BALANCE SHEET AS AT 31st MARCH, 2008

	Schedule	31st March, 2008 Rupees in lacs	31st March, 2007 Rupees in lacs
I. SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	'A'	1,922.47	1,922.47
Reserves and surplus	'B'	35,608.75	31,285.80
		37,531.22	33,208.27
LOAN FUNDS			
Unsecured loans	'C'	1,287.45	310.86
DEFERRED TAX (Refer Note 10 of Schedule 'O')			
Deferred tax liabilities		1,738.28	1,463.70
Less: Deferred tax assets		342.56	161.74
		1,395.72	1,301.96
TOTAL		40,214.39	34,821.09
II. APPLICATION OF FUNDS			
FIXED ASSETS			
Gross block	'D'	24,598.36	21,815.50
Less: Depreciation and Impairment (Refer Note 15 of Schedule 'O')		7,602.28	6,521.26
Net block		16,996.08	15,294.24
Capital work-in-progress and advances [Net of provision for impairment of assets Rs. 144.79 lacs (Previous year Rs. 144.79 lacs)]		5,005.93	4,352.47
		22,002.01	19,646.71
INVESTMENTS	'E'	12,222.77	5,077.50
CURRENT ASSETS, LOANS AND ADVANCES	'F'		
Interest accrued on investments		5.06	5.06
Inventories		9,089.79	9,763.87
Sundry debtors		1,888.31	2,061.47
Cash and bank balances		1,460.69	2,021.33
Loans and advances		2,889.76	2,334.52
		15,333.61	16,186.25
Less:			
CURRENT LIABILITIES AND PROVISIONS	'G'		
Current liabilities		6,918.04	5,860.53
Provisions		2,425.96	230.69
		9,344.00	6,091.22
NET CURRENT ASSETS		5,989.61	10,095.03
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	'H'	-	1.85
TOTAL		40,214.39	34,821.09
Significant Accounting Policies	'N'		
Notes to Accounts	'O'		

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

As per our report of even date

For S. R. BATLIBOI & CO.
Chartered Accountants

per VIJAY BHATT
Partner
Membership No. 36647

Place: Mumbai
Date: June 28, 2008

For and on behalf of the Board

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ASHOK A. CHANDAVARKAR
Director

SHALINI KAMATH
Company Secretary

Place: Mumbai
Date: June 28, 2008

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

PARTICULARS	2007-2008 Rupees in lacs		2006-2007 Rupees in lacs	
CASH FLOWS FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAXATION		7,796.49		8,131.77
Adjustments for :				
Depreciation and Impairment	1,115.09		949.15	
Interest expense	118.42		101.33	
Interest income	(132.19)		(97.38)	
(Profit)/ Loss on sale of fixed assets (net)	(23.40)		0.52	
Dividend income	(613.86)		(178.86)	
Diminution in value of current investments	596.69		-	
Profit on sale of investments (net)	(735.31)		(440.07)	
Unrealised foreign exchange loss/ (gain) on restatement	179.38		22.75	
Bad debts written off	-		13.28	
Provision for doubtful debts	70.53		21.97	
Provision for doubtful advances	8.54		15.88	
Provision for expenses no longer required written back	(72.22)		(28.71)	
Provision for doubtful debts/ advances no longer required written back	(15.85)		(216.84)	
Miscellaneous expenditure amortised during the year	1.85	497.67	145.16	308.18
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		8,294.16		8,439.95
Adjustments for :				
(Increase)/ decrease in debtors	101.71		75.18	
(Increase)/ decrease in inventories	674.08		(2,681.60)	
(Increase)/ decrease in advances	304.34		629.76	
Increase/ (decrease) in creditors	1,124.31		1,246.20	
Increase/ (decrease) in provisions	(44.74)	2,159.70	54.96	(675.50)
CASH GENERATED FROM OPERATIONS		10,453.86		7,764.45
Direct taxes paid (including Fringe benefit tax)		(1,269.86)		(1,404.96)
NET CASH FROM OPERATING ACTIVITIES (A)		9,184.00		6,359.49
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES				
Purchase of fixed assets		(3,657.13)		(5,856.27)
Proceeds from sale of fixed assets		197.47		22.63
(Increase)/ decrease in inter-corporate deposits given		(1000.00)		25.00
Loan given to subsidiary		-		(7.03)
Repayment of loan by joint venture entity		98.08		-
Purchase of investments in joint venture entity		-		(6.55)
Proceeds from sale of investments in joint venture entity		6.55		-
Purchase of investments - others		(25,571.25)		(20,421.20)
Proceeds from sale of investments - others		18,558.05		22,627.50
Dividend received		613.86		178.86
Interest received		167.26		70.80
NET CASH FROM/ (USED IN) INVESTING ACTIVITIES (B)		(10,587.11)		(3,366.26)
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES				
Repayment of Government grant		-		(15.00)
Proceeds from/ (repayment of) borrowings		984.27		-
Repayment of Interest free sales tax loan		(24.01)		(6.88)
Dividend paid		-		(2,489.01)
Dividend tax paid		-		(349.08)
Interest paid		(118.42)		(101.33)
NET CASH FROM/ (USED IN) FINANCING ACTIVITIES (C)		841.84		(2,961.30)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)		(561.27)		31.93
OPENING CASH AND CASH EQUIVALENTS		1,995.92		1,963.99
CLOSING CASH AND CASH EQUIVALENTS (Refer Note 1 below)		1,434.65		1,995.92

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, 2008 Rupees in lacs	31st March, 2007 Rupees in lacs
Cash on hand	**7.24**	7.61
Balance with scheduled banks:		
In current accounts	**1,372.29**	1,955.60
In fixed and margin deposits (provided against letter of credit and bank guarantees)	**81.16**	58.12
Unrealised foreign exchange loss/ (gain) on restatement of cash and cash equivalents	**(26.04)**	(25.41)
TOTAL	**1,434.65**	1,995.92

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

As per our report of even date

For S. R. BATLIBOI & CO.
Chartered Accountants

per VIJAY BHATT
Partner
Membership No. 36647

Place: Mumbai
Date: June 28, 2008

For and on behalf of the Board

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ASHOK A. CHANDAVARKAR
Director

SHALINI KAMATH
Company Secretary

Place: Mumbai
Date: June 28, 2008

SCHEDULES TO THE ACCOUNTS

	31st March, 2008 Rupees in lacs	31st March, 2007 Rupees in lacs
A. SHARE CAPITAL		
AUTHORISED		
250,000,000 (Previous year 250,000,000) Equity shares of Re. 1 each	**2,500.00**	2,500.00
ISSUED AND SUBSCRIBED		
194,606,102 (Previous year - 194,606,102) Equity shares of Re. 1 each	**1,946.06**	1,946.06
PAID-UP		
191,461,102 (Previous year - 191,461,102) Equity shares of Re. 1 each, fully paid-up	**1,914.61**	1,914.61
Add: 3,145,000 (Previous year - 3,145,000) Equity shares forfeited	**7.86**	7.86
TOTAL	**1,922.47**	1,922.47
Of the above shares:		
(i) 15,000 (Previous year - 15,000) shares were allotted as fully paid-up pursuant to a contract for consideration other than cash.		
(ii) 28,900,000 (Previous year - 28,900,000) shares were allotted as fully paid-up by way of Bonus shares by capitalisation out of General Reserve.		
(iii) 95,730,551 (Previous year - 95,730,551) shares were allotted as fully paid-up by way of Bonus shares by capitalisation out of Share Premium Account.		
B. RESERVES AND SURPLUS		
CAPITAL RESERVE	**45.01**	45.01
CAPITAL REDEMPTION RESERVE	**16.81**	16.81
SHARE PREMIUM ACCOUNT	*** 607.58**	* 607.58
*Includes share premium received on forfeited shares Rs. 72.90 lacs (Previous year - Rs. 72.90 lacs)		
REVALUATION RESERVE		
Opening Balance	**122.45**	131.22
Less: Transfer to Profit and Loss Account	**12.67**	8.77
Closing Balance	**109.78**	122.45
GENERAL RESERVE		
Opening Balance	**21,186.40**	18,739.49
Less: Adjustment for change in accounting policy	**-**	53.09
Add: Transfer from Profit and Loss Account	**2,500.00**	2,500.00
Closing Balance	**23,686.40**	21,186.40
RESERVE FOR DIMINUTION IN VALUE / LOSS ON SALE OF INVESTMENTS	**1,500.00**	1,500.00
SURPLUS IN PROFIT AND LOSS ACCOUNT	**9,643.17**	7,807.55
TOTAL	**35,608.75**	31,285.80
C. UNSECURED LOANS		
Interest-free Sales tax loans [Repayable within one year - Rs. 40.10 lacs (Previous year - Rs. 36.04 lacs)]	**286.85**	310.86
Packing Credit Foreign Currency Loan from Bank [Repayable within one year - Rs.1,000.60 lacs (Previous year - Rs. Nil)]	**1,000.60**	-
TOTAL	**1,287.45**	310.86

D. FIXED ASSETS

Rupees in lacs

PARTICULARS	GROSS BLOCK				DEPRECIATION / IMPAIRMENT					NET BLOCK	
	As at 31.03.2007	Additions	Deletions / Adjustments	As at 31.03.2008	Up to 31.03.2007	For the year	Impairment of Assets	Deletions / Adjustments	Up to 31.03.2008	As at 31.03.2008	As at 31.03.2007
Leasehold land *	373.90	-	-	373.90	103.65	6.59	-	-	110.24	263.66	270.25
Freehold land **	373.79	191.57	-	565.36	-	-	-	-	-	565.36	373.79
Buildings ***	6,436.66	1,530.21	151.79	7,815.08	894.23	196.90	-	3.79	1,087.34	6,727.74	5,542.43
Plant and machinery	8,767.82	526.17	44.42	9,249.57	4,079.66	553.61	49.80	30.01	4,653.06	4,596.51	4,688.16
Laboratory testing machines	1,491.63	180.68	9.43	1,662.88	215.58	76.81	-	0.81	291.58	1,371.30	1,276.05
Electrical installations	733.88	147.50	-	881.38	147.37	40.27	-	-	187.64	693.74	586.51
Furniture, fixtures and fittings	1,229.83	100.16	4.46	1,325.53	325.01	76.71	-	3.22	398.50	927.03	904.82
Office equipments	766.26	50.07	0.08	816.25	123.41	37.09	-	0.08	160.42	655.83	642.85
Vehicles	350.33	0.41	8.41	342.33	136.68	30.64	-	7.88	159.44	182.89	213.65
Capital expenditure on R&D											
Buildings	109.91	-	-	109.91	41.31	3.57	-	-	44.88	65.03	68.60
Equipments	1,129.14	272.96	2.22	1,399.88	431.97	52.64	-	0.95	483.66	916.22	697.17
Furniture and fixtures	46.03	3.79	-	49.82	20.40	2.83	-	-	23.23	26.59	25.63
Water coolers and refrigerators	6.32	0.15	-	6.47	1.99	0.30	-	-	2.29	4.18	4.33
TOTAL	**21,815.50**	**3,003.67**	**220.81**	**24,598.36**	**6,521.26**	**1,077.96**	**49.80**	**46.74**	**7,602.28**	**16,996.08**	15,294.24
Previous year	16,221.67	5,638.78	44.95	21,815.50	5,585.14	957.92	-	21.80	6,521.26	15,294.24	

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

** Freehold land of Rs. 191.57 lacs (previous year Rs. Nil) includes cost of unquoted fully paid shares in various co-operative housing societies.

*** Building of Rs. 1,246.85 lacs (previous year Rs. 156.42 lacs) includes cost of unquoted fully paid shares in various co-operative housing societies.

	31st March, 2008 Rupees in lacs	31st March, 2007 Rupees in lacs
E. INVESTMENTS AT COST		
I. LONG TERM		
Government Securities		
National Savings Certificates	0.07	0.07
35 (Previous year - 35) Government of India G.P. Notes - face value of Rs. 2,000 (Refer Note 7 of Schedule 'O')	0.02	0.02
Trade		
Fully paid-up Equity Shares		
In Subsidiaries		
7,890 (Previous year - 7,890) Equity Shares of FDC Holdings, Netherlands B.V. of EUR 45.38 each	150.80	150.80
500 (Previous year - 500) Equity Shares of FDC Inc., of USD 100 each	22.00	22.00
In Joint Venture Entity		
159,250 (Previous year - 159,250) Equity Shares of Fair Deal Corporation Pharmaceutical SA (Pty) Ltd., of ZAR 1 each (Refer Note 14 of Schedule 'O')	11.30	11.30
Non Trade		
In Others		
1,000 (Previous year - 1,000) Equity Shares of The Saraswat Co-op. Bank Limited of Rs. 10 each	0.10	0.10
5,000 (Previous year - 5,000) Equity Shares of The North Kanara G.S.B. Co-op Bank Limited of Rs.10 each	0.50	0.50
100 (Previous year - 100) Shares of Roha Industries Association Sahakari Grahak Bhandar Limited of Rs.25 each	0.03	0.03
	184.82	184.82
Fully paid-up Equity Shares (Quoted)		
Nil (Previous year - 55,000) Equity Shares of Ahlcon Parenterals (India) Limited of Rs.10 each	-	37.29
Nil (Previous year - 8,000) Equity Shares of Ambuja Cements Limited of Rs.2 each	-	7.83
Nil (Previous year - 1,100) Equity Shares of Asian Electronics Limited of Rs.10 each	-	5.57
40,500 (Previous year - Nil) Equity Shares of Assam Company Limited of Re.1 each	17.93	-
1,350 (Previous year - Nil) Equity Shares of Aditya Birla Nuvo Limited of Rs. 10 each	19.26	-
2,500 (Previous year - Nil) Equity Shares of Axis Bank Limited of Rs. 10 each	24.70	-
1,400 (Previous year - Nil) Equity Shares of B.L.Kashyap & Sons Limited of Rs. 5 each	24.43	-
4,000 (Previous year - Nil) Equity Shares of Blue Star Limited of Rs. 2 each	11.04	-
Nil (Previous year - 12,000) Equity Shares of Bharat Forge Limited of Rs.2 each	-	44.15
29,300 (Previous year - Nil) Equity Shares of Cairn India Limited of Rs.10 each	65.01	-
8,500 (Previous year - 1,000) Equity Shares of Cipla Limited of Rs.2 each	17.28	2.44
16,500 (Previous year - Nil) Equity Shares of Century Textiles & Industries Limited of Rs.10 each	152.45	-
13,500 (Previous year - Nil) Equity Shares of Deccan Chronicle Holdings Limited of Rs. 2 each	27.75	-
4,000 (Previous year - Nil) Equity Shares of Elecon Engineering Company Limited of Rs.2 each	9.44	-
10,000 (Previous year - Nil) Equity Shares of Emco Limited of Rs.2 each	25.35	-
9,450 (Previous year - Nil) Equity Shares of Everest Kanto Cyclinder Limited of Rs. 2 each	20.30	-
20,000 (Previous year - Nil) Equity Shares of Finolex Cables Limited of Rs.2 each	20.05	-
4,600 (Previous year - Nil) Equity Shares of Glenmark Pharmaceuticals Limited of Re. 1 each	15.51	-
7,000 (Previous year - Nil) Equity Shares of Gujarat Alkalies & Chemicals Limited of Rs.10 each	11.17	-
11,101 (Previous year - 20,000) Equity Shares of Great Eastern Shipping Company Limited of Rs.10 each	34.32	50.55
2,000 (Previous year - 7,250) Equity Shares of Great Offshore Limited of Rs.10 each	9.67	35.05
4,500 (Previous year - Nil) Equity Shares of Hindalco Industries Limited of Re.1 each	6.96	-
3,200 (Previous year - Nil) Equity Shares of ICICI Bank Limited of Rs. 10 each	31.97	-
31,000 (Previous year - Nil) Equity Shares of ISMT Limited of Rs. 5 each	31.17	-
Nil (Previous year - 41,332) Equity Shares of J K Cements Limited of Rs.10 each	-	61.17
1,500 (Previous year - Nil) Equity Shares of JM Financial Limited of Rs. 10 each	15.65	-
4,000 (Previous year - Nil) Equity Shares of Kirloskar Brothers Limited of Rs. 2 each	13.68	-
2,000 (Previous year - Nil) Equity Shares of Kotak Mahindra Bank Limited of Rs. 10 each	18.87	-
550 (Previous year - Nil) Equity Shares of Madras Cement Limited of Rs. 10 each	15.74	-
14,894 (Previous year - Nil) Equity Shares of Marico Industries Limited of Re.1 each	8.52	-
7,900 (Previous year - Nil) Equity Shares of Nicholas Piramal India Limited of Rs. 2 each	27.67	-
790 (Previous year - Nil) Equity Shares of Piramal Life Sciences Limited of Rs. 10 each	-	-
10,600 (Previous year - Nil) Equity Shares of Praj Industries Limited of Rs. 2 each	22.87	-
18,500 (Previous year - Nil) Equity Shares of Prithvi Information Solutions Limited of Rs.10 each	47.96	-
5,200 (Previous year - Nil) Equity Shares of Punj Llyod Limited of Rs. 2 each	14.00	-
14,550 (Previous year - 850) Equity Shares of Reliance Industries Limited of Rs.10 each	384.25	11.66
30,000 (Previous year - Nil) Equity Shares of Reliance Petroleum Limited of Rs.10 each	48.09	-
8,758 (Previous year - Nil) Equity Shares of Rural Electrification Corporation Limited of Rs.10 each	9.20	-
13,700 (Previous year - 2,011) Equity Shares of Siemens Limited of Rs.2 each	118.72	22.72
5,250 (Previous year - Nil) Equity Shares of Sintex Industries Limited of Rs.2 each	20.33	-
1,575 (Previous year - Nil) Equity Shares of State Bank of India of Rs. 10 each	24.63	-
2,400 (Previous year - Nil) Equity Shares of Sterlite Industries (India) Limited of Rs. 2 each	24.77	-
9,000 (Previous year - Nil) Equity Shares of TATA Steel Limited of Rs.10 each	65.81	-
37,200 (Previous year - Nil) Equity Shares of Voltas Limited of Re. 1 each	91.33	-
3,500 (Previous year - Nil) Equity Shares of Welspun Gujarat Stahl Rohern Limited of Rs. 5 each	13.17	-
	1,561.02	278.43
Bonds (Quoted)		
225,000 (Previous year - 225,000) 6.75% tax free bonds of Rs.100 each of Unit Trust of India	234.09	234.09
	234.09	234.09

	31st March, 2008 Rupees in lacs	31st March, 2007 Rupees in lacs
Units of Mutual Funds		
1,217,348.433 (Previous year - Nil) units of Rs.10 each in Birla Income Plus Fund - Growth Option	417.37	-
11,497,896.924 (Previous year - Nil) units of Rs.10 each in Birla Floating Rate Fund - Growth Option	1,529.38	-
Nil (Previous year - 27,626.169) units of Rs.1000 each in DSP Merrill Lynch Fixed Term Plan Series 1 Institutional - Dividend Reinvest Option	-	276.26
2,929,699.540 (Previous year - Nil) units of Rs.10 each in HDFC Floating Rate Income Fund - Growth Option	400.17	-
1,000,000.000 (Previous year - Nil) units of Rs.10 each in HDFC Infrastructure Fund - Dividend Payout Option	100.00	-
8,676,863.007 (Previous year - Nil) units of Rs.10 each in ICICI Prudential Floating Rate Fund - Growth Option	1,091.77	-
5,000,000.000 (Previous year - Nil) units of Rs.10 each in J M Agri & Infra Fund - Dividend Payout Option	500.00	-
2,500,000.000 (Previous year - Nil) units of Rs.10 each in J M Core 11 Fund - Series 1 Dividend Payout Option	250.00	-
2,241,188.171 (Previous year - Nil) units of Rs.10 each in Kotak Floater Short Term - Growth Option	299.06	-
Nil (Previous year - 5,000,000.000) units of Rs.10 each in Kotak Twin Advantage Series III - Dividend Payout Option	-	500.00
Nil (Previous year - 5,038,709.150) units of Rs.10 each in Lotus India Fixed Maturity 3 months Series I Institutional - Dividend Reinvest Option	-	503.87
1,000,000.000 (Previous year - Nil) units of Rs.10 each in Lotus India Mid N Small Cap Fund Nifty - Dividend Payout Option	100.00	-
Nil (Previous year - 3,000,000.000) units of Rs.10 each in Principal Pnb Fixed Maturity Plan 91 days Series VIII - Dividend Payout Option	-	300.00
11,407,572.528 (Previous year - Nil) units of Rs.10 each in Reliance Floating Rate Fund - Growth Option	1,445.19	-
2,962,962.963 (Previous year - Nil) units of Rs.10 each in Reliance Natural Resources Fund - Dividend Payout Option	300.00	-
2,929,501.545 (Previous year - Nil) units of Rs.10 each in Reliance Short Term Fund - Growth Option	398.21	-
Nil (Previous year - 14,616,294.798) units of Rs.10 each in Magnum Income Fund Floating Rate Long Term Regular - Dividend Payout Option	-	1,502.37
2,458,379.633 (Previous year - Nil) units of Rs.10 each in SBI Magnum Income Fund - Growth Option	499.73	-
5,000,000.000 (Previous year - Nil) units of Rs.10 each in Sundaram BNP Paribas Energy Opportunities Fund - Dividend Payout Option	500.00	-
Nil (Previous year - 6,891,291.507) units of Rs.10 each in Sundaram BNP Paribas Fixed Term Plan Series XXIII 90 days - Dividend Reinvest Option	-	689.13
1,000,000.000 (Previous year - Nil) units of Rs.10 each in Standard Chartered Small & Midcap Equity (SME) Fund - Dividend Payout Option	100.00	-
Nil (Previous year - 985,085.801) units of Rs.10 each in UTI Spread Fund - Dividend Reinvest Option	-	98.99
Nil (Previous year - 5,029,933.050) units of Rs.10 each in UTI Fixed Maturity Plan Quarterly Series (02/07) - Dividend Reinvest Option	-	502.99
46,030.368 (Previous year - Nil) units of Rs.1000 each in UTI Floating Rate Fund Short Term Plan - Growth Option	600.00	-
2,500,000.000 (Previous year - Nil) units of Rs.10 each in UTI Infrastructure Advantage Fund Series 1- Dividend Payout Option	250.00	-
	8,780.88	4,373.61
SUB TOTAL	10,760.61	5,070.95

	31st March, 2008 Rupees in lacs	31st March, 2007 Rupees in lacs
II. CURRENT		
Trade		
Fully paid-up Equity Shares in subsidiary company		
Nil(Previous year - 113,750) Equity Shares of Fair Deal Corporation Pharmaceutical SA (Pty) Ltd., of ZAR 1 each	-	6.55
	-	6.55
Non Trade		
Fully paid-up Equity Shares (Quoted)		
3,750 (Previous year - Nil) Equity Shares of Bharati Airtel Limited of Rs. 10 each	36.45	-
2,000 (Previous year - Nil) Equity Shares of Bharat Heavy Electricals Limited of Rs.10 each	43.83	-
2,425 (Previous year - Nil) Equity Shares of Larsen & Toubro Limited of Rs. 2 each	78.37	-
8,200 (Previous year - Nil) Equity Shares of Mcnally Bharat Engineering Company Limited of Rs. 10 each	24.13	-
6,300 (Previous year - Nil) Equity Shares of Reliance Communication Limited of Rs.5 each	40.06	-
11,500 (Previous year - Nil) Equity Shares of Sun Pharma Advance Reserch Company Limited of Re.1 each	13.00	-
10,500 (Previous year - Nil) Equity Shares of Sun TV Network Limited of Rs. 5 each	37.27	-
	273.11	-
Less: Provision for diminution in value of investments	40.56	-
	232.55	-
Units of Mutual Funds		
1,048,992.631 (Previous year - Nil) units of Rs.10 each in J M Basic Fund - Dividend Payout Option	253.51	-
1,258,702.615 (Previous year - Nil) units of Rs.10 each in J M Equity Fund - Dividend Payout Option	253.51	-
1,187,378.363 (Previous year - Nil) units of Rs.10 each in Kotak Opportunities - Dividend Payout Option	311.40	-
3,142,578.800 (Previous year - Nil) units of Rs.10 each in LIC MF Index Fund Nifty - Dividend Payout Option	500.00	-
979,057.812 (Previous year - Nil) units of Rs.10 each in TATA Infrastructure Fund - Dividend Payout Option	267.12	-
526,870.390 (Previous year - Nil) units of Rs.10 each in UTI Nifty Index Fund - Dividend Payout Option	200.00	-
	1,785.54	-
Less: Provision for diminution in value of investments	556.13	-
	1,229.41	-
SUB TOTAL	1,461.96	6.55
TOTAL	12,222.77	5,077.50
Aggregate cost of quoted investments	2,068.22	512.52
Aggregate cost of unquoted investments	10,751.24	4,564.98
Aggregate market value of quoted investments	1,806.98	485.49
Aggregate repurchase prices of mutual funds	9,700.16	4,390.88

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

No.	Name of Mutual Fund	Name of Scheme	Face Value (Rs.)	No. of units	Cost Rupees in lacs
1	Birla Sun Life Mutual fund	Income Fund	10	910,458.252	250.00
		Income Plus	10	8,324,277.558	2,829.89
		Midcap Fund	10	2,723,000.658	810.70
				11,957,736.468	3,890.59
2	DBS Chola Mutual Fund	FMP - Series 7 (Quarterly Plan 1)	10	5,000,000.000	500.00
				5,000,000.000	500.00
3	DSP Merrill Lynch Mutual Fund	Fixed Term Plan - Series 1 I Institutional Dividend reinvest	1000	432.420	4.32
				432.420	4.32
4	Franklin Templeton Mutual Fund	Short Term Income Plan	1000	27,883.466	400.00
				27,883.466	400.00
5	HDFC Mutual Fund	Floating Rate Income Fund - Short Term	10	3,915,887.047	500.41
		Floating Rate Income Fund - Short Term - Weekly Dividend Reinvest	10	4,963,539.345	503.27
		Short Term Plan	10	5,795,572.211	805.03
		Income Fund	10	3,945,636.413	700.00
		High Interest Fund - Short Term Plan	10	1,712,375.682	250.00
				20,333,010.698	2,758.71
6	HSBC Mutual Fund	Income Fund Investment Plan	10	1,550,135.249	200.00
				1,550,135.249	200.00
7	ICICI Prudential Mutual Fund	Equity & Derivative Fund - Income Optimiser	10	4,732,176.023	500.00
		Infrastructure Fund	10	2,528,022.672	460.36
		Income Plan	10	6,672,813.619	1,574.43
				13,933,012.314	2,534.79
8	J M Financial Mutual Fund	Floater Fund - Short Term Plan	10	2,006,162.933	250.00
		Floater Fund - Short Term Plan - Daily Dividend Reinvest	10	2,499,648.891	252.17
		Arbitrage Advantage Fund	10	6,807,720.212	700.00
		Short Term Fund	10	2,903,474.007	400.00
		Income Fund - Growth Plan	10	8,075,406.335	2,403.48
		Contra Fund	10	3,911,980.440	400.00
		Basic Fund	10	3,073,679.369	830.79
				29,278,072.187	5,236.44
9	JP Morgan Mutual Fund	India Liquid Plus Fund	10	3,000,000.000	300.00
				3,000,000.000	300.00
10	Kotak Mahindra Mutual Fund	Bond (Regular)	10	4,691,979.377	1,000.84
		Bond (Short Term)	10	7,843,590.006	1,120.92
				12,535,569.383	2,121.76
11	Lotus India Mutual Fund	Arbitrage Fund	10	14,017,141.477	1,410.28
		FMP - 3 months Series I Institutional Dividend Reinvest	10	62,945.162	6.29
				14,080,086.639	1,416.57
12	Reliance Mutual Fund	Vision Fund	10	716,263.070	352.17
		Floating Rate Fund	10	5,205,396.415	616.93
		Floating Rate Fund - Monthly Dividend Reinvest	10	6,124,442.772	620.92
		Growth Fund	10	1,413,267.741	936.61
		Short Term Fund	10	7,580,129.320	1,028.35
		Income Fund Retail Plan	10	12,164,307.824	3,060.70
				33,203,807.142	6,615.68

No.	Name of Mutual Fund	Name of Scheme	Face Value (Rs.)	No. of units	Cost Rupees in lacs
13	SBI Mutual Fund	Magnum Income Fund Floating Rate - Long Term Plan	10	3,520,098.921	410.07
		Magnum Income Fund Floating Rate - Short Term Plan	10	1,982,471.810	200.26
		Magnum Global Fund	10	688,468.158	200.00
		Magnum Income Fund	10	2,461,078.050	500.27
		Arbitrage Opportunities Fund	10	8,827,405.485	950.00
				17,479,522.424	2,260.60
14	Sundaram BNP Paribas Mutual Fund	Floater ST Institutional	10	2,151,148.283	250.00
		Floater ST Intitutional - Monthly Dividend Reinvest	10	2,467,039.167	253.20
		Fixed term Plan Series XXIII - 90 days Dividend Reinvest	10	67,465.745	6.75
				4,685,653.195	509.95
15	TATA Mutual Fund	Short Term Bond Fund	10	5,760,641.802	800.00
		Income Fund	10	2,968,650.689	777.03
		Infrastructure Fund	10	2,607,923.591	657.02
				11,337,216.082	2,234.05
16	UTI Mutual Fund	Liquid Cash Plan Institutional Plan	1000	40,482.991	500.00
		Liquid Plus Fund Institutional Plan	1000	80,519.811	823.27
		Fixed Maturity Plan Qtly Series (QFMP) (04/07) I - Dividend Plan Payout	10	3,000,000.000	300.00
		Fixed Maturity Plan Qtly Series (QFMP) (02/07) II Dividend Reinvest	10	78,897.719	7.89
		Spread Fund - Dividend Reinvestment Plan	10	8,589,507.428	945.60
				11,789,407.949	2,576.76

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

No.	Company	Face Value (Rs.)	No. of shares	Cost Rupees in lacs
1	Aban Offshore Limited	2	950	27.37
2	Blue Star Limited	2	9,384	23.05
3	Bharat Heavy Electricals Limited	10	300	5.07
4	Cairn India Limited	10	700	1.55
5	Century Textiles & Industries Limited	10	12,355	93.52
6	Crompton Greaves Limited	2	6,400	16.79
7	Elecon Engineering Company Limited	2	3,000	4.43
8	Finolex Cables Limited	2	10	0.01
9	Great Eastern Shipping Company Limited	10	7,101	24.21
10	ISMT Limited	5	300	0.28
11	Infosys Technologies Limited	5	1,300	26.09
12	Kirloskar Brothers Limited	2	3,200	10.96
13	Larsen & Toubro Limited	2	3,218	72.15
14	Lakshmi Machines Works Limited	10	900	24.54
15	Nucleus Software Exports Limited	10	3,400	17.15
16	Punj Llyod Limited	2	4,300	11.93
17	Power Grid Corporation of India Limited	10	4,900	2.55
18	Reliance Communications Limited	5	3,000	16.44
19	Reliance Energy Limited	10	2,000	14.80
20	Reliance Industries Limited	10	10,380	168.09
21	Reliance Petroleum Limited	10	17,000	19.26
22	Reliance Power Limited	10	681	3.06
23	Reliance Natural Resources Limited	5	12,000	5.09
24	Reliance Capital Limited	10	1,450	15.71
25	Ruby Mills Limited	10	57	0.70
26	Siemens Limited	2	4,500	55.70
27	Sintex Industries Limited	2	4,300	10.01
28	Voltas Limited	1	41,700	46.80
29	Welspun Gujarat Stahi Rohern Limited	5	16,700	24.12
30	Zensar Technologies Limited	1	1,000	1.83

	31st March, 2008 Rupees in lacs	31st March, 2007 Rupees in lacs
F. CURRENT ASSETS, LOANS AND ADVANCES		
INTEREST ACCRUED ON INVESTMENTS	5.06	5.06
INVENTORIES		
Raw materials	1,630.96	1,569.67
Packing materials	423.76	387.87
Work-in-process	922.42	1,075.55
Finished products	6,112.65	6,730.78
	9,089.79	9,763.87
SUNDRY DEBTORS (Unsecured)		
Over six months:		
Considered good	7.95	160.95
Considered doubtful	186.28	119.69
Other debts:		
Considered good	1,880.36	1,900.52
Considered doubtful	-	9.98
	2,074.59	2,191.14
Less: Provision for doubtful debts	186.28	129.67
	1,888.31	2,061.47
CASH AND BANK BALANCES		
Cash on hand	7.24	7.61
Balance with scheduled banks:		
In current accounts	1,372.29	1,955.60
In fixed and margin deposits (provided against letter of credit and bank guarantees)	81.16	58.12
	1,460.69	2,021.33
LOANS AND ADVANCES (Unsecured)		
Advances recoverable in cash or in kind or for value to be received:		
Considered good	1,939.51	1,286.23
Considered doubtful	33.64	32.47
	1,973.15	1,318.70
Less : Provision for doubtful advances	33.64	32.47
	1,939.51	1,286.23
Loan to FDC Holdings, Netherlands B.V., wholly owned subsidiary [Maximum balance during the year Rs. 166.18 lacs (Previous year - Rs. 152.03 lacs)]	166.18	152.03
Loan to Fair Deal Corporation Pharmaceutical SA (Pty) Ltd., joint venture entity [Maximum balance during the year Rs. 486.80 lacs (Previous year - Rs. 504.17 lacs)]	225.49	486.80
Sundry deposits	99.65	94.46
Advance tax (net of provision)	454.31	311.55
Balance with customs and excise authorities	4.62	3.45
	2,889.76	2,334.52
TOTAL	15,333.61	16,186.25

	31st March, 2008 Rupees in lacs	31st March, 2007 Rupees in lacs
G. CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry creditors (Refer Note 6 of Schedule 'O')		
Micro, Small and Medium Enterprises	-	-
Others	3,846.12	2,953.31
	3,846.12	2,953.31
Other liabilities	1,939.80	1,914.63
Security deposits	1,034.30	908.20
Due to customers	54.17	48.84
Investor Education and Protection Fund		
(shall be credited as and when due by the following amount)		
Unpaid dividend (Refer Note 23 of Schedule 'O')	43.65	35.55
	6,918.04	5,860.53
PROVISIONS		
Provision for retirement benefits	177.03	208.14
Provision for gratuity fund	1.42	12.77
Provision for Wealth tax	7.50	9.78
Proposed dividend - final	1,914.62	-
Dividend tax	325.39	-
	2,425.96	230.69
TOTAL	9,344.00	6,091.22
H. MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Technical know-how fees	1.85	4.94
Less: Amortised during the year	1.85	3.09
	-	1.85
Voluntary Retirement Scheme expenses	-	142.07
Less: Amortised during the year	-	142.07
	-	-
TOTAL	-	1.85

N. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared under the historical cost convention, except for certain fixed assets, which were revalued on 30th September 1993 (refer Note 2 below) and in case of assets where a provision is made for impairment losses, on accrual basis and are in accordance with the requirements of the Companies Act, 1956 and comply with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

2. FIXED ASSETS

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

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

3. DEPRECIATION/ AMORTISATION/ IMPAIRMENT

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

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

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

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

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

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

4. INVESTMENTS

Long-term investments are valued at cost less provision for diminution in value, other than temporary, if any.

Current investments are valued at lower of cost or fair value (repurchase price or market value) on individual item basis.

5. INVENTORIES

Raw materials and packing materials are valued at lower of cost or 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 or net realisable value. Cost of finished products and work-in-process includes material cost, labour, direct expenses, production overheads and excise duty, where applicable.

6. MISCELLANEOUS EXPENDITURE

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

Compensation paid under Voluntary Retirement Scheme is treated as deferred revenue expenditure and amortised equally over five years for schemes effected upto 31st March 2006.

7. REVENUE RECOGNITION

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

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

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

8. FOREIGN CURRENCY TRANSLATION/ TRANSACTIONS

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

Monetary assets and liabilities denominated in foreign currency outstanding at the year end are restated at the year end exchange rates. Non-monetary foreign currency items are carried at cost.

Exchange differences including those arising on repayment and translation of liabilities relating to acquisition of fixed assets are taken to the Profit and Loss Account.

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

9. GOVERNMENT GRANTS

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

Government grants received as capital incentives are credited to Capital Reserve. Government grants in other forms are credited to Profit and Loss Account.

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

10. EMPLOYEE BENEFITS

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

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

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

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

11. RESEARCH AND DEVELOPMENT (R & D)

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

12. LEASE ACCOUNTING

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

13. EARNING PER SHARE

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

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

14. ACCOUNTING FOR TAXES ON INCOME

Tax expense comprises of current, deferred and fringe benefit tax. Provision for current tax and fringe benefit tax is made, based on the tax payable under the Income-tax Act, 1961. Deferred tax assets and liabilities from timing differences between taxable income and accounting income is accounted for using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. At each balance sheet date, the Company reassesses unrecognised deferred tax assets. Deferred tax assets are recognised only to the extent that there is a reasonable certainty of their realisation. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

O. NOTES TO FINANCIAL STATEMENTS

1. Contingent liabilities not provided for:

	31st March, 2008 Rupees in lacs	31st March, 2007 Rupees in lacs
(i) Disputed tax matters		
Income tax	**114.64**	120.50
Excise duty	**107.42**	66.91
Sales tax	**99.43**	52.02
(ii) In respect of guarantees given by banks	**40.97**	68.49
2. Letter of credit issued by bankers	**183.91**	297.82
3. Estimated amount of duty payable on export obligation against outstanding advance licences	**3.11**	6.36
4. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid) - Tangible assets	**690.08**	1,287.69

5. Under various schemes of Government of Maharashtra, the Company is entitled to Sales Tax deferral incentives for its units at Waluj and Sinnar. These are repayable in 5-6 installments after a period of 10-12 years from the year of availment.

6. There are no delays in payments to Micro, Small and Medium Enterprise as required to be disclosed under "The Micro, Small and Medium Enterprise Development Act, 2006".

   The above information and the details given in Schedule 'G' - Current liabilities and Provisions regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

7. Of the total investments stated in Schedule 'E' to the accounts, National Savings Certificates of the value of Rs. 0.04 lacs (Previous year - Rs. 0.04 lacs) and Government of India G.P. Notes of the value of Rs. 0.02 lacs (Previous year - Rs. 0.02 lacs) have been lodged with the Excise authorities. National Savings Certificates of Rs. 0.03 lacs (Previous year - Rs. 0.03 lacs) have been lodged with the Sales tax authorities.

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

Defined Contribution Plan

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

	2007- 2008 Rupees in lacs	2006 - 2007 Rupees in lacs
Employer's Contribution to Provident Fund	**146.01**	125.15
Employer's Contribution to Pension Scheme	**167.25**	145.01
Employer's Contribution to Superannuation Fund	**43.82**	41.17

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. The obligation for leave encashment is recognised in the same manner as gratuity.

Rupees in lacs

		Gratuity		Leave Encashment	
		Funded Plan		Non-Funded Plan	
		31st March, 2008	31st March, 2007	**31st March, 2008**	31st March, 2007
I	**Change in Benefit Obligation**				
	Liability at the beginning of the year	**333.92**	315.13	**132.04**	109.50
	Interest Cost	**29.50**	26.43	**11.03**	8.82
	Current Service Cost	**61.36**	50.26	**31.75**	26.84
	Past Service Cost (Non Vested Benefit)	**-**	-	**-**	-
	Past Service Cost (Vested Benefit)	**-**	-	**-**	-
	Benefit Paid	**(53.14)**	(70.14)	**(51.89)**	(52.08)
	Actuarial (gain)/ loss on obligations	**(8.08)**	12.24	**27.62**	38.96
	Liability at the end of the year	**363.56**	333.92	**150.55**	132.04
II	**Fair Value of Plan Assets**				
	Fair Value of Plan Assets at the beginning of the year	**321.15**	321.63	**-**	-
	Expected Return on Plan Assets	**29.45**	26.52	**-**	-
	Contributions	**73.50**	45.00	**-**	-
	Benefit Paid	**(53.14)**	(70.14)	**-**	-
	Actuarial gain/ (loss) on Plan Assets	**(8.82)**	(1.86)	**-**	-
	Fair Value of Plan Assets at the end of the year	**362.14**	321.15	**-**	-
	Total Actuarial gain/ (loss) to be recognised	**(0.74)**	(14.10)	**(27.62)**	(38.96)
III	**Actual Return on Plan Assets**				
	Expected Return on Plan Assets	**29.45**	26.52	**-**	-
	Actuarial (gain)/ loss on Plan Assets	**(8.82)**	(1.86)	**-**	-
	Actual Return on Plan Assets	**20.63**	24.66	**-**	-
IV	**Amount recognised in the Balance Sheet**				
	Liability at the end of the year	**(363.56)**	(333.92)	**(150.55)**	(132.04)
	Fair Value of Plan Assets at the end of the year	**362.14**	321.15	**-**	-
	Difference	**(1.42)**	(12.77)	**(150.55)**	(132.04)
	Unrecognised Past Service Cost	**-**	-	**-**	-
	Unrecognised Transition Liability	**-**	-	**-**	-
	Amount recognised in the Balance Sheet	**(1.42)**	(12.77)	**(150.55)**	(132.04)
V	**Expenses recognised in the Income Statement**				
	Current Service Cost	**61.36**	50.26	**31.75**	26.84
	Interest Cost	**29.50**	26.43	**11.03**	8.82
	Expected Return on Plan Assets	**(29.45)**	(26.52)	**-**	-
	Past Service Cost (Non Vested Benefit) recognised	**-**	-	**-**	-
	Past Service Cost (Vested Benefit) recognised	**-**	-	**-**	-
	Recognition of Transition Liability	**-**	-	**-**	-
	Net Actuarial (gain)/ loss to be recognised	**0.74**	14.10	**27.62**	38.96
	Expense recognised in Profit and Loss Account	**62.15**	64.27	**70.40**	74.62
VI	**Balance Sheet Reconciliation**				
	Opening Net Liability	**12.77**	(6.50)	**132.04**	109.50
	Expense as above	**62.15**	64.27	**70.40**	74.62
	Employers Contribution	**(73.50)**	(45.00)	**(51.89)**	(52.08)
	Amount recognised in the Balance Sheet	**1.42**	12.77	**150.55**	132.04
VII	**Investment Details**				
	Government of India Assets	**108.85**	100.95	**-**	-
	Corporate Bonds	**129.47**	114.46	**-**	-
	State Government	**63.40**	68.46	**-**	-
	Equity	**40.13**	23.91	**-**	-
	Others	**20.29**	13.37	**-**	-
	Total	**362.14**	321.15	**-**	-
VIII	**Actuarial Assumptions**				
	Discount Rate Current	**8.00%**	8.00%	**8.00%**	8.00%
	Rate of Return on Plan Assets Current	**8.00%**	8.00%	**-**	-
	Salary Escalation Current	**5.00%**	5.00%	**5.00%**	5.00%

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

X **Basis used to determine Expected Rate of Return on Plan Assets**
The expected rate of return on Plan Assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

XI The Company expects to contribute Rs. 90.42 lacs to gratuity in next year.

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

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

		31st March, 2008 Rupees in lacs	31st March, 2007 Rupees in lacs
Deferred tax liabilities			
Depreciation		**1,733.08**	1,463.70
Others		**5.20**	-
	(A)	**1,738.28**	1,463.70
Less: Deferred tax assets			
Provision for doubtful debts/ advances		**74.75**	55.11
Provision for diminution in the value of investments		**101.41**	-
Liabilities under Section 43B of the Income-tax Act, 1961		**142.61**	106.28
Expenses disallowed under Section 40(a)(ia) of the Income-tax Act, 1961		**23.79**	-
Others		**-**	0.35
	(B)	**342.56**	161.74
Net Deferred tax liability	(A)-(B)	**1,395.72**	1,301.96

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	**48,464.42** (42,669.79)	**4,062.39** (4,235.13)	**52,526.81** (46,904.92)
Carrying amount of assets by location of assets	**36,356.34** (34,383.85)	**979.28** (1,449.11)	**37,335.62** (35,832.96)
Additions to tangible and intangible assets	**3,657.13** (5,856.27)	**-** (-)	**3,657.13** (5,856.27)

Previous year's figures are shown in brackets.

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

A. Subsidiary Companies

- FDC Holdings, Netherlands B.V.
- FDC International Limited
- FDC Inc.
- Fair Deal Corporation Pharmaceutical SA (Pty) Ltd. (upto 29th May, 2007)

B. Joint Venture Entity

- Fair Deal Corporation Pharmaceutical SA (Pty) Ltd. (from 30th May, 2007)

C. Key Management Personnel

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

D. Relatives of Key Management Personnel

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

E. Enterprises in which Key Management Personnel have significant influence

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

F. Nature of transaction:

Rupees in lacs

Particulars	Subsidiary Companies	Joint Venture Entity	Key Management Personnel	Relatives of Key Management Personnel	Enterprises in which Key Management Personnel have significant influence	Total
Sale of goods	**819.42** (1,006.94)	**-** (2.03)	**-** (-)	**-** (-)	**-** (-)	**819.42** (1,008.97)
Services received	**-** (-)	**-** (-)	**-** (-)	**-** (-)	**35.01** (30.66)	**35.01** (30.66)
Rent paid	**-** (-)	**-** (-)	**-** (-)	**-** (-)	**4.65** (4.50)	**4.65** (4.50)
Finance						
- Loans granted	**-** (7.04)	**-** (-)	**-** (-)	**-** (-)	**-** (-)	**-** (7.04)
- Loans recovered	**-** (-)	**98.07** (-)	**-** (-)	**-** (-)	**-** (-)	**98.07** (-)
- Equity contribution in cash or in kind	**-** (6.55)	**-** (-)	**-** (-)	**-** (-)	**-** (-)	**-** (6.55)
- Sale of Equity	**6.55** (-)	**-** (-)	**-** (-)	**-** (-)	**-** (-)	**6.55** (-)
Interest received	**2.50** (11.76)	**10.25** (13.39)	**-** (-)	**-** (-)	**-** (-)	**12.75** (25.15)
Interest written off	**17.01** (-)	**-** (-)	**-** (-)	**-** (-)	**-** (-)	**17.01** (-)
Remuneration*	**-** (-)	**-** (-)	**92.75** (102.13)	**-** (-)	**-** (-)	**92.75** (102.13)
Commission	**-** (-)	**-** (-)	**98.58** (112.38)	**-** (-)	**-** (-)	**98.58** (112.38)
Sitting fees	**-** (-)	**-** (-)	**-** (-)	**0.03** (-)	**-** (-)	**0.03** (-)
Dividend received	**69.13** (-)	**44.41** (-)	**-** (-)	**-** (-)	**-** (-)	**113.54** (-)
Dividend paid	**-** (-)	**-** (-)	**-** (336.06)	**-** (303.64)	**-** (434.53)	**-** (1,074.23)
Outstanding Balances						
- Payable	**-** (-)	**-** (-)	**104.23** (118.67)	**-** (-)	**-** (-)	**104.23** (118.67)
- Loans granted	**166.18** (638.83)	**225.49** (-)	**-** (-)	**-** (-)	**-** (-)	**391.67** (638.83)
- Interest on loans granted	**-** (57.08)	**12.75** (-)	**-** (-)	**-** (-)	**-** (-)	**12.75** (57.08)
- Receivable others	**-** (-)	**-** (-)	**-** (-)	**-** (-)	**-** (0.03)	**-** (0.03)
- Receivable against debtors	**163.82** (102.42)	**10.83** (-)	**-** (-)	**-** (-)	**-** (-)	**174.65** (102.42)
- Provisions made on Receivable against debtors	**-** (11.80)	**10.83** (-)	**-** (-)	**-** (-)	**-** (-)	**10.83** (11.80)

*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:

		2007 - 2008 Rupees in lacs	2006 - 2007 Rupees in lacs
1	**Sale of goods**		
	FDC International Limited	590.31	290.62
	FDC Inc.	229.11	716.32
2	**Services received**		
	Anand Synthochem Limited	9.48	10.39
	Mejda Marketing Private Limited	17.50	13.19
	Akhil Farma Limited	8.03	7.08
3	**Rent paid**		
	Aditi Sales Corporation	3.00	3.00
	Akhil Farma Limited	1.65	1.50
4	**Loans granted**		
	FDC Holdings, Netherlands B.V.	-	7.04
5	**Loans recovered**		
	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	98.07	-
6	**Equity contribution in cash or in kind**		
	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	-	6.55
7	**Sale of Equity**		
	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	6.55	-
8	**Interest received**		
	FDC Holdings, Netherlands B.V.	-	5.98
	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	12.75	19.17
9	**Interest written off**		
	FDC Holdings, Netherlands B.V.	17.01	-
10	**Remuneration**		
	Mr. Mohan A. Chandavarkar	34.32	32.08
	Mr. Ashok A. Chandavarkar	29.85	28.25
	Mr. Nandan M. Chandavarkar	28.58	26.87
	Mr. Ameya A. Chandavarkar	-	14.93
11	**Commission**		
	Mr. Mohan A. Chandavarkar	39.43	39.02
	Mr. Ashok A. Chandavarkar	31.54	31.22
	Mr. Nandan M. Chandavarkar	27.61	27.31
	Mr. Ameya A. Chandavarkar	-	14.83
12	**Sitting fees**		
	Mr. Ameya A. Chandavarkar	0.03	-
13	**Dividend received**		
	FDC Inc.	69.13	-
	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	44.41	-
14	**Dividend paid**		
	Mr. Mohan A. Chandavarkar	-	141.87
	Mr. Ashok A. Chandavarkar	-	136.90
	Ms. Sandhya M. Chandavarkar	-	201.28
	Soven Trading and Investment Company Private Limited	-	212.26
	Transgene Trading and Investment Company Private Limited	-	222.27
15	**Outstanding Balances Payable**		
	Mr. Mohan A. Chandavarkar	41.89	41.32
	Mr. Ashok A. Chandavarkar	33.66	33.21
	Mr. Nandan M. Chandavarkar	28.68	29.31
	Mr. Ameya A. Chandavarkar	-	14.83
16	**Outstanding Balances against loans granted**		
	FDC Holdings, Netherlands B.V.	166.18	152.03
	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	225.49	486.80
17	**Outstanding Balances against interest on loans granted**		
	FDC Holdings, Netherlands B.V.	-	15.56
	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	12.75	41.52
18	**Outstanding Balances receivable others**		
	Akhil Farma Limited	-	0.03
19	**Outstanding Balances receivable against debtors**		
	FDC International Limited	163.82	-
	FDC Inc.	-	76.97
	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	10.83	25.45
20	**Provisions made on receivable against debtors**		
	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	10.83	11.80

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

The Company's significant leasing arrangements are in respect of godowns/ office premises taken on operating lease basis. The aggregate lease rentals payable are charged as Rent and shown under 'Operating Expenses' (Schedule 'L').

These leasing arrangements, which are cancellable, range between 3 years and 5 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. There are certain agreements which provide for increase in rent.

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

Sr. No.	Name	Country of Incorporation	Percentage of Ownership Interest as on 31st March, 2008	Percentage of Ownership Interest as on 31st March, 2007
1.	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	Republic of South Africa	49%	84%

During the previous year, the Company had acquired additional 35% shareholding in joint venture entity, thereby making it a subsidiary of the Company. However, subsequent to the balance sheet date of the previous year, the Company had entered into an agreement for transfer of the aforesaid 35% shareholding to a new joint venture partner and the same was disclosed as "Current Investment" in the Balance Sheet. Accordingly, the Company has disclosed its interest in the JV to the extent of 49% shareholding for the previous year.

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

Rupees in lacs

	31st March, 2008	31st March, 2007
BALANCE SHEET		
Unsecured Loan	**240.22**	251.81
Fixed assets (net of depreciation)	**277.56**	278.16
Current assets, loans and advances		
Inventories	**-**	-
Sundry debtors	**52.59**	105.70
Cash and bank balances	**68.17**	12.12
Loans and advances	**-**	-
Current liabilities and provisions		
Current liabilities	**53.09**	66.37
Net current assets	**67.67**	51.45
	2007 - 2008	2006 - 2007
PROFIT AND LOSS ACCOUNT		
Income		
Sales	**301.34**	274.02
Other income	**3.79**	4.46
Expenditure		
Cost of materials	**249.25**	227.18
Employees' cost	**6.27**	2.07
Operating expenses	**10.15**	12.15
Finance expenses	**12.92**	13.11
Depreciation	**0.61**	1.51
Provision for taxation	**7.53**	6.93

No contingent liabilities and capital commitments have been incurred as at 31st March 2008 in relation to the Company's interest in the JV along with the other venturers (Previous year - Rs. Nil).

15. Pursuant to Accounting Standard 28 - "Impairment of Assets", the Company made an assessment as at 31st March 2008 for any indication of impairment in the carrying amount of the Company's assets and determined impairment loss on certain assets aggregating to Rs. 49.80 lacs.

16. Earnings per share has been computed as under:

	2007 - 2008	2006 - 2007
Profit after tax for the year (Rupees in lacs)	6,575.63	6,433.41
Weighted Average number of shares	191,461,102	191,461,102
Nominal value per share (Rupees)	1.00	1.00
Earnings per share - Basic (Rupees)	3.43	3.36
- Diluted (Rupees)	3.43	3.36

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

	2007 - 2008 Rupees in lacs	2006 - 2007 Rupees in lacs
A) Chairman and Wholetime Directors		
Salaries	78.81	87.02
Commission	98.58	112.38
Perquisites	0.64	0.42
Contribution to Provident fund and other funds	13.30	14.69
	191.33	214.51
B) Non-wholetime Directors		
Commission	5.54	2.00
Sitting Fees	2.18	2.65
	7.72	4.65
Total Managerial Remuneration	199.05	219.16

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:

	2007 - 2008 Rupees in lacs	2006 - 2007 Rupees in lacs
Profit before tax as per Profit and Loss Account	7,796.49	8,131.77
Add: Directors' remuneration (including commission)	196.87	216.51
Provision/ (write back) for doubtful debts/ advance (net)	57.78	(246.12)
Diminution in value of investments	596.69	-
Profit/ (Loss) on sale of fixed assets as per Section 349 of the Companies Act, 1956	(3.27)	(0.52)
Amortisation of voluntary retirement scheme expenses	-	142.07
	8,644.56	8,243.71
Less: Profit on sale of investments	735.31	440.07
Profit/ (Loss) on sale of assets (net) as per Profit and Loss Account	23.40	(0.52)
Net Profit as per Section 349 of the Companies Act, 1956	7,885.85	7,804.16
Commission payable to Managing Director and Wholetime Directors @ 1.25% of the net profit calculated above (Previous year @ 1.5%) (During previous year, one wholetime director has been paid commission proportionately for nine months.)	98.58	112.38
Commission payable to Non-Wholetime Directors @ 1% of the net profit calculated above, restricted to Rs. 5,54,293/- (Previous year - Rs. 2,00,000/-)	5.54	2.00

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, 2008	31st March, 2007	**31st March, 2008**	31st March, 2007
Bank balances	USD	**409,800**	315,651	**161.79**	135.35
	EUR	**1**	10,698	**-**	6.09
	GBP	**213,080**	38,973	**165.65**	32.60
	JPY	**-**	13,000,000	**-**	47.10
Sundry debtors	USD	**1,276,063**	1,590,446	**504.30**	682.97
	AUD	**-**	65,416	**-**	23.52
	EUR	**62,704**	95,420	**39.03**	54.33
	GBP	**209,172**	96,413	**163.82**	80.64
Loans and advances	EUR	**267,000**	295,864	**166.18**	168.46
	USD	**46,283**	202,571	**18.25**	86.87
	GBP	**550**	-	**0.43**	-
	ZAR	**4,922,472**	6,408,800	**238.25**	486.80
Sundry creditors	EUR	**64,905**	93,425	**41.38**	54.40
	USD	**693,485**	185,958	**279.36**	80.56
	GBP	**1,773**	-	**1.43**	-
Unsecured Loan	USD	**2,494,009**	-	**1,000.60**	-
Investment in subsidiaries/ joint venture entity	EUR	**358,033**	358,033	**150.80**	150.80
	USD	**50,000**	50,000	**22.00**	22.00
	ZAR	**159,250**	273,000	**11.30**	17.85

20. Revenue expenditure on research and development (including depreciation) aggregating to Rs. 899.49 lacs (Previous year - Rs. 582.57 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 loss (net) during the year Rs. 115.11 lacs [Previous year - Foreign exchange gain (net) Rs. 38.63 lacs] is included in the Profit and Loss Account under Miscellaneous expenses (Schedule 'L') [Previous year - Miscellaneous receipts (Schedule 'I')].

23. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

24. 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.	QTY.	Rs. in lacs	QTY.	QTY.	Rs. in lacs	QTY.	Rs. in lacs	QTY.	Rs. in lacs
1.	**FORMULATIONS**											
	(I) Injectables/ Ophthalmics	Litres	**192,000.00** (192,000.00)	**88,860.86** (63,404.22)	**842.09** (713.93)	**280,034.88** (214,666.56)	**89,114.04** (135,545.11)	**978.30** (858.28)	**377,400.10** (324,755.03)	**6,861.86** (6,069.15)	**80,609.68** (88,860.86)	**776.86** (842.09)
	(II) Tablets, Capsules, etc.	Nos. In crores	**311.76** (348.96)	**26.44** (20.33)	**4,115.30** (2,525.31)	**113.70** (110.07)	**19.81** (20.57)	**3,962.59** (2,251.76)	**133.90** (124.53)	**31,563.56** (27,348.99)	**26.05** (26.44)	**3,597.06** (4,115.30)
	(III) Cream, Powder, Ointments, Granules, Liquids, etc.	Kgs./Litres	**8,564,880.00** (8,407,920.00)	**740,169.53** (753,889.73)	**1,430.55** (1,177.63)	**2,531,503.60** (2,135,817.76)	**477,662.16** (544,332.40)	**943.79** (804.40)	**2,927,378.07** (2,693,870.36)	**10,250.77** (9,425.45)	**821,957.22** (740,169.53)	**1,326.56** (1,430.55)
2.	**FOODS PRODUCTS**											
	(I) Powder, Liquid, etc.	Kgs./Litres	**500,000.00** (500,000.00)	**170,501.75** (147,623.05)	**241.10** (228.74)	**950,786.95** (706,120.60)	**-** (-)	**-** (-)	**909,453.15** (683,241.90)	**1,524.75** (1,227.19)	**211,835.55** (170,501.75)	**273.32** (241.10)
	(II) Capsules	Nos. in crores	**-** (-)	**0.04** (0.06)	**8.46** (12.15)	**-** (-)	**0.10** (0.11)	**19.11** (20.81)	**0.10** (0.13)	**41.28** (50.48)	**0.04** (0.04)	**7.30** (8.46)
3.	**BASIC DRUGS**	Kgs.	**121,527.00** (114,465.00)	**1,757.15** (12,362.39)	**93.28** (345.61)	**74,397.76** (64,857.34)	**1,763.00** (9,305.00)	**44.90** (106.71)	***70,792.53** *(78,851.46)	**2,284.59** (2,783.66)	**4,025.79** (1,757.15)	**131.55** (93.28)
4.	**OTHERS**		**-** (-)	**-** (-)	**-** (-)	**-** (-)	**-** (-)	**757.08** (601.09)	**-** (-)	**-** (-)	**-** (-)	**-** (-)
	TOTAL				**6,730.78** (5,003.37)			**6,705.77** (4,643.05)		**52,526.81** (46,904.92)		**6,112.65** (6,730.78)

(*) Excluding captive consumption 3,099.59 kgs. (Previous Year - 5,916.12 kgs.)
Previous year's figures are shown in brackets.

Notes:

(i) Since the industrial licencing for Drugs and Pharmaceuticals has been abolished under the Industrial Policy, the particulars of licenced capacity are not stated.

(ii) Installed capacities are as certified by the Company's Technical Expert, on two shifts basis for Formulation activities, on three shifts basis for Bulk Drugs and Food Products activities and have not been verified by the Auditors, this being a technical matter.

(iii) Actual production includes production for captive consumption and products manufactured under loan licence by others but excludes products manufactured for others and samples manufactured during the year.

(iv) Others under the head Purchase for Resale, includes cost of samples purchased.

b) **Consumption of Raw Materials:**

	Quantity in M.T.	**2007 - 2008** Rupees in lacs
i) Cefixime Trihydrate	**34.13**	**5,925.23**
	(37.71)	(6,788.67)
ii) Other Raw Materials		**8,427.41**
		(7,945.50)
Total		**14,352.64**
		(14,734.17)

	Rupees in lacs	Percentage
Indigenous	**11,914.09**	**83.01**
	(12,626.55)	(85.70)
Imported	**2,438.55**	**16.99**
	(2,107.62)	(14.30)
Total	**14,352.64**	**100.00**
	(14,734.17)	(100.00)

Previous year's figures are shown in brackets.

c) **Stores and spares consumed:**

Indigenous	**184.50**	**99.42**
	(181.76)	(100.00)
Imported	**1.07**	**0.58**
	(-)	(-)
Total	**185.57**	**100.00**
	(181.76)	(100.00)

Previous year's figures are shown in brackets.

d) **CIF value of imports:**

	2007 - 2008 Rupees in lacs	2006 - 2007 Rupees in lacs
Raw material	**2,451.37**	2,248.63
Packing material	**127.61**	119.27
Components	**4.40**	16.00
Capital goods	**512.74**	1,565.76
Total	**3,096.12**	3,949.66

e) **Earning in foreign exchange:**

	2007 - 2008 Rupees in lacs	2006 - 2007 Rupees in lacs
FOB value of exports	**3,927.56**	4,090.16
Interest received	**39.24**	-
Dividend received (gross)	**113.54**	-
Others	**0.41**	1.16
Total	**4,080.75**	4,091.32

f) **Expenditure in foreign currency:**

	2007 - 2008 Rupees in lacs	2006 - 2007 Rupees in lacs
Legal and professional fees (including consultation fees) (gross)	**11.53**	46.75
Foreign travelling	**13.48**	27.19
Interest on PCFC Loan	**19.99**	-
Others (gross)	**167.78**	99.77
Total	**212.78**	173.71

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

Signatures to Schedules "A" to "O"
As per our report of even date

For S. R. BATLIBOI & CO.
Chartered Accountants

per VIJAY BHATT
Partner
Membership No. 36647

Place : Mumbai
Date : June 28, 2008

For and on behalf of the Board

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ASHOK A. CHANDAVARKAR
Director

SHALINI KAMATH
Company Secretary

Place : Mumbai
Date : June 28, 2008