameya A. Chandavarkar	14.10	-
10 Commission		
Mr. Mohan A. Chandavarkar	82.55	61.41
Mr. Ashok A. Chandavarkar	66.05	49.13
Mr. Nandan M. Chandavarkar	66.05	42.98
11 Sitting fees		
Mr. Ameya A. Chandavarkar	0.05	0.03
12 Dividend paid		
Mr. Mohan A. Chandavarkar	136.41	109.13
Mr. Ashok A. Chandavarkar	131.63	105.30
Ms. Sandhya M. Chandavarkar	193.54	154.83
Soven Trading and Investment Company Private Limited	204.09	163.27
Transgene Trading and Investment Company Private Limited	213.72	170.98
13 Outstanding Balances Payable		
Mr. Mohan A. Chandavarkar	85.33	64.02
Mr. Ashok A. Chandavarkar	68.40	51.36
Mr. Nandan M. Chandavarkar	69.15	45.08
14 Outstanding Balances against loans granted		
FDC International Limited.	231.04	247.37
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	226.32	195.51
15 Outstanding Balances against interest on loans granted		
FDC International Limited	25.59	9.43
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	11.32	10.72
16 Outstanding Balances receivable against debtors		
FDC International Limited	108.96	-
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	-	7.03

13. Pursuant to Accounting Standard 19 - "Leases", disclosure on leases is as follows:
The Company's significant leasing arrangements are in respect of godowns/ office premises taken on operating lease basis. The aggregate lease rentals payable are charged as Rent and shown under 'Operating Expenses' (Schedule 'K').

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

14. Excise duty on sales amounting to Rs. 1,041.72 lacs (Previous year – Rs. 1,661.83 lacs) has been reduced from Sales in Profit and Loss Account and excise duty on decrease in stock amounting to Rs. 12.84 lacs (Previous year – Rs. 14.70 lacs) has been considered as income in Schedule 'I' to the accounts.
15. Pursuant to the Accounting Standard 27 - "Financial Reporting of interests in Joint Ventures", the disclosures relating to the Joint Venture Entity (JV) is as follows:

Sr. No.	Name	Country of Incorporation	Percentage of Ownership Interest as on 31st March, 2010	Percentage of Ownership Interest as on 31st March, 2009
1.	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	Republic of South Africa	49%	49%

The Company's interest in the JV is reported as Long Term Investment (Schedule 'E') and stated at cost. However, the Company's share of each of the assets, liabilities, income and expenses etc. (each without elimination of the effect of transactions between the Company and the JV) related to its interest in the JV, based on the audited financial statement of Fair Deal Corporation Pharmaceutical SA (Pty) Ltd. is as follows as at 31st March 2010:

	Rupees in lacs	
	31st March, 2010	31st March, 2009
<u>BALANCE SHEET</u>		
Unsecured Loan	244.83	214.21
Fixed assets (net of depreciation)	155.51	276.93
Deferred tax asset	17.43	-
Current assets, loans and advances		
Inventories	36.22	10.34
Sundry debtors	48.92	52.30
Cash and bank balances	77.34	48.05
Loans and advances	12.40	-
Current liabilities and provisions		
Current liabilities	60.03	47.75
Net current assets	114.85	62.94
	2009-2010	2008-2009
<u>PROFIT AND LOSS ACCOUNT</u>		
Income		
Sales	758.18	496.34
Other income	1.27	0.31
Expenditure		
Cost of materials	675.71	420.08
Employees' cost	9.61	8.75
Operating expenses	11.43	6.91
Finance expenses	12.86	11.32
Depreciation	125.49	0.56
Provision for taxation		
Current tax	-	13.72
Deferred Tax	(17.43)	-

No contingent liabilities and capital commitments have been incurred as at 31st March 2010 in relation to the Company's interest in the JV along with the other venturers (Previous year - Rs. Nil).

16. Earnings per share has been computed as under:

	2009-2010	2008-2009
Profit after tax for the year (Rupees in lacs)	14,881.93	8,342.92
Weighted Average number of shares*	186,711,831	190,759,261
Nominal value per share (Rupees)	1.00	1.00
Earnings per share - Basic (Rupees)	7.97	4.37
- Diluted (Rupees)	7.97	4.37

* 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:

	2009-2010 Rupees in lacs	2008-2009 Rupees in lacs
A) <u>Chairman and Wholetime Directors</u>		
Salaries	109.97	83.27
Commission	231.85	153.52
Perquisites	2.31	2.75
Contribution to Provident fund and other funds	18.56	14.05
	362.69	253.59
B) <u>Non-wholetime Directors</u>		
Commission	9.45	7.74
Sitting Fees	1.78	2.38
	11.23	10.12
Total Managerial Remuneration	373.92	263.71

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:

	2009-2010 Rupees in lacs	2008-2009 Rupees in lacs
Profit before tax as per Profit and Loss Account	17,979.14	10,485.48
Add: Directors' remuneration (including commission)	372.14	261.33
Diminution in value of current investments	26.86	1,347.53
Profit/ (Loss) on sale of fixed assets as per Section 349 of the Companies Act, 1956	(29.73)	(3.01)
Loss on Sale of Investments	-	315.47
	18,348.41	12,406.80
Less: Profit on sale of investments	962.09	-
Provision/ (Write back) for doubtful debts/ advance (net)	6.42	24.23
Diminution in current value of Investments written back	852.73	104.14
Profit/ (Loss) on sale of assets (net) as per Profit and Loss Account	15.72	(2.95)
Net Profit as per Section 349 of the Companies Act, 1956	16,511.45	12,281.38
Commission payable to Managing Director and Wholetime Directors @ 1.55 % of the net profit calculated above (Previous year @ 1.25%)	231.85	153.52
Commission payable to Non-Wholetime Directors @ 0.25% of the net profit calculated above, restricted to Rs. 9.45 lacs (Previous year - Rs. 7.74 lacs)	9.45	7.74

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, 2010	31st March, 2009	31st March, 2010	31st March, 2009
Bank balances	USD	106,714	316,973	47.38	159.42
	EUR	3,892	19,985	2.32	13.32
	GBP	167,008	17,150	111.76	12.27
Sundry debtors	USD	1,445,244	2,243,696	646.67	1,134.64
	EUR	41,342	105,341	24.69	70.25
	GBP	162,502	-	108.96	-
	JPY	12,500,000	7,800,000	59.66	40.09
Loans and advances	EUR	1,141	13,049	0.68	8.70
	USD	176,694	299,883	78.45	150.81
	GBP	401,715	357,772	269.32	256.85
	ZAR	3,993,953	4,012,342	237.64	206.23
	CHF	-	2,036	-	0.89
Sundry creditors	EUR	37,015	26,749	22.82	18.32
	USD	764,490	1,110,366	350.04	573.27
	GBP	38,247	-	26.48	-
Investment in subsidiaries/ joint venture entity	USD	50,000	50,000	22.00	22.00
	ZAR	159,250	159,250	11.30	11.30
	GBP	1	1	0.00	0.00

20. Revenue expenditure on research and development (including depreciation and amortisation) aggregating to Rs.1,371.26 lacs (Previous year - Rs. 1,669.35 lacs) is included under relevant heads in the Profit and Loss Account.
21. Costs of samples (manufactured and purchased) have been included in Cost of Materials.
22. Foreign exchange fluctuation gain (net) during the year of Rs. 86.63 lacs (Previous year – Rs. 137.25 lacs) and Foreign exchange fluctuation loss of Rs. Nil (Previous year – Rs. 99.25 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 1,890,704 equity shares of Re. 1 each during the year for a total consideration of Rs. 744.14 lacs, which have been subsequently extinguished. Consequently, an amount of Rs. 18.90 lacs being the nominal value of equity shares bought back has been transferred to Capital Redemption Reserve from General Reserve. An amount of Rs. 725.24 lacs being the premium on buyback has been appropriated from General Reserve.

The Company has reversed dividend of Rs. 25.73 lacs for the financial year 2008-09 on shares bought back during the period from the 22nd May 2009 (date of board meeting for recommendation of dividend for the year ended 31st March 2009) to 3rd August 2009 (last date of buyback).

Subsequently, the Shareholders vide a postal ballot resolution dated 21st December 2009, approved the buyback of 86,50,000 fully paid up equity shares having a face value of Re. 1 each, through the stock exchanges, at a price not exceeding Rs. 65 per share, upto an amount of Rs. 5,600 lacs. The Company has however not been able to buyback any shares in the buyback offer, since the current market price is higher than the maximum offer price, stipulated in the buyback offer.

25. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 3, 4C, 4D OF PART II OF SCHEDULE -VI TO THE COMPANIES ACT ,1956
a) Details of Capacity ,Production ,Purchases ,Sales and Stock :

	CLASS OF PRODUCTS	UNIT OF MEASURE	INSTALLED CAPACITY	OPENING STOCK		PRODUCTION	PURCHASE FOR RESALE		SALES		CLOSING STOCK	
				QTY.	Rs. in Lacs		QTY.	Rs. in Lacs	QTY.	Rs. in Lacs	QTY.	Rs. in Lacs
1.	FORMULATIONS											
(I)	Injectables/ Ophthalmics	Litres	324,000.00 (324,000.00)	85,177.90 (80,609.68)	842.92 (776.86)	244,178.22 (217,225.38)	161,657.31 (143,800.86)	1,098.00 (983.75)	400,181.30 (356,458.02)	7,149.45 (6,521.90)	90,832.13 (85,177.90)	902.59 (842.92)
(II)	Tablets , Capsules etc.	Nos. In crores	211.92 (211.92)	29.30 (26.05)	3,748.63 (3,597.06)	116.13 (122.68)	25.23 (23.98)	3,546.05 (4,511.63)	147.14 (143.41)	36,081.52 (34,079.01)	23.52 (29.30)	2,841.00 (3,748.63)
(III)	Cream, Powder, Ointments, Granules, Liquids, etc.	Kgs./Litres	6,306,840.00 (6,306,840.00)	879,120.28 (821,957.22)	1,642.33 (1,326.56)	3,006,555.03 (2,961,236.72)	581,264.48 (591,983.21)	1,092.25 (1,288.55)	3,738,414.64 (3,496,056.87)	13,555.24 (12,308.45)	728,525.15 (879,120.28)	1,327.55 (1,642.33)
2 .	FOODS PRODUCTS											
(I)	Powder , Liquid , etc.	Kgs./Litres	1,068,000.00 (1,068,000.00)	265,620.83 (211,835.55)	278.81 (273.32)	1,249,874.20 (1,001,004.14)	- (-)	- (-)	1,134,420.67 (947,218.86)	2,113.88 (1,743.01)	381,074.36 (265,620.83)	427.25 (278.81)
(II)	Capsules	Nos. In crores	- (-)	0.06 (0.04)	8.88 (7.30)	- (-)	0.29 (0.16)	53.72 (30.92)	0.28 (0.14)	96.76 (53.71)	0.07 (0.06)	12.37 (8.88)
3.	BASIC DRUGS	Kgs.	121,500.00 (121,500.00)	1,807.61 (4,025.79)	136.78 (131.55)	76,541.70 (63,012.57)	95,867.68 (34,277.64)	3,493.77 (1,539.86)	*162375.73 (96353.29)	7,002.90 (4,591.90)	10,056.08 (1,807.61)	283.91 (136.78)
4.	OTHERS		- (-)	- (-)	- (-)	- (-)	- (-)	541.89 (840.87)	- (-)	- (-)	- (-)	- (-)
TOTAL					6,658.35 (6,112.65)			9,825.68 (9,195.58)		65,999.75 (59,297.98)		5,794.67 (6,658.35)

(*) Excluding captive consumption 1,785.18 kgs (Previous Year - 3,155.10 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, ORS Granules , 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.	2009-2010 Rupees in lacs
i) Cefixime Trihydrate	39.57 (36.94)	3,972.53 (4,329.66)
ii) Other Raw Materials		10,029.23 (9,341.29)
Total		14,001.76 (13,670.95)

Imported and Indigenous Raw Materials consumed

	Rupees in lacs	Percentage
Indigenous	11,249.00 (10,862.14)	80.34 (79.45)
Imported	2,752.76 (2,808.81)	19.66 (20.55)
Total	14,001.76 (13,670.95)	100.00 (100.00)

Previous year's figures are shown in brackets.

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

	Rupees in lacs	Percentage
Indigenous	256.97 (242.49)	69.17 (57.12)
Imported	114.51 (182.05)	30.83 (42.88)
Total	371.48 (424.54)	100.00 (100.00)

Previous year's figures are shown in brackets.

d) **CIF value of imports:**

	2009-2010 Rupees in lacs	2008-2009 Rupees in lacs
Raw material	3,308.69	3,412.38
Packing material	288.26	136.50
Components, Stores and spares	114.51	182.05
Capital goods	576.66	607.49
Intangible assets	324.00	-
Total	4,612.12	4,338.42

e) **Earning in foreign currency (Accrual) :**

	2009-2010 Rupees in lacs	2008-2009 Rupees in lacs
FOB value of exports	5,587.74	5,064.39
Interest	28.11	20.15
Others	1.14	1.51
Total	5,616.99	5,086.05

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

	2009-2010 Rupees in lacs	2008-2009 Rupees in lacs
Export Sales Expenses	107.78	103.49
Export Commission	41.51	21.47
Foreign traveling	14.55	12.22
Interest on PCFC Loan	-	12.06
Legal and professional fees (including consultation fees) (gross)	-	11.96
Others (gross)	7.33	10.72
Total	171.17	171.92

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

Signatures to Schedules "A" to "N"

As per our report of even date

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

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ASHOK A. CHANDAVARKAR
Director

per AMIT MAJMUDAR
Partner
Membership No. 36656

SHALINI KAMATH
Company Secretary

Place : Mumbai
Date : May 29, 2010

Place : Mumbai
Date : May 29, 2010

Additional information pursuant to Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

I. Registration details

Registration No.						3	1	7	6	State Code							1	1	
Balance Sheet	3	1	0	3	2	0	1	0											
	Date	Month	Year																

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

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

Total Liabilities				6	7	2	6	4	0	0	Total Assets				6	7	2	6	4	0	0
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Sources of Funds

[illegible]

Application of Funds

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

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

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

Item Code No. (ITC Code)	3	0	0	4	2	0	.	1	9															
Product Description	C	E	F	I	X	I	M	E		T	R	I	H	Y	D	R	A	T	E					
Item Code No. (ITC Code)	3	0	0	4	2	0	.	6	4															
Product Description	A	Z	I	T	H	R	O	M	Y	C	I	N												
Item Code No. (ITC Code)	3	0	0	4	2	0	.	1	9															
Product Description	C	E	F	U	R	O	X	I	M	E		A	X	E	T	I	L							

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	31.03.2010	31.03.2010
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, 2010	GBP 219,748	(USD 1,260)
ii. For the financial years since they became subsidiaries	GBP 310,967	USD 44,182
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, 2010	Nil	Nil
ii. For the financial years since they became subsidiaries	Nil	Nil

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ASHOK A. CHANDAVARKAR
Director

SHALINI KAMATH
Company Secretary

Place: Mumbai
Date : May 29, 2010

Auditors' Report to the Board of Directors of FDC Limited

We have audited the attached Consolidated Balance Sheet of FDC Limited ('the Company') and its subsidiaries (collectively referred to as "the Group"), as at 31st March 2010, 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. 1,244.77 lacs as at 31st March 2010 and the total revenue of Rs. 2,007.11 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

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

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

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the FDC Limited's Group as at 31st March 2010;
- b) in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES

Firm Registration No.101049W
Chartered Accountants

per AMIT MAJMUDAR

Partner
Membership No. 36656

Place: Mumbai
Date : May 29, 2010

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	31st March, 2010 Rupees in lacs	31st March, 2009 Rupees in lacs
I. SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	' A '	1,870.65	1,889.55
Reserves and surplus	' B '	50,791.29	40,395.20
		52,661.94	42,284.75
LOAN FUNDS			
Secured loans	' C '	127.08	271.29
Unsecured loans	' D '	368.67	377.86
DEFERRED TAX LIABILITY (NET) (Refer Note 10 of Schedule 'O')		2,373.28	1,843.28
TOTAL		55,530.97	44,777.18
II. APPLICATION OF FUNDS			
FIXED ASSETS			
Gross block	' E '	35,877.14	33,149.83
Less: Depreciation, Amortisation and Impairment		10,325.96	8,875.41
Net block		25,551.18	24,274.42
Capital work-in-progress including capital advances		3,006.50	2,709.00
[Net of provision for impairment of assets Rs. 144.79 lacs (Previous year - Rs. 144.79 lacs)]		28,557.68	26,983.42
INVESTMENTS	' F '	22,916.17	11,098.82
CURRENT ASSETS, LOANS AND ADVANCES	' G '		
Inventories		9,024.81	9,559.14
Sundry debtors		3,681.49	3,523.99
Cash and bank balances		1,676.92	1,291.12
Loans and advances		2,072.90	2,171.04
		16,456.12	16,545.29
Less: CURRENT LIABILITIES AND PROVISIONS	' H '		
Current liabilities		7,983.04	6,859.54
Provisions		4,415.96	2,990.81
		12,399.00	9,850.35
NET CURRENT ASSETS		4,057.12	6,694.94
TOTAL		55,530.97	44,777.18
Significant Accounting Policies	' N '		
Notes to the Consolidated Financial Statements	' O '		

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	2009-2010 Rupees in lacs	2008-2009 Rupees in lacs
INCOME			
Sales		67,187.54	60,574.90
Less: Excise duty		1,041.72	1,661.83
Net Sales		66,145.82	58,913.07
Other income	' I '	3,142.85	1,222.83
TOTAL		69,288.67	60,135.90
EXPENDITURE			
Cost of materials	' J '	28,854.41	27,031.67
Employees' cost	' K '	7,241.58	5,871.58
Operating expenses	' L '	13,397.57	14,963.53
Finance expenses	' M '	145.02	176.74
Depreciation and Amortisation	' E '	1,600.66	1,303.34
Less: Transfer from revaluation reserve	' B '	12.66	12.66
		1,588.00	1,290.68
TOTAL		51,226.58	49,334.20
Profit before taxation		18,062.09	10,801.70
Provision for taxation			
For the year			
- Current tax		2,934.27	1,468.21
- MAT credit entitlement		(540.00)	-
- Deferred tax		530.00	447.56
- Fringe benefit tax		-	230.00
		2,924.27	2,145.77
For earlier years - Current		224.78	35.00
		3,149.05	2,180.77
Profit after taxation		14,913.04	8,620.93
Balance brought forward		12,954.18	9,502.20
Adjustment on account of liquidation of subsidiary		-	81.03
Amount available for appropriation		27,867.22	18,204.16
APPROPRIATIONS			
Final dividend - proposed		3,259.87	2,350.51
Dividend tax		541.42	399.47
Transfer to General Reserve		3,000.00	2,500.00
Reversal of excess provision of dividend (Refer Note 20 of Schedule 'O')		(25.73)	-
Balance carried to Consolidated Balance Sheet		21,091.66	12,954.18
		27,867.22	18,204.16
Earnings per share (Refer Note 16 of Schedule 'O')			
Basic and diluted - Par value			
Re. 1 per share			
(Previous year - Re. 1 per share)		7.99	4.52
Significant Accounting Policies	' N '		
Notes to the Consolidated Financial Statements	' O '		

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

As per our report of even date

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

For and on behalf of the Board of
Directors

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ASHOK A. CHANDAVARKAR
Director

per AMIT MAJUMDAR
Partner
Membership No. 36656

SHALINI KAMATH
Company Secretary

Place: Mumbai
Date : May 29, 2010

Place: Mumbai
Date : May 29, 2010

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

As per our report of even date

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

For and on behalf of the Board of
Directors

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ASHOK A. CHANDAVARKAR
Director

per AMIT MAJUMDAR
Partner
Membership No. 36656

SHALINI KAMATH
Company Secretary

Place: Mumbai
Date : May 29, 2010

Place: Mumbai
Date : May 29, 2010

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS		2009-2010 Rupees in lacs	2008-2009 Rupees in lacs
CASH FLOWS FROM OPERATING ACTIVITIES			
NET PROFIT BEFORE TAXATION		18,062.09	10,801.70
Adjustments for :			
Depreciation and Amortisation	1,588.00		1,290.68
Interest expense	108.88		136.03
Interest income	(54.62)		(92.70)
(Profit)/ Loss on sale of fixed assets (net)	(16.21)		2.99
Dividend income	(483.14)		(293.46)
Diminution in value of current investments	26.86		1,347.53
(Profit)/ Loss on sale of investments (net)	(962.09)		315.47
Investment in subsidiary company written off on liquidation	-		23.27
Translation adjustment on consolidation	(3.49)		(52.54)
Unrealised foreign exchange loss/ (gain) on restatement	54.28		(50.37)
Bad debts written off	8.39		2.10
Provision for doubtful debts	16.69		41.47
Provision for expenses no longer required, written back	(91.72)		(89.50)
Provision for doubtful debts/ advances no longer required, written back	(23.11)		(21.36)
Provision for diminution in value of current investments, written back	(852.73)	(684.01)	(104.14)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		17,378.08	13,257.17
Movements in Working Capital :			
(Increase) in debtors	(188.36)		(1,514.63)
Decrease/ (increase) in inventories	534.33		(442.60)
Decrease/ (increase) in advances	264.37		(593.89)
Increase/ (decrease) in creditors	1,226.20		(260.51)
Increase in provisions	281.31	2,117.85	39.90
CASH GENERATED FROM OPERATIONS		19,495.93	10,485.44
Direct taxes paid (including Fringe benefit tax, net of refunds)	(2,679.48)		(1,633.47)
NET CASH FROM OPERATING ACTIVITIES	(A)	16,816.45	8,851.97
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES			
Purchase of fixed assets		(3,236.06)	(6,041.57)
Proceeds from sale of fixed assets		77.35	32.92
(Increase)/ decrease in inter-corporate deposits given		-	1,000.00
(Increase)/ decrease in fixed and margin deposits		(5.64)	22.88
Repayment of loan by joint venture company		-	23.29
Purchase of investments - others		(22,942.31)	(11,098.58)
Proceeds from sale of investments - others		12,912.92	10,456.30
Dividend received		485.50	286.95
Interest received		51.94	104.15
Adjustment on account of liquidation of subsidiary		-	81.03
NET CASH USED IN INVESTING ACTIVITIES	(B)	(12,656.30)	(5,132.63)
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES			
(Repayment of)/ proceeds from term loan taken from bank		(144.21)	271.29
Proceeds from/ (repayment of) borrowings		15.65	(1,013.04)
Deferral from sales tax collection		14.78	21.89
Repayment of interest free sales tax loan		(39.62)	(40.10)
Payment towards buy back of shares		(744.14)	(1,034.23)
Dividend paid		(2,324.78)	(1,914.62)
Dividend tax paid		(399.47)	(325.39)
Interest paid		(109.14)	(135.53)
NET CASH USED IN FINANCING ACTIVITIES	(C)	(3,730.93)	(4,169.73)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(A)+(B)+(C)	429.22	(450.39)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1,181.45	1,631.84
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Refer Note 1 below)		1,610.67	1,181.45

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Notes to the Consolidated Cash Flow Statement

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

PARTICULARS	31st March, 2010 Rupees in lacs	31st March, 2009 Rupees in lacs
Cash on hand	12.39	8.86
Balance with scheduled banks :		
In current accounts (Refer Note 2 below)	1,600.61	1,223.98
Unrealised foreign exchange loss/ (gain) on restatement of cash and cash equivalents	(2.33)	(51.39)
TOTAL	1,610.67	1,181.45

2. The balance in current accounts include Rs. 65.17 lacs (Previous year - Rs. 54.68 lacs) towards unclaimed dividend accounts which are not available for use by the Company as they represent corresponding dividend liabilities.

As per our report of even date

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

per AMIT MAJMUDAR
Partner
Membership No. 36656

Place: Mumbai
Date : May 29, 2010

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ASHOK A. CHANDAVARKAR
Director

SHALINI KAMATH
Company Secretary

Place: Mumbai
Date : May 29, 2010

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	31st March, 2010 Rupees in lacs	31st March, 2009 Rupees in lacs		31st March, 2010 Rupees in lacs	31st March, 2009 Rupees in lacs
A. SHARE CAPITAL			B. RESERVES AND SURPLUS		
AUTHORISED			CAPITAL RESERVE	45.01	45.01
250,000,000 (Previous year - 250,000,000) Equity shares of Re. 1 each	2,500.00	2,500.00	CAPITAL REDEMPTION RESERVE		
ISSUED			Opening Balance	49.73	16.81
189,423,529 (Previous year - 191,314,233) Equity shares of Re. 1 each	1,894.24	1,913.14	Add: Transfer from General Reserve on account of buy back of shares (Refer Note 20 of Schedule 'O')	18.90	32.92
SUBSCRIBED AND PAID-UP			Closing Balance	68.63	49.73
186,278,529 (Previous year - 188,169,233) Equity shares of Re. 1 each, fully paid-up Add: 3,145,000 (Previous year - 3,145,000) Equity shares forfeited (Refer Note 20 of Schedule 'O')	1,862.79	1,881.69	SECURITIES PREMIUM ACCOUNT		
	7.86	7.86	Opening Balance	*72.90	*607.58
TOTAL	1,870.65	1,889.55	Less: Premium paid for buy back of shares	-	534.68
Of the above shares:			Closing Balance	72.90	72.90
(i) 15,000 (Previous year - 15,000) shares of Re. 1 each were allotted as fully paid-up pursuant to a contract for consideration other than cash.			* Represents securities premium received on forfeited shares Rs. 72.90 lacs (Previous year - Rs. 72.90 lacs)		
(ii) 28,900,000 (Previous year - 28,900,000) shares of Re. 1 each were allotted as fully paid-up by way of Bonus shares by capitalisation out of General Reserve.			REVALUATION RESERVE		
(iii) 95,730,551 (Previous year - 95,730,551) shares of Re. 1 each were allotted as fully paid-up by way of Bonus shares by capitalisation out of Securities Premium Account.			Opening Balance	97.12	109.78
			Less: Transfer to Consolidated Profit and Loss Account	12.66	12.66
			Closing Balance	84.46	97.12
			GENERAL RESERVE		
			Opening Balance	25,686.85	23,686.40
			Less: Premium paid for buy back of shares (Refer Note 20 of Schedule 'O')	725.24	466.63
			Less: Transfer to Capital Redemption Reserve Account	18.90	32.92
			Add: Transfer from Consolidated Profit and Loss Account	3,000.00	2,500.00
			Closing Balance	27,942.71	25,686.85
			RESERVE FOR DIMINUTION IN VALUE/ LOSS ON SALE OF INVESTMENTS	1,500.00	1,500.00
			SURPLUS IN CONSOLIDATED PROFIT AND LOSS ACCOUNT	21,091.66	12,954.18
			TRANSLATION RESERVE		
			Opening Balance	(10.59)	41.95
			Add/ (Less): Movement during the year	(3.49)	(52.54)
			Closing Balance	(14.08)	(10.59)
			TOTAL	50,791.29	40,395.20
			C. SECURED LOANS		
			Term loan from bank for purchase of property	127.08	271.29
			(Secured by way of first charge against new property purchased in UK and its associated assets)		
			TOTAL	127.08	271.29
			D. UNSECURED LOANS		
			Interest-free Sales tax loans	243.80	268.64
			(Refer Note 6 of Schedule 'O') [Due within one year - Rs. 35.62 lacs (Previous year - Rs. 39.62 lacs)]		
			Other Loan	124.87	109.22
			(The loan is repayable on demand)		
			TOTAL	368.67	377.86

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

E. FIXED ASSETS

Rupees in lacs

PARTICULARS	GROSS BLOCK				DEPRECIATION/ AMORTISATION/ IMPAIRMENT				NET BLOCK	
	As at 31.03.2009	Additions	Deletions / Adjustments	As at 31.03.2010	As at 31.03.2009	Depreciation for the year	Deletions / Adjustments	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
Leasehold land *	373.90	-	-	373.90	115.29	5.82	-	121.11	252.79	258.61
Freehold land **	1,304.68	62.39	-	1,367.07	-	-	-	-	1,367.07	1,304.68
Buildings***	10,693.19	1,073.55	3.80	11,762.94	1,343.64	282.12	1.05	1,624.71	10,138.23	9,349.55
Plant and machinery	12,120.34	433.35	138.38	12,415.31	@5,262.10	722.84	101.20	@5,883.74	6,531.57	6,858.24
Laboratory testing machines	1,795.22	298.32	(46.05)	2,139.59	363.83	91.10	(4.07)	459.00	1,680.59	1,431.39
Electrical installations	1,049.92	138.97	6.36	1,182.53	232.77	53.10	2.95	282.92	899.61	817.15
Furniture, fixtures and fittings	1,910.04	225.74	2.01	2,133.77	503.35	127.83	1.17	630.01	1,503.76	1,406.69
Office equipments	1,168.65	106.65	2.57	1,272.73	204.96	58.14	0.75	262.35	1,010.38	963.69
Vehicles	349.82	44.87	47.69	347.00	184.71	29.02	38.52	175.21	171.79	165.11
Capital expenditure on R&D										
Tangible										
Buildings	109.91	-	-	109.91	48.40	3.49	-	51.89	58.02	61.51
Equipments	1,914.51	297.33	56.49	2,155.35	588.89	88.98	8.54	669.33	1,486.02	1,325.62
Furniture and fixtures	84.47	24.01	-	108.48	27.47	7.29	-	34.76	73.72	57.00
Intangible										
Technical know-how	-	233.38	-	233.38	-	6.44	-	6.44	226.94	-
Intangible assets										
Dossiers	275.18	-	-	275.18	-	124.49	-	124.49	150.69	275.18
TOTAL	33,149.83	2,938.56	211.25	35,877.14	8,875.41	1,600.66	150.11	10,325.96	25,551.18	24,274.42
Previous year	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	

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

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

*** Building of Rs. 2,760.76 lacs (Previous year - Rs. 2,521.75 lacs) includes cost of unquoted fully paid shares in various co-operative housing societies.

@ Includes impairment of Rs. 49.80 lacs.

	31st March, 2010	31st March, 2009		31st March, 2010	31st March, 2009
	Rupees in lacs	Rupees in lacs		Rupees in lacs	Rupees in lacs
F. INVESTMENTS			II. CURRENT INVESTMENTS		
I. LONG TERM INVESTMENTS (At cost)			(At lower of cost and market value)		
Other than Trade (Unquoted)			Other than Trade		
Government Securities			Fully paid-up Equity Shares of Exchange Traded Fund (Quoted)	163.78	-
(Refer Note 7 of Schedule 'O')			Fully paid-up Equity Shares (Quoted)	-	1,538.39
National Savings Certificates	0.07	0.07	Less: Provision for diminution in value of Equity Shares	2.97	864.94
35 (Previous year - 35) Government of India G.P. Notes - face value of Rs. 2,000	0.02	0.02		160.81	673.45
In Others			Units of Mutual Funds (Unquoted)	22,778.53	10,930.36
1,000 (Previous year - 1,000) Equity Shares of The Saraswat Co-op. Bank Limited of Rs. 10 each fully paid-up	0.10	0.10	Less: Provision for diminution in value of Mutual Funds	23.89	505.71
5,000 (Previous year - 5,000) Equity Shares of The North Kanara G.S.B. Co-op. Bank Limited of Rs. 10 each fully paid-up	0.50	0.50		22,754.64	10,424.65
100 (Previous year - 100) Shares of Roha Industries Association Sahakari Grahak Bhandar Limited of Rs. 25 each fully paid-up	0.03	0.03	SUB TOTAL (II)	22,915.45	11,098.10
SUB TOTAL (I)	0.72	0.72	TOTAL (I+II)	22,916.17	11,098.82

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	31st March, 2010 Rupees in lacs	31st March, 2009 Rupees in lacs		31st March, 2010 Rupees in lacs	31st March, 2009 Rupees in lacs
G. CURRENT ASSETS, LOANS AND ADVANCES			H. CURRENT LIABILITIES AND PROVISIONS		
INVENTORIES (At lower of cost and net realisable value)			CURRENT LIABILITIES		
Raw materials	1,729.48	1,786.08	Sundry creditors	4,252.39	3,646.09
[Including Stock in transit Rs. 136.65 lacs (Previous year - Rs. 236.10 lacs)]			Other liabilities	2,520.81	2,056.79
Packing materials	374.65	375.82	Sundry deposits	1,076.72	1,002.97
[Including Stock in transit Rs. 28.85 lacs (Previous year - Rs. Nil)]			Advance from customers	67.71	98.53
Work-in-process	998.35	719.68	Interest accrued but not due	0.24	0.50
Finished products	5,922.33	6,677.56	Investor Education and Protection Fund (shall be credited as and when due by the following amount)		
[Including Stock in transit Rs. 68.02 lacs (Previous year - Rs.5.39 lacs)]			Unpaid dividend	65.17	54.66
	9,024.81	9,559.14		7,983.04	6,859.54
SUNDRY DEBTORS (Unsecured)			PROVISIONS		
Debts outstanding for a period exceeding six months :			Provision for tax (net of advances)	104.51	-
Considered good	1.76	70.60	Provision for fringe benefit tax (net of advances)	3.00	14.98
Considered doubtful	173.96	179.80	Provision for retirement benefits (Refer Note 8 of Schedule 'O')	291.74	182.28
Other debts :			Provision for gratuity fund (Refer Note 8 of Schedule 'O')	210.84	36.82
Considered good	3,679.73	3,453.39	Provision for wealth tax	4.58	6.75
Considered doubtful	-	-	Proposed dividend - final	3,259.87	2,350.51
	3,855.45	3,703.79	Dividend tax	541.42	399.47
Less: Provision for doubtful debts	173.96	179.80		4,415.96	2,990.81
	3,681.49	3,523.99	TOTAL	12,399.00	9,850.35
CASH AND BANK BALANCES					
Cash on hand	12.39	8.86			
Balance with scheduled banks :					
In current accounts	1,600.61	1,223.98			
In fixed and margin deposits (provided against bank guarantees)	63.92	58.28			
	1,676.92	1,291.12			
LOANS AND ADVANCES (Unsecured)					
Advances recoverable in cash or in kind or for value to be received :					
Considered good	1,292.65	1,574.45			
Considered doubtful	14.89	15.89			
	1,307.54	1,590.34			
Less: Provision for doubtful advances	14.89	15.89			
	1,292.65	1,574.45			
Loan to joint venture company *	115.42	99.71			
[Maximum balance during the year Rs. 115.42 lacs (Previous year - Rs. 115.00 lacs)]					
Sundry deposits	122.07	105.06			
Advance tax (net of provision)	-	387.04			
MAT credit entitlement	540.00	-			
Balance with customs and excise authorities	2.76	4.78			
	2,072.90	2,171.04			
TOTAL	16,456.12	16,545.29			
* The loan is payable on demand.					

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	2009-2010 Rupees in lacs	2008-2009 Rupees in lacs		2009-2010 Rupees in lacs	2008-2009 Rupees in lacs
I. OTHER INCOME			L. OPERATING EXPENSES		
Operating Income :			Processing charges	508.79	642.91
Export incentives	186.64	176.82	Power, fuel and water charges	1,144.61	1,020.11
Claims received	202.84	24.34	Pharma Miscellaneous expenses	911.37	756.76
Miscellaneous receipts	166.83	301.82	Repairs and maintenance :		
Income from processing charges	53.70	-	Building	267.17	202.71
Profit on sale of fixed assets (net)	16.21	-	Plant and machinery	416.13	557.94
Provision for doubtful debts/ advances no longer required, written back	23.11	21.36	Other assets	233.27	192.43
Provision for expenses no longer required, written back	91.72	89.50		916.57	953.08
SUB TOTAL (A)	741.05	613.84	Stores and spares	262.42	242.49
Non Operating Income :			Rent (Refer Note 13 of Schedule 'O')	66.30	63.48
Interest received	54.62	92.70	Rates and taxes	89.01	134.14
[Tax deducted at source Rs. 1.62 lacs (Previous year - Rs. 9.44 lacs)]	49.22	7.83	Insurance	66.19	50.22
Miscellaneous receipts	49.22	7.83	Travelling and conveyance	2,479.83	2,215.87
Provision for diminution in value of current investments, written back	852.73	104.14	Communication expenses	148.05	129.64
Income from current investments :			Carriage, freight and forwarding	1,157.49	1,128.49
Dividend on current investments (other than trade)	483.04	290.31	Advertisement and sales promotion	3,081.80	3,006.41
Profit on sale of current investments (net)	962.09	-	Sales tax/ Value added tax	74.33	79.15
	1,445.13	290.31	Commission on sales	347.24	509.15
Income from long term investments :			Auditors' remuneration :		
Dividend on long term investments (other than trade)	0.10	3.15	As Auditors	13.93	13.33
Profit on sale of long term investments (net)	-	110.86	In other manner - Certification	1.82	0.55
	0.10	114.01		15.75	13.88
	1,445.23	404.32	Directors sitting fees	1.78	2.38
SUB TOTAL (B)	2,401.80	608.99	Bad debts written off	8.39	30.92
TOTAL (A+B)	3,142.85	1,222.83	Less: Transfer from Provision for doubtful debts	-	28.82
				8.39	2.10
J. COST OF MATERIALS			Provision for doubtful debts	16.69	41.47
Raw materials consumed	14,001.76	13,670.95	Provision for diminution in value of current investments	26.86	1,347.53
Packing materials consumed	3,813.91	3,838.71	Investment in subsidiary company written off on liquidation	-	23.27
Purchase for resale	10,575.02	9,872.13	Loss on fixed assets sold/ scrapped (net)	-	2.99
Decrease/ (increase) in stock :			Loss on sale of current investments (net)	-	426.33
Closing stock :			Research and Development Expenses	563.94	762.99
Work - in - process	998.35	719.68	Donation	35.56	80.41
Finished products	5,922.33	6,677.56	Miscellaneous expenses	1,474.60	1,328.28
Less: Opening stock :	6,920.68	7,397.24	TOTAL	13,397.57	14,963.53
Work - in - process	719.68	922.42			
Finished products	6,677.56	6,139.40	M. FINANCE EXPENSES		
	7,397.24	7,061.82	Interest : (Refer Note 9 of Schedule 'O')		
Decrease/ (increase) in stock	476.56	(335.42)	on Bank	3.68	28.62
Decrease in excise duty on finished products	(12.84)	(14.70)	on Others	105.20	107.41
TOTAL	28,854.41	27,031.67	Bank Charges	36.14	40.71
			TOTAL	145.02	176.74
K. EMPLOYEES' COST					
Salaries, wages, bonus and commission	6,137.11	5,012.83			
Contribution to provident and other funds (Refer Note 8 of Schedule 'O')	810.48	595.11			
Welfare expenses	293.99	263.64			
TOTAL	7,241.58	5,871.58			

N. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The consolidated financial statements have been prepared and presented under the historical cost convention, except for certain fixed assets of FDC Limited which were revalued on 30th September 1993 (refer Note 4 below) and in case of assets where a provision is made for impairment losses, on accrual basis and are in accordance with the requirements of the Companies Act, 1956 and comply with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and to the extent possible in the same format as that adopted by the parent company (FDC Limited) for its separate financial statements. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2. USE OF ESTIMATES

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

3. BASIS OF CONSOLIDATION

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

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

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

4. FIXED ASSETS

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

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

5. DEPRECIATION/ AMORTISATION/ IMPAIRMENT

FDC Limited

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

Depreciation on revalued portion of fixed assets is calculated on straight line method over balance useful life of assets as determined by the valuer and is transferred from Revaluation Reserve to the 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. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

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

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

Leasehold land/ improvements are amortised over the period of lease.

Subsidiaries/ Joint venture companies

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

6. INTANGIBLE ASSETS

FDC Limited

Technical know-how

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

Subsidiaries/ Joint venture companies

Dossiers

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

7. INVESTMENTS

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

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

8. INVENTORIES

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

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

9. REVENUE RECOGNITION

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

Revenue from sale of goods is recognised when significant risks and rewards of ownership are transferred to customers, which coincides with dispatch of goods to customers. Sales include excise duty but exclude sales tax/ value added tax.

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

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

10. FOREIGN CURRENCY TRANSLATION/ TRANSACTIONS

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

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

Exchange differences arising out of settlement and restatement of foreign exchange monetary items are taken to the 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.
- The differences on translation including those arising on elimination of intra-group balances and transactions are taken to Consolidated Profit and Loss Account.

11. GOVERNMENT GRANTS

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

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

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

12. EMPLOYEE BENEFITS

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

13. RESEARCH AND DEVELOPMENT

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

14. LEASE ACCOUNTING

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

15. EARNING PER SHARE

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

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

16. ACCOUNTING FOR TAXES ON INCOME

Tax expense comprises of current, 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.

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

17. PROVISIONS AND CONTINGENCIES

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

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

18. CASH AND CASH EQUIVALENTS

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

O. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**1. Consolidation of Accounts:**

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

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

2. Contingent liabilities not provided for:

	31st March, 2010 Rupees in lacs	31st March, 2009 Rupees in lacs
(i) <u>Disputed tax matters</u>		
Income tax	10.29	221.89
Excise duty	138.13	135.98
Sales tax	107.03	107.49
(ii) In respect of guarantees given by banks	78.72	72.57
3. Letter of credit issued by bankers	971.41	1,013.56
4. Estimated amount of duty payable on export obligation against outstanding advance licences	3.47	1.72
5. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid) - Tangible assets	275.69	655.60
6. Under various schemes of Government of Maharashtra, FDC Limited has availed 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 consolidated accounts, National Savings Certificates of the value of Rs. 0.04 lacs (Previous year – Rs. 0.04 lacs) and Government of India G.P. Notes of the value of Rs. 0.02 lacs (Previous year – Rs. 0.02 lacs) have been lodged with the Excise authorities. National Savings Certificates of Rs. 0.03 lacs (Previous year – Rs. 0.03 lacs) have been lodged with the Sales tax authorities.		
8. As per Accounting Standard 15 (revised 2005) - "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:		

Defined Contribution Plan

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

	2009-2010 Rupees in lacs	2008-2009 Rupees in lacs
Employer's Contribution to Provident Fund	200.54	163.10
Employer's Contribution to Pension Scheme	199.92	181.80
Employer's Contribution to Superannuation Fund	63.54	37.84

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, 2010	31st March, 2009
I	Change in Benefit Obligation		
	Liability at the beginning of the year	407.99	363.56
	Interest Cost	36.33	31.82
	Current Service Cost	81.58	70.54
	Benefit Paid	(41.75)	(72.57)
	Actuarial (gain)/ loss on obligations	123.10	14.64
	Liability at the end of the year	607.25	407.99
II	Fair Value of Plan Assets		
	Fair Value of Plan Assets at the beginning of the year	371.17	362.14
	Expected Return on Plan Assets	32.37	31.10
	Contributions	54.41	63.00
	Benefit Paid	(41.75)	(72.57)
	Actuarial gain/ (loss) on Plan Assets	(19.79)	(12.50)
	Fair Value of Plan Assets at the end of the year	396.41	371.17
	Total Actuarial gain/ (loss)	(142.89)	(27.14)
III	Actual Return on Plan Assets		
	Expected Return on Plan Assets	32.37	31.10
	Actuarial gain/ (loss) on Plan Assets	(19.79)	(12.50)
	Actual Return on Plan Assets	12.58	18.60
IV	Amount recognised in the Balance Sheet		
	Liability at the end of the year	(607.25)	(407.99)
	Fair Value of Plan Assets at the end of the year	396.41	371.17
	Amount recognised in the Consolidated Balance Sheet	(210.84)	(36.82)
V	Expenses recognised in the Income Statement		
	Current Service Cost	81.58	70.54
	Interest Cost	36.33	31.82
	Expected Return on Plan Assets	(32.37)	(31.10)
	Net Actuarial (gain)/ loss	142.89	27.14
	Expense recognised in the Consolidated Profit and Loss Account	228.43	98.40
VI	Balance Sheet Reconciliation		
	Opening Net Liability	36.82	1.42
	Expense as above	228.43	98.40
	Employer's Contribution	(54.41)	(63.00)
	Amount recognised in the Consolidated Balance Sheet	210.84	36.82
VII	Investment Details		
	Government of India Assets	103.09	108.85
	Corporate Bonds	140.83	129.47
	State Government	87.59	54.79
	Equity	53.22	40.13
	Others	11.68	37.93
	Total	396.41	371.17
VIII	Actuarial Assumptions		
	Discount Rate Current	7.50%	7.75%
	Rate of Return on Plan Assets Current	8.00%	8.00%
	Salary Escalation Current	7.00%	5.00%

IX Experience Adjustments

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

X Salary Escalation Rate

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

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

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

XII The Company expects to contribute Rs. 232.25 lacs to gratuity in next year.

The liability for leave encashment as at the year end is Rs. 291.74 lacs (Previous year – Rs. 182.28 lacs).

9. Finance expenses include interest paid/ payable towards fixed loan of Rs. 3.68 lacs (Previous year – Rs. 15.45 lacs).
10. Following are the major components of Deferred tax (asset)/ liability :

		31st March, 2010 Rupees in lacs	31st March, 2009 Rupees in lacs
Deferred tax liabilities			
Depreciation		2,673.72	2,338.87
Others		3.76	0.59
	(A)	2,677.48	2,339.46
Less:- Deferred tax assets			
Provision for doubtful debts/ advances		62.73	66.51
Provision for diminution in the value of investments		7.99	235.59
Liabilities disallowed under Section 43B of the Income-tax Act, 1961		200.79	169.63
Expenses disallowed under Section 40(a)(ia) of the Income-tax Act, 1961		32.69	24.45
	(B)	304.20	496.18
Net Deferred tax liability	(A)-(B)	2,373.28	1,843.28

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 (Net)	59,250.49 (52,404.82)	6,895.33 (6,508.25)	66,145.82 (58,913.07)
Carrying amount of assets by location of assets	42,734.09 (41,258.90)	2,279.71 (2,269.81)	45,013.80 (43,528.71)
Additions to tangible and intangible assets	2,903.98 (5,634.38)	332.08 (407.19)	3,236.06 (6,041.57)

Previous year's figures are shown in brackets.

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

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

- Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.

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

- Mr. Mohan A. Chandavarkar
- Mr. Ashok A. Chandavarkar
- Mr. Nandan M. Chandavarkar
- Mr. Ameya A. Chandavarkar (from 1st November 2009)

Relatives of Key Management Personnel

- Mr. Ameya A. Chandavarkar (upto 30th October 2009), son of Mr. Ashok A. Chandavarkar
- Ms. Sandhya M. Chandavarkar, wife of Mr. Mohan A. Chandavarkar
- Ms. Mangala A. Chandavarkar, wife of Mr. Ashok A. Chandavarkar
- Ms. Aditi Bhanot, daughter of Mr. Ashok A. Chandavarkar

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

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

Nature of transaction:

Rupees in lacs

Particulars	Joint Venture Company	Key Management Personnel	Relatives of Key Management Personnel	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Total
Sale of goods	12.50 (12.74)	- (-)	- (-)	- (-)	12.50 (12.74)
Services received	- (-)	- (-)	- (-)	44.32 (39.41)	44.32 (39.41)
Rent paid	- (-)	- (-)	- (-)	0.33 (1.06)	0.33 (1.06)
Finance - Loans recovered	- (23.29)	- (-)	- (-)	- (-)	- (23.29)
Interest income	5.77 (5.47)	- (-)	- (-)	- (-)	5.77 (5.47)
Remuneration*	- (-)	130.84 (100.07)	- (-)	- (-)	130.84 (100.07)
Commission	- (-)	231.85 (153.52)	- (-)	- (-)	231.85 (153.52)
Sitting fees	- (-)	- (-)	0.05 (0.03)	- (-)	0.05 (0.03)
Dividend paid	- (-)	268.26 (214.61)	346.82 (277.46)	417.81 (334.25)	1,032.89 (826.32)
Outstanding Balances - Payable	- (-)	242.51 (160.46)	- (-)	- (-)	242.51 (160.46)
- Loans granted	115.42 (99.71)	- (-)	- (-)	- (-)	115.42 (99.71)
- Interest on loans granted	5.77 (5.47)	- (-)	- (-)	- (-)	5.77 (5.47)
- Receivable against debtors	- (3.59)	- (-)	- (-)	- (-)	- (3.59)

* 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:

	2009-2010 Rupees in lacs	2008-2009 Rupees in lacs
1 Sale of goods		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	12.50	12.74
2 Services received		
Anand Synthochem Limited	12.79	10.44
Mejda Marketing Private Limited	19.17	19.29
Akhil Farma Limited	12.36	9.68
3 Rent paid		
Aditi Sales Corporation	-	0.50
Akhil Farma Limited	0.33	0.56
4 Loans recovered		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	-	23.29
5 Interest income		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	5.77	5.47
6 Remuneration		
Mr. Mohan A. Chandavarkar	39.00	38.25
Mr. Ashok A. Chandavarkar	33.28	31.54
Mr. Nandan M. Chandavarkar	44.46	30.28
Mr. Ameya A. Chandavarkar	14.10	-
7 Commission		
Mr. Mohan A. Chandavarkar	82.55	61.41
Mr. Ashok A. Chandavarkar	66.05	49.13
Mr. Nandan M. Chandavarkar	66.05	42.98
8 Sitting fees		
Mr. Ameya A. Chandavarkar	0.05	0.03
9 Dividend paid		
Mr. Mohan A. Chandavarkar	136.41	109.13
Mr. Ashok A. Chandavarkar	131.63	105.30
Ms. Sandhya M. Chandavarkar	193.54	154.83
Soven Trading and Investment Company Private Limited	204.09	163.27
Transgene Trading and Investment Company Private Limited	213.72	170.98
10 Outstanding Balances Payable		
Mr. Mohan A. Chandavarkar	85.33	64.02
Mr. Ashok A. Chandavarkar	68.40	51.36
Mr. Nandan M. Chandavarkar	69.15	45.08
11 Outstanding Balances against loans granted		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	115.42	99.71
12 Outstanding Balances against interest on loans granted		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	5.77	5.47
13 Outstanding Balances receivable against debtors		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	-	3.59

13. Pursuant to Accounting Standard 19 - "Leases", disclosure on leases is as follows:
The Group's significant leasing arrangements are in respect of godowns/ office premises taken on operating lease basis. The aggregate lease rentals payable are charged as Rent and shown under 'Operating Expenses' (Schedule 'L').

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

14. Excise duty on sales amounting to Rs. 1,041.72 lacs (Previous year - Rs. 1,661.83 lacs) has been reduced from Sales in Consolidated Profit and Loss Account and excise duty on decrease in stock of Rs. 12.84 lacs (Previous year - Rs. 14.70 lacs) has been considered as income in Schedule 'J' to the consolidated accounts.
15. Pursuant to the Accounting Standard 27 - "Financial Reporting of interests in Joint Ventures", the disclosures relating to the Joint Venture Company is as follows:

Sr. No.	Name	Country of Incorporation	Percentage of Ownership Interest as on 31st March, 2010	Percentage of Ownership Interest as on 31st March, 2009
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.

16. Earnings per share has been computed as under:

	2009-2010	2008-2009
Profit after tax for the year (Rupees in lacs)	14,913.04	8,620.93
Weighted Average number of shares *	186,711,831	190,759,261
Nominal value per share (Rupees)	1.00	1.00
Earnings per share - Basic (Rupees)	7.99	4.52
- Diluted (Rupees)	7.99	4.52

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

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

Balances	Foreign currency amount			Equivalent amount Rupees in lacs	
		31st March, 2010	31st March, 2009	31st March, 2010	31st March, 2009
Bank balances	USD	112,942	323,214	50.20	162.62
	EUR	3,892	19,985	2.32	13.32
	GBP	167,008	17,150	111.76	12.27
Sundry debtors	USD	1,445,244	2,236,883	646.67	1,131.19
	EUR	41,342	105,341	24.69	70.25
	JPY	12,500,000	7,800,000	59.66	40.09
Loans and advances	EUR	1,141	13,049	0.68	8.70
	USD	176,694	299,883	78.45	150.81
	GBP	18,970	-	12.68	-
	ZAR	2,036,916	2,046,294	121.20	105.18
	CHF	-	2,036	-	0.89
Sundry creditors	EUR	37,015	26,749	22.82	18.32
	USD	7,64,490	1,110,366	350.04	573.27
	GBP	38,247	-	26.48	-

18. Revenue expenditure on research and development (including depreciation and amortisation) aggregating to Rs. 1,371.26 lacs (Previous year - Rs. 1,669.35 lacs) is included under relevant expense heads in the Consolidated Profit and Loss Account.
19. Costs of samples (manufactured and purchased) have been included in Cost of Materials.
20. In accordance with section 77A, 77AA and 77B of the Companies Act, 1956 and pursuant to the buyback announcement made by the Company on 24th November 2008, the Company has bought back from open market through stock exchanges 1,890,704 equity shares of Re. 1 each during the year for a total consideration of Rs. 744.14 lacs, which have been subsequently extinguished. Consequently, an amount of Rs. 18.90 lacs being the nominal value of equity shares bought back has been transferred to Capital Redemption Reserve from General Reserve. An amount of Rs. 725.24 lacs being the premium on buyback has been appropriated from General Reserve.

The Company has reversed dividend of Rs. 25.73 lacs for the financial year 2008-2009 on shares bought back during the period from 22nd May 2009 (date of board meeting for recommendation of dividend for the year ended 31st March 2009) to 3rd August 2009 (last date of buyback)

Subsequently, the Shareholders vide a postal ballot resolution dated 21st December 2009, approved the buyback of 8,650,000 fully paid up equity shares having a face value of Re. 1 each, through the stock exchanges, at a price not exceeding Rs. 65 per share, upto an amount of Rs. 5,600 lacs. The Company has however not been able to buyback any shares in the buyback offer, since the current market price is higher than the maximum offer price, stipulated in the buyback offer.

21. 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 31 st March 2010	68.26	44.97
1.	Capital	2.23	22.00
2.	Reserves	234.22	20.35
3.	Total Assets	871.46	42.92
4.	Total Liabilities [Excluding (1) and (2)]	635.01	0.57
5.	Investments (other than in subsidiaries)	-	-
6.	Sales	1,247.75	-
7.	Other Income	-	0.08
8.	Profit/ (Loss) before taxation	219.18	(5.94)
9.	Provision for taxation	69.02	0.25
10.	Profit/ (Loss) after taxation	150.16	(6.19)
11.	Proposed Dividend	-	-

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

Signatures to Schedules "A" to "O"

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES

Firm Registration No. 101049W

Chartered Accountants

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ASHOK A. CHANDAVARKAR
Director

per AMIT MAJMUDAR
Partner
Membership No. 36656

SHALINI KAMATH
Company Secretary

Place: Mumbai
Date : May 29, 2010

Place: Mumbai
Date : May 29, 2010

NOTES

[illegible]



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

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

Tel.: (022) 2678 2653, 2678 2656

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

Attendance Slip

Full name of the member :

Name of the proxy :

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

I hereby record my presence at the Seventieth annual general meeting of the Company, at 10.00 a.m. on Saturday, August 21, 2010 at WelcomHotel Rama International, R-3, Chikalthana, Aurangabad - 431 210, Maharashtra.

Registered Folio :

DP ID No. :

Client ID No. :

No. of shares :

Member's / Proxy's signature

(To be signed at the time of handing over this slip)

NOTES: 1. Shareholder/Proxyholder wishing to attend the meeting must bring the attendance slip to the meeting and hand over at the entrance duly signed.

2. Shareholder/Proxyholder desiring to attend the meeting should bring his/her copy of the annual report for reference at the meeting.



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

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

Tel.: (022) 2678 2653, 2678 2656

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

Proxy Form

I/We

of in the district of being

a member/members of FDC LIMITED, hereby appoint

of in the district of or failing him/her

of in the district of as my/our proxy to attend and vote for and

to attend and vote for and on my/our behalf at the Seventieth annual general meeting of the Company, to be held at 10.00 a.m. on Saturday, August 21, 2010 at WelcomHotel Rama International, R-3, Chikalthana, Aurangabad - 431 210, Maharashtra.

Signed this day of 2010

Registered Folio :

DP ID No. :

Client ID No. :

No. of shares :

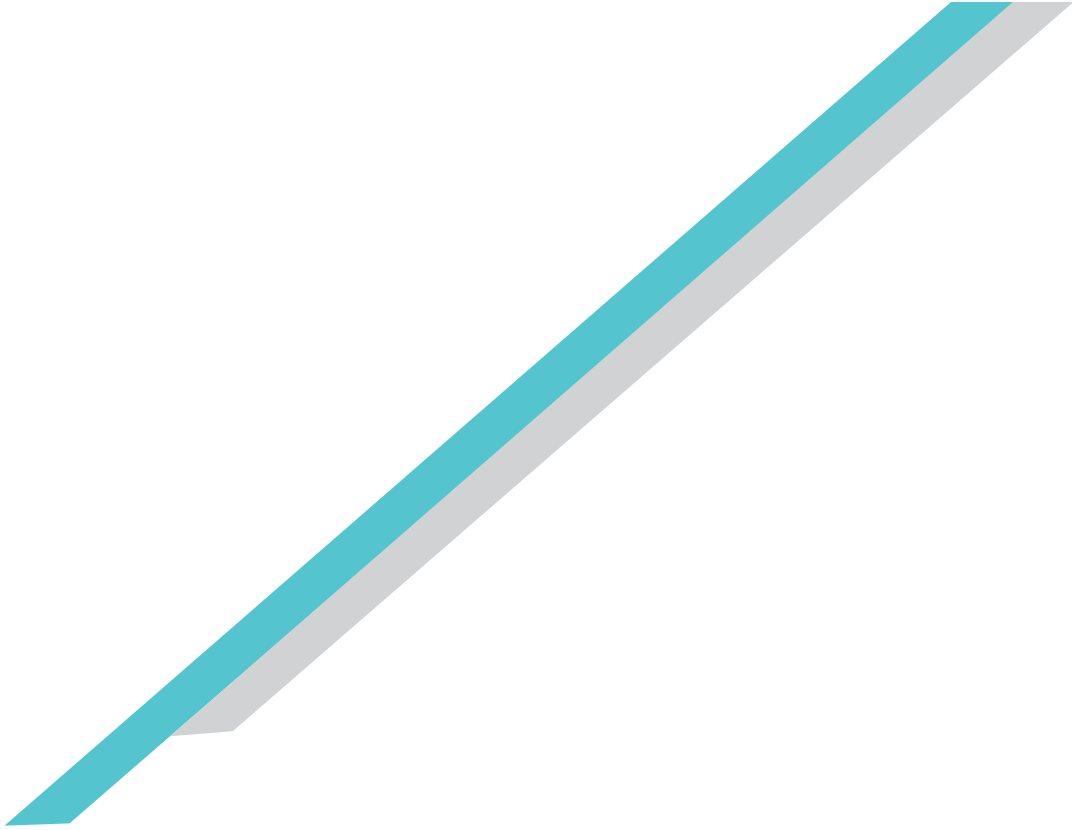
Signature

Affix
1 Rupee
revenue
stamp

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

* Strike out whichever is not desired.

NOTE: The proxy form must be returned so as to reach the registered office of the Company at B-8, M.I.D.C. Industrial Estate, Waluj Dist., Aurangabad - 431 136 not less than 48 hours before the time for holding the aforesaid meeting.



FDC Limited

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

