

*For Dedicated Care...*  
*Over 70 years*



*Annual Report*  
*2012-2013*

## FORWARD LOOKING STATEMENTS

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

## INVESTORS' INFORMATION

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- |    |                                           |                                                                                                                                                                                                                                                  |
|----|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Date of annual general meeting            | Saturday, August 31, 2013                                                                                                                                                                                                                        |
| 2. | Venue and time                            | WelcomHotel Rama International<br>R-3, Chikalthana, Aurangabad 431 210<br>at 10.00 a.m.                                                                                                                                                          |
| 3. | Book closure                              | August 22, 2013 to August 31, 2013<br>(both days inclusive)                                                                                                                                                                                      |
| 4. | Dividend                                  | Recommended final dividend of Rs. 2.25 (225%) per equity share                                                                                                                                                                                   |
| 5. | Investors' complaints may be addressed to | The Secretarial Department<br>FDC Limited<br>142-48, Swami Vivekananda Road<br>Jogeshwari (West), Mumbai 400 102<br>Tel.: (022) 3071 9215, 3071 9100<br>Fax.: (022) 2678 8123<br>E-mail ID.: investors@fdcindia.com<br>Website: www.fdcindia.com |

**FDC Limited**

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

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

Anand L. Chandavarkar (1905-1959)

Founder

Ramdas A. Chandavarkar (1933-2001)

Chairman Emeritus

**DIRECTORS**

Mr. Mohan A. Chandavarkar

(Chairman and Managing Director)

Mr. Ashok A. Chandavarkar

Mr. Nandan M. Chandavarkar

(Joint Managing Director)

Mr. Ameya A. Chandavarkar

CA Girish C. Sharedalal

Dr. Satish S. Ugrankar

Dr. Rahim H. Muljiani

Dr. Nagam H. Atthreya

Mr. Vinod G. Yennemadi

**COMPANY SECRETARY**

Ms. Shalini Kamath

**AUDITORS**

S.R. Batliboi & Co. LLP, Mumbai

(Formerly known as M/s. S.R. Batliboi & Co.)

**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

**PLANTS**

Roha, Raigad, Maharashtra

Waluj, Aurangabad, Maharashtra

Sinnar, Nashik, Maharashtra

Goa (Plants I, II & III)

Baddi, Himachal Pradesh

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

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## DIRECTORS' REPORT

Your directors are pleased to present their report on the business and operations of your Company for the year ended March 31, 2013.

### 1. FINANCIAL RESULTS

|                                                                      | 2012-2013<br>Rupees in lacs | 2011-2012<br>Rupees in lacs |
|----------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Revenue from operations (Net)</b>                                 | <b>76,459.51</b>            | 69,924.16                   |
| Other income                                                         | <b>4,756.08</b>             | 2,782.00                    |
| <b>Profit (before finance costs and depreciation / amortisation)</b> | <b>23,007.86</b>            | 18,954.99                   |
| Finance costs                                                        | <b>151.05</b>               | 132.35                      |
| Depreciation and amortisation                                        | <b>2,751.19</b>             | 1,805.00                    |
| <b>Profit before tax</b>                                             | <b>20,105.62</b>            | 17,017.64                   |
| <b>Less: Taxation</b>                                                |                             |                             |
| - Current tax                                                        | <b>4,100.00</b>             | 3,450.00                    |
| - Deferred tax                                                       | <b>163.15</b>               | 328.15                      |
| - Tax adjustments for earlier years (current tax)                    | <b>9.30</b>                 | (29.56)                     |
| <b>Profit after tax</b>                                              | <b>15,833.17</b>            | 13,269.05                   |
| Balance of profit from prior years                                   | <b>34,460.00</b>            | 28,430.05                   |
| Surplus available for appropriation                                  | <b>50,293.17</b>            | 41,699.10                   |
| <b>Appropriations:</b>                                               |                             |                             |
| Transfer to general reserve                                          | <b>5,000.00</b>             | 3,000.00                    |
| Final dividend proposed                                              | <b>4,038.63</b>             | 3,658.41                    |
| Tax on dividend                                                      | <b>686.36</b>               | 593.48                      |
| Reversal of excess provision of dividend                             | -                           | (12.79)                     |
| Balance carried to Balance Sheet                                     | <b>40,568.18</b>            | 34,460.00                   |
|                                                                      | <b>50,293.17</b>            | 41,699.10                   |

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 final dividend of Rs. 2.25 (225%) per equity share of Re.1 each for the financial year ended March 31, 2013. The same, if declared at this annual general meeting will be paid to those shareholders whose names stand registered in the register of members as on August 31, 2013. This dividend is tax free in the hands of the shareholders.

### 3. BUYBACK OF EQUITY SHARES

Pursuant to the approval of shareholders for buyback of its fully paid-up equity shares of Re. 1 each upto a quantity not exceeding 6,250,000 at a price not exceeding Rs. 110 per equity share vide postal ballot voting on August 17, 2012, the Company has bought back 2,087,432 equity shares of Re.1 each upto March 31, 2013 and all the shares bought back in the buyback offer upto March 31, 2013 have been extinguished as on date. Further 1,338,538 equity shares of Re.1 each were bought back as on date of this report.

### 4. BUSINESS REVIEW

The Indian Pharmaceutical Market grew by 11.9% to touch the market size of Rs. 70,529 crores, during the year ended March 31, 2013. Around 2,194 products were introduced during the year (Source: AIOCD PharmasofttechAWACS Private Limited).

The Indian Pharmaceutical Market is well poised for growth and is projected to grow at a Compounded Annual Growth Rate of 12% to 14%. Service oriented segments such as hospitals and medical insurance are slowly gaining prominence. The key drivers have been increase in household income level, increase in lifestyle related diseases, growing population, improving healthcare infrastructure, delivery systems, rapid urbanization and growth in the rural markets.

Pharma emerging markets such as China, Brazil, India & Russia to name a few, have a prominent role to play in the global pharmaceutical market. India is seen as the third largest pharma market in the world. This market is expected to further strengthen by more drugs going off patent by the year 2015.

The much awaited The National Pharmaceuticals Pricing Policy, 2012 (NPPP-2012) is notified by the Government. The policy aims at having a regulatory framework for pricing of 348 drugs, to ensure availability of essential drugs at reasonable prices.

As per the policy, all medicines and dosages specified in the National List of Essential Medicines, 2011 will be under price control. The Drugs (Prices Control) Order 2013 has been notified on May 15, 2013. The National Pharmaceuticals Pricing Policy, 2012 is expected to impact the logistics, sales and profitability of many pharmaceutical companies including yours. Your Company would be taking effective steps to reduce the impact of the same.

Compulsory licensing, patent oppositions and litigations, increasing regulations and compliances, infrastructure development and menace of counterfeit drugs are seen as major hurdles in the Industry.

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

**a. Marketing:**

Total revenue from operations of your Company has increased by 9.35% as compared to the last year. Your Company is ranked at 25th position, attaining a market share of 1.12% (Source: AIOCD Pharmasofttech AWACS Private Limited- Moving Annual Turnover- March 2013).

Your Company has initiated various steps to improve its performance. The same is witnessed by growth and profit, your Company has achieved, which is given under the head financial performance. The steps initiated are expected to yield results over a period of time and this year's performance is a beginning towards the above goal.

Your Company launched an extension of its well established ophthalmic brand "IOTIM-B", with unique drop assist application strips for the first time in Indian market. The above uniqueness of the brand will help your Company to regain its lost strong foothold in ophthalmology segment and will reinforce the world class quality standard products of the Company.

"ZIFI AZ", a brand extension product of your Company's flagship brand "ZIFI", has become the fastest growing brand in the antibiotic segment. Another extension to the brand "ZIFI", namely "ZIFI TURBO" has achieved the accolade of being *"The Best Launch of the Year 2012-13"*.

Your Company's paediatric segment was further strengthened by the introduction of a unique combination of calcium and phosphorous for healthy bones and teeth along with yummy peppermint and lemon flavour under the brand name "CALYUMM-P".

**b. Financial Performance:**

Your Company's profits have increased by 19.32%. Various steps initiated by the Company have started yielding results which is evident from current year's performance. Your Company continues its efforts to improve the performance through operational efficiencies and incremental business. Cost controls across all levels of functions are a continuous and ongoing exercise. The Company's internal control procedures are commensurate with the nature of its operations.

**c. Exports:**

The annual export turnover for the year ended March 31, 2013 was Rs. 9,541.05 lacs with a marginal growth of 9.88% as compared to the year ended March 31, 2012 which stood at Rs. 8,682.93 lacs. Although, FDC continues to supply APIs worldwide to its esteemed customers, the improved export performance resulted from sales of finished dosage forms mainly Oral Rehydration Salts range to Africa and Ophthalmic range to UK and US.

The Company's manufacturing facilities of Ophthalmic/ liquids/ powders and tablet dosage forms at Waluj and Goa are approved by international authorities namely US FDA and UK MHRA respectively. In view of the Company's core capabilities, number of opportunities in European and US markets are opening up, for out-licensing of dossiers/ANDA's/ DMF/COS.

**5. RESEARCH & DEVELOPMENT**

**a. Formulations:**

Your Company's main focus has been on development of value added drug products at affordable price and development of niche generic products for export to highly regulated markets of US and Europe. A state of art research facility for development and validation of nano-technology

based formulation has been made functional. Three nano-technology based products were developed for Ophthalmic and otic use. To protect the novel drug delivery technologies, both India and PCT applications were filed. Four generic products got approval from European regulatory agencies.

**b. Synthetics:**

Your Company's main focus is on the development of cost effective processes for generic APIs, based on patent expiry. A non infringing new process for Rupatadine Fumarate, an antihistamine and a PAF antagonist, to treat allergies was developed. The process was successfully transferred to Roha Pilot Plant where the process has been validated and commercialised.

Process developed at R&D for Olopatadine hydrochloride, antihistamine and mast cell stabilizer was transferred to the Roha plant where the process has been validated and commercialised.

**c. Nutraceuticals:**

Your Company's balanced ideal energy drink namely "ENERZAL" became the drink provider for the Mumbai Marathon 2013. Your Company is aggressively promoting this product through various sports events held across major metros of India. In addition, your Company has partnered with a local football club which scouts for talent in Mumbai schools wherein your Company aims to promote its product "ENERZAL".

**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, we are now awaiting a reply from Department of Biotechnology, granting us permission for going ahead with human clinical trials.

**6. PERSONNEL**

The overall industrial and employee relations remained healthy. Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Statement of Particulars of Employees) Rules, 1975, forms a part of this report. However, as

per the provisions of Section 219(1)(b)(iv) of the said Act, this report and the accounts are being sent to all shareholders excluding the particulars of employees under Section 217(2A). Any shareholder interested in obtaining a copy of the statement may write to the secretarial department at the corporate office of the Company.

**7. SOCIAL RESPONSIBILITIES**

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

**8. DIRECTORS**

In accordance with Article 60 of the Articles of Association and the relevant provisions of the Companies Act, 1956, Dr. Satish S. Ugrankar and Dr. Rahim H. Muljiani, retire by rotation at this annual general meeting and being eligible, offer themselves for re-appointment.

**9. DIRECTORS' RESPONSIBILITY STATEMENT**

Your directors confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed;
- b. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended March 31, 2013 and of the Statement of Profit and Loss for that period;
- c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors have prepared the annual accounts on a going concern basis.

**10. CORPORATE GOVERNANCE**

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

**11. AUDITORS**

The auditors of your Company S.R. Batliboi & Co. LLP (Formerly known as M/s. S.R. Batliboi & Co.) 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 A. Sevekari, Cost Auditor, to conduct the cost audit for any of the products covered under cost audit for the financial year ending March 31, 2014. 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 Anand Synthochem Limited has reported a loss of Rs.4.48 lacs.

Your Company's wholly owned subsidiary at US, namely FDC Inc., reported a loss of USD 1,517 (i.e. Profit of Rs.2.28 lacs on account of exchange gain on currency translation).

Your Company's wholly owned subsidiary at UK, namely FDC International Ltd., has reported a loss of £ 103,980 (Rs. 91.72 lacs).

Your Company's joint venture business at South Africa namely Fair Deal Corporation Pharmaceutical SA (Pty) Ltd., has reported a profit of ZAR 305,627 (i.e. Loss of Rs. 14.94 lacs on account of difference in rates taken for Stock & Deferred tax).

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

Also, as directed by the Central Government, annual accounts of the subsidiaries and the related detailed information will be made available to the holding and subsidiary company investors, on request and the same is available for inspection by the members at the registered office of the Company, between 10.00 a.m. to 12.00 noon on all days except Friday and holidays, till this annual general meeting and will also be placed before the said meeting.

Any shareholder interested in obtaining a copy of the annual accounts of the subsidiary companies may write to the secretarial department at the corporate office of the Company. The annual accounts of the individual subsidiary companies are also available on the Company's website - [www.fdcindia.com](http://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 24, 2013

**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, 2013.

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

- Use of LED Fixtures.
- Installation of Energy efficient Variable Refrigerent Flow (VRF) Inverter system for comfort air conditioning.
- Variable frequency drives are installed for HVAC applications.
- New energy efficient trane chiller is installed for process air conditioning.
- Old reciprocating air compressors have been replaced with energy efficient screw compressors.
- Evaporative cooling introduced for comfort air conditioning.

**b. Proposals for energy conservation**

- Old air conditioning units used for comfort air conditioning to be changed to energy efficient invertor air conditioners in phase manner at Plants.
- Installation of solar photovoltaic modules in phases at plants in Maharashtra.
- Old steam boiler with external furnace to be replaced with auto feed briquette fired boilers.
- Non lubricated reciprocating air compressors to be replaced with Aerzon oil free with water injected air compressors.

**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**

|                                        | 2012-2013   | 2011-2012  |
|----------------------------------------|-------------|------------|
| <b>1. Electricity</b>                  |             |            |
| a. Purchased unit (kwh)                | 17,169,903  | 15,479,512 |
| Total amount (Rs.)                     | 121,962,514 | 94,776,109 |
| Rate/unit (Rs.)                        | 7.10        | 6.12       |
| b. Own Generation                      |             |            |
| i. Through diesel generator unit (kwh) | 627,516     | 661,017    |
| Unit per litre of diesel oil (Rs.)     | 3.09        | 3.27       |
| Cost/unit (Rs.)                        | 14.36       | 13.22      |
| ii. Through steam turbine/generator    | NA          | NA         |
| <b>2. Coal</b>                         | NA          | NA         |
| <b>3. Furnace Oil</b>                  |             |            |
| Quantity (Kilo litre)                  | 305         | 362        |
| Total cost (Rs.)                       | 14,698,183  | 15,970,504 |
| Rate/unit (Rs.)                        | 48.19       | 44.12      |
| <b>4. Bagasse</b>                      |             |            |
| Quantity (Kgs)                         | 2,628,002   | 2,743,973  |
| Total Cost (Rs.)                       | 13,420,359  | 13,590,957 |
| Rate/unit (Rs.)                        | 5.11        | 4.95       |
| <b>5. Others/Internal Generation</b>   | NA          | NA         |

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

- Development of Generic APIs and their intermediates.
- Development processes to synthesize enantio pure drugs.
- Process development and improvement for the existing range of products such as Latanoprost and Flurbiprofen.
- Synthesis of new chemical entities and lead compounds.

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

- Cost and time reduction.
- Improvement in quality and yield.
- Environment friendly coating system for products.

**c. Future plan of action**

- Improvement in quality of products.
- Development of APIs based on patent expiry.
- To file process and product patents.

**d. Expenditure on R&D**

|                                                             | 2012-2013<br>Rupees in lacs | 2011-2012<br>Rupees in lacs |
|-------------------------------------------------------------|-----------------------------|-----------------------------|
| i. Capital                                                  | 202.84*                     | 443.61*                     |
| ii. Recurring                                               | 2,082.45                    | 1,599.04                    |
| iii. Total                                                  | <u>2,285.29</u>             | <u>2,042.65</u>             |
| iv. Total R&D expenditure as a percentage of total turnover | 2.94%                       | 2.88%                       |

\*Including C.W.I.P.

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

- Development of non infringing process for synthesis of Rupatadine Fumarate has been completed and successfully transferred to Roha pilot plant and commercialised.
- Topical drug delivery for dermal disorders.

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

- Product development and cost competitiveness.

**c. Information regarding imported technology (imported during the last 5 years reckoned from the beginning of the financial year) – None****C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

FDC's foreign exchange earnings stood at Rs. 9,516.07 lacs for the year 2012-2013 against Rs. 8,445.81 lacs in 2011-2012. The Company is continuously exploring possibilities of exporting more of its products to different markets.

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

|             | 2012-2013<br>Rupees in lacs | 2011-2012<br>Rupees in lacs |
|-------------|-----------------------------|-----------------------------|
| i. Earnings | 9,516.07                    | 8,445.81                    |
| ii. Outgo   | 3,474.37                    | 3,103.82                    |

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

For and on behalf of the board

Place: Mumbai  
Date : May 24, 2013

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

## CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

### 2. BOARD OF DIRECTORS

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

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

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

During the year under review, five board meetings were held on May 26, 2012, June 08, 2012, August 04, 2012, November 05, 2012 and February 02, 2013. The last AGM of the Company was held on August 17, 2012.

The gap between any two meetings did not exceed four months.

Attendance of each director at board meetings and last AGM.

| Name of the director       | No. of board meetings attended | Attendance at the last AGM |
|----------------------------|--------------------------------|----------------------------|
| Mr. Mohan A. Chandavarkar  | 5                              | Present                    |
| Mr. Ashok A. Chandavarkar  | 5                              | Present                    |
| Mr. Nandan M. Chandavarkar | 5                              | Present                    |
| Mr. Ameya A. Chandavarkar  | 4                              | Present                    |
| CA Girish C. Sharedalal    | 5                              | Present                    |
| Dr. Satish S. Ugrankar     | 4                              | Present                    |
| Dr. Rahim H. Muljiani      | 5                              | Present                    |
| Dr. Nagam H. Atthreya      | 3                              | Absent                     |
| Mr. Vinod G. Yennemadi     | 4                              | 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    | 2                                                | 1                | 1        |
| Dr. Satish S. Ugrankar     | Nil                                              | Nil              | Nil      |
| Dr. Rahim H. Muljiani      | Nil                                              | Nil              | Nil      |
| Dr. Nagam H. Atthreya      | 1                                                | 1                | Nil      |
| Mr. Vinod G. Yennemadi     | Nil                                              | Nil              | Nil      |

\* The listing above excludes private & foreign companies.

### d. Code of Conduct

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

All board members and the senior management personnel of the Company have affirmed compliance with the code of conduct for the year ended March 31, 2013. The said code is posted on the website of the Company- [www.fdcindia.com](http://www.fdcindia.com).

Place: Mumbai  
Date : May 24, 2013

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

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

#### i. Dr. Satish S. Ugrankar

Dr. Satish 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. Rahim H. Muljiani

Dr. Rahim 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. Dr. Muljiani is the member of the Company's Audit

Committee and Investor Grievance Committee. He is not holding directorship in any other Company, neither 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 ensuring that financial, accounting activities and operating controls are exercised as per the laid down policies and procedures. The financial results of every quarter are reviewed by the committee before being placed before the board of directors for its approval. The Company has set up an internal audit team, which reviews the functions and operations of the Company and submits its report to the audit committee. The statutory auditors are regular invitees to the audit committee meetings.

#### b. Constitution of the Committee

The committee comprises of four independent non executive directors and one executive director. The said committee functions under the chairmanship of CA Girish C. Sharedalal, who is a chartered accountant by profession and has considerable accounting and financial management expertise. Dr. Rahim H. Muljiani, Dr. Nagam H. Atthreya, Mr. Vinod G. Yennemadi and Mr. Mohan A. Chandavarkar 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, four audit committee meetings were held on May 26, 2012, August 04, 2012, November 05, 2012 and February 02, 2013.

The attendance of members at the meetings was as follows:

| Name of the member attended | Status   | No. of meetings |
|-----------------------------|----------|-----------------|
| CA Girish C. Sharedalal     | Chairman | 4               |
| Dr. Rahim H. Muljiani       | Member   | 4               |
| Dr. Nagam H. Atthreya       | Member   | 2               |
| Mr. Vinod G. Yennemadi      | Member   | 3               |
| Mr. Mohan A. Chandavarkar   | Member   | 3               |

### 4. REMUNERATION TO DIRECTORS

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

| Name of the director       | Salaries (Rs.) | Perquisites (Rs.) | Benefits (Rs.) | Commission (Rs.) |
|----------------------------|----------------|-------------------|----------------|------------------|
| Mr. Mohan A. Chandavarkar  | 3,897,600      | 44,787            | 657,720        | 8,839,381        |
| Mr. Ashok A. Chandavarkar  | 3,259,200      | 221,833           | 549,990        | 7,071,505        |
| Mr. Nandan M. Chandavarkar | 4,008,000      | 218,620           | 676,350        | 7,071,505        |
| Mr. Aameya A. Chandavarkar | 3,112,000      | 72,081            | 525,150        | 4,419,690        |

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

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

#### b. Details of remuneration paid to non executive directors for the year under review:

| Name of the director     | Commission (Rs.) | Sitting fees (Rs.) | Audit committee fees (Rs.) |
|--------------------------|------------------|--------------------|----------------------------|
| #CA Girish C. Sharedalal | 1,325,907        | 75,000             | 80,000                     |
| Dr. Satish S. Ugrankar   | 200,000          | 60,000             | NA                         |
| #Dr. Rahim H. Muljiani   | 200,000          | 75,000             | 80,000                     |
| #Dr. Nagam H. Atthreya   | 200,000          | 45,000             | 40,000                     |
| #Mr. Vinod G. Yennemadi  | 200,000          | 60,000             | 60,000                     |

# Members of the audit committee.

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

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

| Name of the Director    | No. of shares |
|-------------------------|---------------|
| CA Girish C. Sharedalal | 10,000        |
| Dr. Satish S. Ugrankar  | 471,990       |
| Dr. Rahim H. Muljiani   | 4,000         |
| Dr. Nagam H. Atthreya   | Nil           |
| Mr. Vinod G. Yennemadi  | 13,975        |

## 5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

### a. Composition of the Committee

The Committee functions under the chairmanship of Dr. Rahim H. Muljani, 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 30, 2013. All the members of the committee attended the above meeting.

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

Ms. Shalini Kamath  
Company Secretary

### c. Number of complaints received and resolved

During the year under review, the Company received forty five complaints from shareholders. All the complaints have been resolved to the satisfaction of the shareholders. There were no applications for transfers pending as on March 31, 2013. In order to expedite the process of transfers of shares, the board has delegated the power to approve share transfers to the share transfer committee set up by the board of directors.

## 6. GENERAL BODY MEETINGS

### a. Location and time of the last three AGMs:

| Financial year | Location                                                                       | Date               | Time       | No. of special resolutions passed |
|----------------|--------------------------------------------------------------------------------|--------------------|------------|-----------------------------------|
| 2009-10        | WelcomHotel Rama International R-3, Chikalthana Aurangabad 431 210 Maharashtra | August 21, 2010    | 10.00 a.m. | Nil                               |
| 2010-11        | WelcomHotel Rama International R-3, Chikalthana Aurangabad 431 210 Maharashtra | September 24, 2011 | 10.00 a.m. | One                               |
| 2011-12        | WelcomHotel Rama International R-3, Chikalthana Aurangabad 431 210 Maharashtra | August 17, 2012    | 10.00 a.m. | Three                             |

### b. Resolutions passed through postal ballot:

During the year, One special resolution as proposed in postal ballot notice dated June 08, 2012 was passed on August 17, 2012. The resolution was passed with requisite majority as mentioned hereinafter:

| Sr. No. | Particulars of Special Resolution                                                                                                                                                                                                                                                                              | Voting pattern |         | Remarks                        |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------|--------------------------------|
|         |                                                                                                                                                                                                                                                                                                                | For            | Against |                                |
| 1.      | The buyback of equity shares of Re. 1 each, fully paid-up, not exceeding 6,250,000 equity shares (Maximum Offer Shares) at a price not exceeding Rs. 110 per equity share, (Maximum Offer Price) and upto a maximum limit of Rs. 5,000 lacs (Maximum Offer Size) from the open market through stock exchanges. | 99.79%         | 0.21%   | Passed with requisite majority |

### 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 three years there have been no instances of non compliance by the Company with the requirements of the stock exchanges, Securities and Exchange Board of India ('SEBI') or any other statutory authority on any matter related to capital markets.

- 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 any one English and Marathi newspaper:
  - Economic Times (English)
  - Maharashtra Times (Marathi)
  - Business Standard (English)
  - Sakal (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.

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

**9. GENERAL SHAREHOLDER INFORMATION****a. Annual General Meeting**

Date : August 31, 2013  
 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, 2013                     | First week of August, 2013   |
| Unaudited results of the second quarter and half year ending September 30, 2013 | First week of November, 2013 |
| Unaudited results of the third quarter and nine months ending December 31, 2013 | First week of February, 2014 |
| Audited results for the year ending March 31, 2014                              | Last week of May, 2014       |

**c. Dates of book closure**

August 22, 2013 to August 31, 2013  
 (both days inclusive)

**d. Dividend payment date**

Latest by September 25, 2013

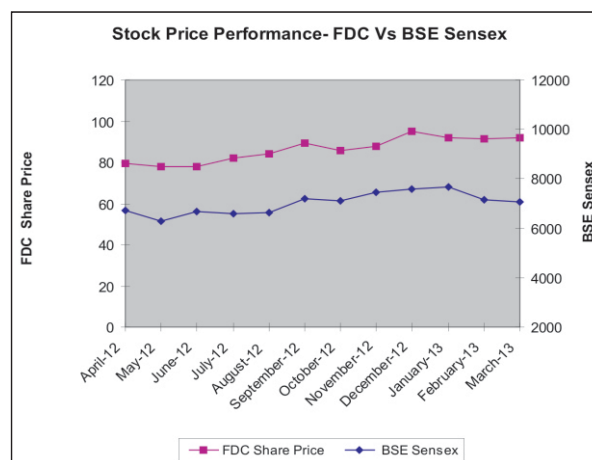
**e. Stock Exchanges where listed**

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

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

| Month           | BSE    |       | NSE    |       |
|-----------------|--------|-------|--------|-------|
|                 | High   | Low   | High   | Low   |
| April, 2012     | 84.65  | 77.15 | 85.00  | 77.00 |
| May, 2012       | 92.50  | 75.00 | 92.50  | 74.90 |
| June, 2012      | 81.45  | 76.70 | 81.40  | 75.50 |
| July, 2012      | 84.90  | 76.75 | 85.90  | 76.55 |
| August, 2012    | 94.75  | 78.00 | 95.45  | 81.50 |
| September, 2012 | 95.65  | 84.00 | 95.60  | 84.00 |
| October, 2012   | 89.50  | 84.05 | 90.00  | 83.25 |
| November, 2012  | 92.10  | 82.55 | 92.00  | 83.05 |
| December, 2012  | 105.95 | 86.15 | 104.40 | 84.95 |
| January, 2013   | 97.10  | 90.25 | 97.30  | 90.20 |
| February, 2013  | 104.50 | 90.50 | 93.95  | 90.50 |
| March, 2013     | 96.00  | 88.00 | 94.75  | 87.70 |

(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 fifteen days inter-alia for approving the transfer of shares. The formalities for transfer of shares in the physical form are completed and the share certificates are dispatched to the transferee within fifteen days of receipt of transfer documents, provided the documents are complete and the shares under transfer are not under dispute. If however, the transfer documents are not in order, objections are communicated to the transferee within fifteen days from the date of receipt of the transfer documents.

**k. Shareholding Pattern as on March 31, 2013**

| Category                                                                                                        | No. of Shares       | % holding     |
|-----------------------------------------------------------------------------------------------------------------|---------------------|---------------|
| Promoters & Promoters Group                                                                                     | 122,504,656         | 67.60         |
| Mutual Funds, Banks, Insurance Companies, Venture Capital Funds and Central/ State Govt. Institutions and NRI's | 12,695,126          | 7.00          |
| Foreign Institutional Investors                                                                                 | 8,232,315           | 4.54          |
| Private Corporate Bodies                                                                                        | 4,993,820           | 2.76          |
| Indian Public                                                                                                   | 30,652,576          | 16.91         |
| Others                                                                                                          | 2,152,624           | 1.19          |
| <b>Total</b>                                                                                                    | <b>181,231,117*</b> | <b>100.00</b> |

- \* Total Number of equity shares includes 398,122 shares bought back as on March 31, 2013 and extinguished subsequently in April' 2013.

#### Distribution of Shareholding as on March 31, 2013

| Equity shares of face value of Re. 1 each | Shareholders  |               | Equity shares      |               |
|-------------------------------------------|---------------|---------------|--------------------|---------------|
|                                           | Number        | % of total    | Number             | % to total    |
| Upto 5,000                                | 24,780        | 97.47         | 11,746,409         | 6.48          |
| 5,001 to 10,000                           | 380           | 1.50          | 2,821,513          | 1.56          |
| 10,001 to 20,000                          | 104           | 0.41          | 1,526,199          | 0.84          |
| 20,001 to 30,000                          | 29            | 0.11          | 717,774            | 0.40          |
| 30,001 to 40,000                          | 24            | 0.09          | 854,709            | 0.47          |
| 40,001 to 50,000                          | 12            | 0.05          | 562,530            | 0.31          |
| 50,001 to 1,00,000                        | 18            | 0.07          | 1,342,759          | 0.74          |
| Above 1,00,001                            | 75            | 0.30          | 161,659,224        | 89.20         |
| <b>Total</b>                              | <b>25,422</b> | <b>100.00</b> | <b>181,231,117</b> | <b>100.00</b> |

#### I. Dematerialisation of shares and liquidity

The shares of the Company are in the compulsory demat segment and are available in the depository system both in National Security Depository Limited ('NSDL') and

Central Depository Services (India) Limited ('CDSL'). As on March 31, 2013, 176,542,400 equity shares of face value of Re.1 each, aggregating to 97.41 % of the total number of fully paid-up 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.

**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, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

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

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

**For S.R. BATLIBOI & CO. LLP**  
Firm Registration number: 301003E  
Chartered Accountants

Place : Mumbai  
Date : May 24, 2013

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

## AUDITOR'S REPORT

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### Independent Auditor's Report To the Members of FDC Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of FDC Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

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

- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (e) On the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For S.R. BATLIBOI & CO. LLP**

Chartered Accountants

Firm Registration Number: 301003E

per **VIJAY MANIAR**

Partner

Membership Number: 36738

Place : Mumbai

Date : May 24, 2013

**Annexure referred to in our report of even date**

Re: FDC Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management in a phased periodical manner as per regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not taken/ granted any loans, secured or unsecured from/ to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(iii) (a) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and read with the explanations given to us, certain items of inventory that are purchased from strategic vendors and accordingly, Company does not obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) 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 Act, related to the manufacture of Formulation and Bulk drugs and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases.*
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

| Name of Statute<br>(Nature of Dues)                                                                                                | Period to which the<br>amount relates | Forum where dispute is pending                 | * Amount<br>(Rs. in lacs) |
|------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|------------------------------------------------|---------------------------|
| Gujarat Sales Tax Act/ Uttar Pradesh Sales Tax Act/ West Bengal Sales Tax Act/ Maharashtra Sales Tax Act (Tax / Penalty/ Interest) | Apr 2002 - Mar 2003                   | Sales Tax Appellate Tribunal                   | 61.14                     |
|                                                                                                                                    | Apr 2003 - Mar 2004                   | Sales Tax Appellate Tribunal                   | 13.15                     |
|                                                                                                                                    | Apr 2005 - Mar 2006                   | Sales Tax Appellate Tribunal                   | 27.43                     |
|                                                                                                                                    | Apr 2006 - Mar 2007                   | Joint Commissioner (Appeals)                   | 1.18                      |
|                                                                                                                                    | Apr 2006 - Mar 2007                   | Sales Tax Appellate Tribunal                   | 4.80                      |
|                                                                                                                                    | Apr 2007 - Mar 2008                   | Sales Tax Appellate Tribunal                   | 2.00                      |
|                                                                                                                                    | Apr 2008 - Mar 2009                   | Sales Tax Appellate Tribunal                   | 76.85                     |
|                                                                                                                                    | Apr 2008 - Mar 2009                   | Joint Commissioner (Appeals)                   | 2.10                      |
|                                                                                                                                    | Apr 2009 - Mar 2010                   | Sales Tax Appellate Tribunal                   | 3.37                      |
|                                                                                                                                    | Apr 2010 - Mar 2011                   | Sales Tax Appellate Tribunal                   | 1.28                      |
|                                                                                                                                    | <b>(I) Total</b>                      |                                                | <b>193.30</b>             |
| Central Excise Act/ Service Tax (Duty/Penalty / Interest)                                                                          | Oct 2000 - Nov 2001                   | Custom Excise & Service tax Appellate Tribunal | 54.79                     |
|                                                                                                                                    | Nov 2002 - Jun 2003                   | Custom Excise & Service tax Appellate Tribunal | 30.66                     |
|                                                                                                                                    | Dec 2003 - Oct 2004                   | Custom Excise & Service tax Appellate Tribunal | 80.16                     |
|                                                                                                                                    | Apr 2004 - Mar 2005                   | Custom Excise & Service tax Appellate Tribunal | 2.00                      |
|                                                                                                                                    | Apr 2005 - Sep 2006                   | Custom Excise & Service tax Appellate Tribunal | 28.56                     |
|                                                                                                                                    | <b>Sub-total (a)</b>                  |                                                | <b>196.17</b>             |
|                                                                                                                                    | Apr 2000 - Dec 2001                   | Assistant Commissioner of Central Excise       | 8.42                      |
|                                                                                                                                    | Apr 2005 - Sep 2005                   | Assistant Commissioner of Service Tax          | 22.95                     |
|                                                                                                                                    | Apr 2007 - Mar 2008                   | Commissioner of Central Excise (Appeal)        | 3.71                      |
|                                                                                                                                    | <b>Sub-total (b)</b>                  |                                                | <b>35.08</b>              |
|                                                                                                                                    | <b>(II) Total (a+b)</b>               |                                                | <b>231.25</b>             |
| <b>Total (I + II)</b>                                                                                                              |                                       |                                                | <b>424.55</b>             |

\* disclosed as contingent liability in the financial statements.

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, the Company did not have any outstanding dues in respect of a financial institution, bank or debenture holders during the year.
- (xii) Based on our examination of documents and records, we are of the opinion that the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause for (xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised money through public issues during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For S.R. BATLIBOI & CO. LLP**

Chartered Accountants

Firm Registration No. 301003E

**per VIJAY MANIAR**

Partner

Membership No.:36738

Place : Mumbai

Date : May 24, 2013

## BALANCE SHEET AS AT 31ST MARCH 2013

| PARTICULARS                        | Note No. | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs |
|------------------------------------|----------|-----------------------------------|-----------------------------------|
| <b>I. EQUITY AND LIABILITIES</b>   |          |                                   |                                   |
| <b>1 Shareholders' funds</b>       |          |                                   |                                   |
| (a) Share capital                  | 2        | 1,816.19                          | 1,837.06                          |
| (b) Reserves and surplus           | 3        | 76,154.37                         | 66,966.75                         |
|                                    |          | <u>77,970.56</u>                  | <u>68,803.81</u>                  |
| <b>2 Non-current liabilities</b>   |          |                                   |                                   |
| (a) Long-term borrowings           | 4        | 124.47                            | 145.41                            |
| (b) Deferred tax liabilities (net) | 5        | 3,002.39                          | 2,839.24                          |
|                                    |          | <u>3,126.86</u>                   | <u>2,984.65</u>                   |
| <b>3 Current liabilities</b>       |          |                                   |                                   |
| (a) Trade payables                 | 7        | 5,975.55                          | 5,644.65                          |
| (b) Other current liabilities      | 7        | 3,542.22                          | 2,941.39                          |
| (c) Short-term provisions          | 6        | 5,243.74                          | 4,737.03                          |
|                                    |          | <u>14,761.51</u>                  | <u>13,323.07</u>                  |
| <b>TOTAL</b>                       |          | <u><u>95,858.93</u></u>           | <u><u>85,111.53</u></u>           |
| <b>II. ASSETS</b>                  |          |                                   |                                   |
| <b>1 Non-current assets</b>        |          |                                   |                                   |
| (a) Fixed assets                   | 8        |                                   |                                   |
| (i) Tangible assets                |          | 27,341.03                         | 27,632.43                         |
| (ii) Intangible assets             |          | 314.45                            | 369.73                            |
| (iii) Capital work-in-progress     |          |                                   |                                   |
| Tangible assets                    |          | 722.43                            | 701.31                            |
| Intangible assets                  |          | -                                 | 370.59                            |
| (b) Non-current investments        | 9        | 25,154.51                         | 10,259.28                         |
| (c) Long-term loans and advances   | 10       | 1,662.31                          | 1,764.56                          |
| (d) Other non-current assets       | 15       | 51.65                             | 95.86                             |
|                                    |          | <u>55,246.38</u>                  | <u>41,193.76</u>                  |
| <b>2 Current assets</b>            |          |                                   |                                   |
| (a) Current investments            | 11       | 17,090.96                         | 24,392.17                         |
| (b) Inventories                    | 12       | 9,744.55                          | 10,102.53                         |
| (c) Trade receivables              | 13       | 4,476.49                          | 4,069.17                          |
| (d) Cash and bank balances         | 14       | 3,490.27                          | 1,342.33                          |
| (e) Short-term loans and advances  | 10       | 4,907.93                          | 3,523.76                          |
| (f) Other current assets           | 15       | 902.35                            | 487.81                            |
|                                    |          | <u>40,612.55</u>                  | <u>43,917.77</u>                  |
| <b>TOTAL</b>                       |          | <u><u>95,858.93</u></u>           | <u><u>85,111.53</u></u>           |

Significant accounting policies

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

1

2 to 41

As per our report of even date

For S.R. BATLIBOI &amp; CO. LLP

Chartered Accountants

Firm Registration No. 301003E

For and on behalf of the Board of Directors

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

per VIJAY MANIAR

Partner

Membership No. 36738

SHALINI KAMATH

Company Secretary

Place : Mumbai

Date : May 24, 2013

Place : Mumbai

Date : May 24, 2013

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

| PARTICULARS |                                                                               | Note No. | 2012-2013<br>Rupees in lacs | 2011-2012<br>Rupees in lacs |
|-------------|-------------------------------------------------------------------------------|----------|-----------------------------|-----------------------------|
| I.          | Revenue from operations (gross)                                               | 16       | 78,027.62                   | 71,171.95                   |
|             | Less: Excise duty                                                             |          | 1,568.11                    | 1,247.79                    |
|             | Revenue from operations (net)                                                 |          | 76,459.51                   | 69,924.16                   |
| II.         | Other income                                                                  | 17       | 4,756.08                    | 2,782.00                    |
| III.        | <b>Total Revenue (I + II)</b>                                                 |          | <b>81,215.59</b>            | <b>72,706.16</b>            |
| IV.         | <b>Expenses:</b>                                                              |          |                             |                             |
|             | Cost of materials consumed                                                    | 18       | 21,000.50                   | 20,193.11                   |
|             | Purchases of stock-in-trade                                                   | 19       | 8,652.39                    | 8,848.99                    |
|             | Changes in inventories of finished goods/ stock-in-trade and work-in-progress | 20       | 746.60                      | (1,083.96)                  |
|             | Employee benefits expense                                                     | 21       | 10,640.35                   | 9,827.04                    |
|             | Finance costs                                                                 | 22       | 151.05                      | 132.35                      |
|             | Depreciation and amortisation expense                                         | 8        | 2,759.21                    | 1,813.02                    |
|             | Less: Recoupment from revaluation reserve                                     | 3        | 8.02                        | 8.02                        |
|             |                                                                               |          | 2,751.19                    | 1,805.00                    |
|             | Other expenses                                                                | 23       | 17,167.89                   | 15,965.99                   |
|             | <b>Total expenses</b>                                                         |          | <b>61,109.97</b>            | <b>55,688.52</b>            |
| V.          | <b>Profit before tax (III- IV)</b>                                            |          | <b>20,105.62</b>            | <b>17,017.64</b>            |
| VI.         | <b>Tax expense:</b>                                                           |          |                             |                             |
|             | (1) Current tax                                                               |          | 4,100.00                    | 3,450.00                    |
|             | (2) Deferred tax                                                              |          | 163.15                      | 328.15                      |
|             | (3) Tax adjustments for earlier years - Current tax                           |          | 9.30                        | (29.56)                     |
|             | <b>Total tax expense</b>                                                      |          | <b>4,272.45</b>             | <b>3,748.59</b>             |
| VII.        | <b>Profit for the year (V - VI)</b>                                           |          | <b>15,833.17</b>            | <b>13,269.05</b>            |
| VIII.       | Earnings per equity share:                                                    | 24       |                             |                             |
|             | Par value Re.1 per share (Previous year - Re.1 per share)                     |          |                             |                             |
|             | (1) Basic (Rs.)                                                               |          | 8.68                        | 7.22                        |
|             | (2) Diluted (Rs.)                                                             |          | 8.68                        | 7.22                        |

Significant accounting policies

1

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

2 to 41

As per our report of even date

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

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR  
Chairman and Managing Director

ASHOK A. CHANDAVARKAR  
Director

per VIJAY MANIAR  
Partner  
Membership No. 36738

SHALINI KAMATH  
Company Secretary

Place : Mumbai  
Date : May 24, 2013

Place : Mumbai  
Date : May 24, 2013

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

| PARTICULARS                                                             | 2012-2013<br>Rupees in lacs | 2011-2012<br>Rupees in lacs |
|-------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                             |                             |                             |
| <b>NET PROFIT BEFORE TAXATION</b>                                       | <b>20,105.62</b>            | <b>17,017.64</b>            |
| Non-cash adjustments to reconcile profit before tax to net cash flows:  |                             |                             |
| Depreciation and amortisation                                           | 2,751.19                    | 1,805.00                    |
| Interest expense                                                        | 104.01                      | 102.93                      |
| Premium income on Non Convertible Debentures                            | (45.44)                     | (128.67)                    |
| Interest income                                                         | (1,330.04)                  | (721.70)                    |
| (Profit)/ loss on fixed assets sold/ scrapped (net)                     | (19.98)                     | 77.81                       |
| Amortisation of premium on Non Convertible Debentures/ Bonds            | 14.43                       | 20.33                       |
| Dividend income                                                         | (228.29)                    | (629.74)                    |
| Provision for diminution in value of current investments                | 4.77                        | 192.42                      |
| Profit on sale of investments (net)                                     | (2,534.24)                  | (882.89)                    |
| Unrealised foreign exchange loss/ (gain) on restatement                 | 36.26                       | (58.28)                     |
| Provision for doubtful debts                                            | -                           | 9.36                        |
| Provision for expenses no longer required, written back                 | (93.42)                     | (57.91)                     |
| Provision for doubtful debts/ advances no longer required, written back | (11.11)                     | (14.82)                     |
| Provision for diminution in value of current investments, written back  | (313.33)                    | (13.79)                     |
| <b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>                  | <b>18,440.43</b>            | <b>16,717.69</b>            |
| Movements in Working Capital:                                           |                             |                             |
| Increase in trade receivables                                           | (404.60)                    | (77.80)                     |
| Decrease/ (Increase) in inventories                                     | 357.98                      | (517.18)                    |
| Increase/ (Decrease) in loans & advances and other current assets       | (708.55)                    | 252.58                      |
| Increase in trade payables and other current liabilities                | 942.37                      | 1,178.93                    |
| (Decrease)/ Increase in provisions                                      | (1.16)                      | 85.92                       |
| <b>CASH GENERATED FROM OPERATIONS</b>                                   | <b>18,626.47</b>            | <b>17,640.14</b>            |
| Direct taxes paid (net of refunds)                                      | (3,721.53)                  | (3,387.01)                  |
| <b>NET CASH FROM OPERATING ACTIVITIES (A)</b>                           | <b>14,904.94</b>            | <b>14,253.13</b>            |
| <b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>                          |                             |                             |
| Purchase of fixed assets, including CWIP and capital advances           | (2,339.21)                  | (2,926.09)                  |
| Proceeds from sale of fixed assets                                      | 90.92                       | 58.60                       |
| Inter-corporate deposits given                                          | (1,000.00)                  | (1,000.00)                  |
| Repayment of inter corporate deposit given                              | 1,000.00                    | 1,900.00                    |
| Investments in bank deposits (net)                                      | (3,145.53)                  | -                           |
| Decrease in fixed and margin deposits                                   | 5.40                        | 12.24                       |
| Loan given to subsidiary company                                        | -                           | (38.42)                     |
| Purchase of investments in Subsidiary                                   | -                           | (606.16)                    |
| Purchase of investments                                                 | (45,165.26)                 | (54,811.03)                 |
| Proceeds from sale of investments                                       | 38,342.86                   | 45,389.86                   |
| Premium paid on Non Convertible Debentures purchase/ Bonds              | (6.54)                      | (58.56)                     |
| Dividend received                                                       | 228.29                      | 635.29                      |
| Interest/ premium received                                              | 1,481.56                    | 582.42                      |
| <b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>                        | <b>(10,507.51)</b>          | <b>(10,861.85)</b>          |
| <b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>                          |                             |                             |
| Receipt of capital subsidy                                              | -                           | 30.00                       |
| Repayment of deferred sales tax loan                                    | (27.75)                     | (33.40)                     |
| Payment towards buy back of shares                                      | (1,933.41)                  | (1,460.87)                  |
| Dividend paid                                                           | (3,658.41)                  | (3,677.21)                  |
| Dividend tax paid                                                       | (593.48)                    | (597.02)                    |
| Interest paid                                                           | (14.82)                     | (27.31)                     |
| <b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>                        | <b>(6,227.87)</b>           | <b>(5,765.81)</b>           |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>            | <b>(1,830.44)</b>           | <b>(2,374.53)</b>           |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>           | <b>2,087.33</b>             | <b>4,461.86</b>             |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>                 | <b>256.89</b>               | <b>2,087.33</b>             |
| (Refer Note 1 below)                                                    |                             |                             |

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013****Notes to the Cash Flow Statement**

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

| <b>PARTICULARS</b>                                                           | <b>31st March 2013<br/>Rupees in lacs</b> | <b>31st March 2012<br/>Rupees in lacs</b> |
|------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Cash on hand                                                                 | <b>15.66</b>                              | 15.94                                     |
| Balance with scheduled banks:                                                |                                           |                                           |
| In current accounts                                                          | <b>192.07</b>                             | 1,235.51                                  |
| In unpaid dividend accounts (Refer Note 2 below)                             | <b>93.13</b>                              | 82.06                                     |
| Short term investments in mutual funds                                       | -                                         | 800.00                                    |
| Unrealised foreign exchange gain on restatement of cash and cash equivalents | <b>(43.97)</b>                            | (46.18)                                   |
|                                                                              | <b>256.89</b>                             | 2,087.33                                  |

2. Rs. 93.13 lacs (Previous year - Rs. 82.06 lacs) in unclaimed dividend accounts are not available for use by the Company as they represent corresponding dividend liabilities.

As per our report of even date

**For S.R. BATLIBOI & CO. LLP**

Chartered Accountants

Firm Registration No. 301003E

For and on behalf of the Board of Directors

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

**ASHOK A. CHANDAVARKAR**  
Director

**per VIJAY MANIAR**

Partner

Membership No. 36738

**SHALINI KAMATH**

Company Secretary

Place: Mumbai

Date : May 24, 2013

Place: Mumbai

Date : May 24, 2013

## 1. SIGNIFICANT ACCOUNTING POLICIES

### a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, except for certain fixed assets, which were revalued on 30th September 1993 (Refer Note No. c below) and in case of assets where a provision is made for impairment losses, on accrual basis and are in accordance with the requirements of the Companies Act, 1956 and comply with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

### b. USE OF ESTIMATES

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

### c. TANGIBLE FIXED ASSETS

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

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

### d. DEPRECIATION/AMORTISATION/IMPAIRMENT

Depreciation on the historical cost of tangible fixed assets is provided on straight line method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956 except for the below mentioned assets where higher rates are considered based on the useful life of the assets as estimated by the management:

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

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

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of the money and risks specific to the assets.

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

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

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

Leasehold land/ improvements are amortised on a straight line basis over the period of lease ranging from 30 to 99 years.

**e. INTANGIBLE ASSETS***Technical know-how*

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

*Marketing Rights and Software*

Cost relating to marketing rights and software, which are acquired, are capitalized and amortised over the period of its estimated useful life as estimated by the management on a straight line basis, not exceeding ten years.

**f. INVESTMENTS**

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

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

**g. INVENTORIES**

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

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

**h. REVENUE RECOGNITION**

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

Revenue from sale of goods is recognised when significant risks and rewards of ownership are transferred to customers, which coincides with dispatch of goods to customers. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of the liability arising during the year.

Dividend is recognised when the Company's right to receive the payment is established by the balance sheet date.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

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

**i. FOREIGN CURRENCY TRANSLATION/ TRANSACTIONS**

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

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

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

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

#### **j. GOVERNMENT GRANTS**

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

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

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

#### **k. EMPLOYEE BENEFITS**

Company's contribution to recognised provident fund, family pension fund and superannuation fund is defined contribution plan and is charged to the Statement of Profit and Loss on accrual basis. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. There are no other obligations other than the contribution payable to the respective trusts.

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

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

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

#### **l. RESEARCH AND DEVELOPMENT**

Revenue expenditure is charged off to Statement of Profit and Loss in the year in which it is incurred.

#### **m. LEASE ACCOUNTING**

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

#### **n. EARNING PER SHARE**

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

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

#### **o. ACCOUNTING FOR TAXES ON INCOME**

Tax expense comprises of current and deferred tax. Provision for current tax is made, based on the tax payable under the Income-tax Act, 1961. Deferred tax assets and liabilities from timing differences between taxable income and accounting income is accounted for using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date.

At each balance sheet date, the Company reassesses unrecognised deferred tax assets. Deferred tax assets are recognised only to the extent that there is a reasonable certainty of their realisation. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

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

**p. PROVISIONS AND CONTINGENCIES**

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

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

**q. CASH AND CASH EQUIVALENTS**

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

## 2. Share capital

|                                                                                      | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs |
|--------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Authorised Shares</b>                                                             |                                   |                                   |
| 250,000,000 (Previous year - 250,000,000) Equity shares of Re. 1 each                | <u>2,500.00</u>                   | <u>2,500.00</u>                   |
| <b>Issued Shares</b>                                                                 |                                   |                                   |
| 183,977,995 (Previous year - 186,065,427) Equity shares of Re. 1 each, fully paid-up | <u>1,839.78</u>                   | <u>1,860.65</u>                   |
| <b>Subscribed and Paid-up Shares</b>                                                 |                                   |                                   |
| 180,832,995 (Previous year - 182,920,427) Equity shares of Re. 1 each, fully paid-up | <u>1,808.33</u>                   | <u>1,829.20</u>                   |
| Add: 3,145,000 (Previous year - 3,145,000) Equity shares forfeited                   | <u>7.86</u>                       | <u>7.86</u>                       |
| <b>Total</b>                                                                         | <u>1,816.19</u>                   | <u>1,837.06</u>                   |

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

|                                             | 31st March 2013 |                 | 31st March 2012 |                 |
|---------------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                             | No. in lacs     | Rupees in lacs  | No. in lacs     | Rupees in lacs  |
| At the beginning of the period              | 1,829.20        | 1,829.20        | 1,845.70        | 1,845.70        |
| Less: Buy back during the period            | 20.87           | 20.87           | 16.50           | 16.50           |
| <b>Outstanding at the end of the period</b> | <u>1,808.33</u> | <u>1,808.33</u> | <u>1,829.20</u> | <u>1,829.20</u> |

## b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Re.1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2013, the amount of per share dividend recognised as distributions to equity shareholders was Rs. 2.25 (Previous year - Rs. 2).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

## c. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

|                                          | 31st March 2013<br>No. in lacs | 31st March 2012<br>No. in lacs |
|------------------------------------------|--------------------------------|--------------------------------|
| Equity shares bought back by the Company | <u>106.28</u>                  | <u>85.41</u>                   |

In accordance with section 77A, 77AA and 77B of the Companies Act, 1956 and pursuant to the buy back announcement made by the Company on 22nd August 2012, the Company has bought back from open market through stock exchanges 20,87,432 equity shares of Re. 1 each during the year for a total consideration of Rs. 1,933.41 lacs. Of this, the Company has extinguished 16,89,310 equity shares till 31st March 2013 and 3,98,122 equity shares have been extinguished subsequent to the balance sheet date. Consequently, an amount of Rs. 20.87 lacs being the nominal value of equity shares bought back has been transferred to Capital Redemption Reserve from General Reserve. An amount of Rs.1,912.54 lacs being the premium on buyback has been appropriated from General Reserve.

## d. Details of shareholders holding more than 5% shares in the Company

|                                                          | 31st March 2013 |                        | 31st March 2012 |                        |
|----------------------------------------------------------|-----------------|------------------------|-----------------|------------------------|
|                                                          | Number          | % holding in the class | Number          | % holding in the class |
| <b>Equity shares of Re. 1 each fully paid</b>            |                 |                        |                 |                        |
| Meera Ramdas Chandavarkar                                | 21,925,260      | 12.10                  | 21,925,260      | 11.98                  |
| Transgene Trading and Investment Company Private Limited | 17,097,500      | 9.43                   | 17,097,500      | 9.35                   |
| Sudipta Trading and Investment Company Private Limited   | 16,365,000      | 9.03                   | 16,365,000      | 8.95                   |
| Soven Trading and Investment Company Private Limited     | 16,327,500      | 9.01                   | 16,327,500      | 8.93                   |
| Mohan Anand Chandavarkar                                 | 11,222,770      | 6.19                   | 11,222,770      | 6.14                   |
| Ashok Anand Chandavarkar                                 | 10,530,360      | 5.81                   | 10,530,360      | 5.76                   |
| Sandhya Mohan Chandavarkar                               | 10,483,480      | 5.79                   | 10,483,480      | 5.73                   |
| ICICI Prudential Right Fund                              | 5,270,667       | 2.91                   | 11,569,168      | 6.33                   |

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

## 3. Reserves and surplus

|                                                                                                |     | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs |
|------------------------------------------------------------------------------------------------|-----|-----------------------------------|-----------------------------------|
| <b>Capital reserve</b>                                                                         |     |                                   |                                   |
| Opening balance                                                                                |     | 75.01                             | 45.01                             |
| Add: Capital subsidy received during the year                                                  |     | -                                 | 30.00                             |
| <b>Closing balance</b>                                                                         | (A) | 75.01                             | 75.01                             |
| <b>Capital redemption reserve</b>                                                              |     |                                   |                                   |
| Opening balance                                                                                |     | 102.22                            | 85.72                             |
| Add: Transfer from general reserve on account of buy back of equity shares (Refer Note No. 2c) |     | 20.87                             | 16.50                             |
| <b>Closing balance</b>                                                                         | (B) | 123.09                            | 102.22                            |
| <b>Securities premium account</b>                                                              | (C) | 72.90                             | 72.90                             |
| <b>Revaluation reserve</b>                                                                     |     |                                   |                                   |
| Opening balance                                                                                |     | 65.39                             | 73.41                             |
| Less: Transfer to statement of profit and loss as reduction from depreciation                  |     | 8.02                              | 8.02                              |
| <b>Closing balance</b>                                                                         | (D) | 57.37                             | 65.39                             |
| <b>General reserve</b>                                                                         |     |                                   |                                   |
| Opening balance                                                                                |     | 32,191.23                         | 30,652.10                         |
| Less: Premium paid for buy back of equity shares (Refer Note No. 2c)                           |     | 1,912.54                          | 1,444.37                          |
| Less: Transfer to capital redemption reserve account (Refer Note No. 2c)                       |     | 20.87                             | 16.50                             |
| Add: Transfer from surplus balance in the statement of profit and loss                         |     | 5,000.00                          | 3,000.00                          |
| <b>Closing balance</b>                                                                         | (E) | 35,257.82                         | 32,191.23                         |
| <b>Surplus in the statement of profit and loss</b>                                             |     |                                   |                                   |
| Opening balance                                                                                |     | 34,460.00                         | 28,430.05                         |
| Profit for the year                                                                            |     | 15,833.17                         | 13,269.05                         |
| Add: Reversal of excess provision of dividend                                                  |     | -                                 | 12.79                             |
| Less: Appropriations                                                                           |     |                                   |                                   |
| Proposed final equity dividend [Amount per share Rs. 2.25 (Previous year - Rs. 2)]             |     | (4,038.63)                        | (3,658.41)                        |
| Tax on proposed equity dividend                                                                |     | (686.36)                          | (593.48)                          |
| Transfer to general reserve                                                                    |     | (5,000.00)                        | (3,000.00)                        |
| <b>Net surplus in the statement of profit and loss</b>                                         | (F) | 40,568.18                         | 34,460.00                         |
| <b>Total (A+B+C+D+E+F)</b>                                                                     |     | 76,154.37                         | 66,966.75                         |

**4. Long-term borrowings**

|                                                                                   | <b>Non-current portion</b>                |                                   | <b>Current maturities</b>                 |                                   |
|-----------------------------------------------------------------------------------|-------------------------------------------|-----------------------------------|-------------------------------------------|-----------------------------------|
|                                                                                   | <b>31st March 2013<br/>Rupees in lacs</b> | 31st March 2012<br>Rupees in lacs | <b>31st March 2013<br/>Rupees in lacs</b> | 31st March 2012<br>Rupees in lacs |
| Deferred sales tax loan (unsecured)<br>(Refer note below)                         | <b>124.47</b>                             | 145.41                            | <b>20.47</b>                              | 27.28                             |
| Amount disclosed under the head<br>"other current liabilities" (Refer Note No. 7) | -                                         | -                                 | <b>(20.47)</b>                            | (27.28)                           |
| <b>Net amount</b>                                                                 | <b>124.47</b>                             | 145.41                            | <b>-</b>                                  | -                                 |

Note: Under various schemes of Government of Maharashtra, the Company was entitled to interest free Sales Tax deferral incentives for its units at Waluj and Sinnar. These are repayable in annual installments over a period of 9-11 years commencing after a period of 10-12 years from the year of availment of deferred sales tax loan.

**5. Deferred tax liabilities (net)**

|                                                                 | <b>31st March 2013<br/>Rupees in lacs</b> | 31st March 2012<br>Rupees in lacs |
|-----------------------------------------------------------------|-------------------------------------------|-----------------------------------|
| <b>Deferred tax liability</b>                                   |                                           |                                   |
| Depreciation                                                    | <b>3,427.58</b>                           | 3,321.75                          |
| <b>Less: Deferred tax asset</b>                                 |                                           |                                   |
| Provision for doubtful debts/ advances                          | <b>95.71</b>                              | 96.12                             |
| Provision for diminution in value of investments                | <b>1.62</b>                               | 97.90                             |
| Liabilities disallowed under section 43B of IT Act, 1961        | <b>274.02</b>                             | 249.78                            |
| Expenses disallowed under section 40(a)(ia) of the IT Act, 1961 | <b>53.84</b>                              | 38.71                             |
|                                                                 | <b>425.19</b>                             | 482.51                            |
| <b>Net deferred tax liability</b>                               | <b>3,002.39</b>                           | 2,839.24                          |

**6. Short-term provisions**

|                                                            | <b>31st March 2013<br/>Rupees in lacs</b> | 31st March 2012<br>Rupees in lacs |
|------------------------------------------------------------|-------------------------------------------|-----------------------------------|
| <b>Provision for employee benefits</b> (Refer Note No. 26) |                                           |                                   |
| Provision for gratuity                                     | <b>43.73</b>                              | 66.29                             |
| Provision for leave benefits                               | <b>359.40</b>                             | 339.45                            |
|                                                            | <b>403.13</b>                             | 405.74                            |
| <b>Other provisions</b>                                    |                                           |                                   |
| Provision for tax (net of advances) (Refer note below)     | <b>105.97</b>                             | 71.20                             |
| Provision for wealth tax                                   | <b>9.65</b>                               | 8.20                              |
| Proposed equity dividend                                   | <b>4,038.63</b>                           | 3,658.41                          |
| Provision for tax on proposed equity dividend              | <b>686.36</b>                             | 593.48                            |
|                                                            | <b>4,840.61</b>                           | 4,331.29                          |
|                                                            | <b>5,243.74</b>                           | 4,737.03                          |

Note: Provision for tax (net of advances) is net of MAT credit set off of Rs. 353 lacs (Previous year - Rs. 210 lacs)

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

|                                                                                                    | <b>31st March 2013</b><br><b>Rupees in lacs</b> | 31st March 2012<br>Rupees in lacs |
|----------------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------|
| Trade payables (Refer Note a below)                                                                | <b>5,975.55</b>                                 | 5,644.65                          |
| <b>Other current liabilities</b>                                                                   |                                                 |                                   |
| Current maturities of long-term borrowings (Refer Note No. 4)                                      | <b>20.47</b>                                    | 27.28                             |
| Investor Education and Protection Fund (shall be credited as and when due by the following amount) |                                                 |                                   |
| Unpaid dividend (Refer Note b below)                                                               | <b>93.13</b>                                    | 82.06                             |
| Advance from customers                                                                             | <b>86.84</b>                                    | 54.89                             |
| Sundry deposits                                                                                    | <b>1,158.11</b>                                 | 1,083.26                          |
| Employee related liabilities                                                                       | <b>1,513.09</b>                                 | 1,151.51                          |
| Others (includes dues to directors, statutory dues, rent deposit, trade advances)                  | <b>670.58</b>                                   | 542.39                            |
|                                                                                                    | <b>3,542.22</b>                                 | 2,941.39                          |
|                                                                                                    | <b>9,517.77</b>                                 | 8,586.04                          |

a. As per the information available with the Company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosure have been made. The Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

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

## 8. Fixed assets

Rupees in lacs

| PARTICULARS                           | GROSS BLOCK         |                 |               | DEPRECIATION / AMORTISATION / IMPAIRMENT |                           | NET BLOCK           |                     |
|---------------------------------------|---------------------|-----------------|---------------|------------------------------------------|---------------------------|---------------------|---------------------|
|                                       | As at<br>31.03.2012 | Additions       | Deletions     | As at<br>31.03.2013                      | For the year<br>Deletions | As at<br>31.03.2013 | As at<br>31.03.2012 |
| <b>TANGIBLE ASSETS</b>                |                     |                 |               |                                          |                           |                     |                     |
| Leasehold land *                      | 419.16              | 78.49           | -             | 497.65                                   | 135.99                    | 353.76              | 283.17              |
| Leasehold Improvements                | 5.68                | -               | -             | 5.68                                     | 5.59                      | -                   | 0.09                |
| Freehold land **                      | 1,437.08            | 44.52           | -             | 1,481.60                                 | -                         | 1,481.60            | 1,437.08            |
| Buildings ***                         | 13,035.40           | 711.72          | 32.05         | 13,715.07                                | 2,220.01                  | 11,180.54           | 10,815.39           |
| Plant and machinery                   | 14,071.76           | 706.36          | 11.79         | 14,766.33                                | @7,376.31                 | 6,523.86            | 6,695.45            |
| Laboratory testing machines           | 2,489.30            | 325.87          | 67.29         | 2,747.88                                 | 660.53                    | 1,593.96            | 1,828.77            |
| Electrical installations              | 1,455.42            | 39.93           | -             | 1,495.35                                 | 410.45                    | 1,016.36            | 1,044.97            |
| Furniture, fixtures and fittings      | 2,586.87            | 149.85          | 1.01          | 2,735.71                                 | 917.18                    | 1,647.68            | 1,669.69            |
| Office equipments                     | 1,714.93            | 99.49           | 10.76         | 1,803.66                                 | 406.01                    | 1,320.14            | 1,308.92            |
| Vehicles                              | 422.38              | 74.06           | 31.35         | 465.09                                   | 178.66                    | 213.91              | 243.72              |
| <b>R &amp; D assets</b>               |                     |                 |               |                                          |                           |                     |                     |
| Buildings                             | 109.91              | -               | -             | 109.91                                   | 58.87                     | 47.55               | 51.04               |
| Equipments                            | 2,959.72            | 203.34          | 28.52         | 3,134.54                                 | 847.76                    | 1,826.28            | 2,111.96            |
| Furniture and fixtures                | 197.21              | 3.37            | -             | 200.58                                   | 55.03                     | 135.39              | 142.18              |
| <b>Total of Tangible assets (A)</b>   | <b>40,904.82</b>    | <b>2,437.00</b> | <b>182.77</b> | <b>43,159.05</b>                         | <b>13,272.39</b>          | <b>27,341.03</b>    | <b>27,632.43</b>    |
| Previous year                         | 38,594.63           | 2,583.95        | 273.76        | 40,904.82                                | 11,676.81                 | 27,632.43           |                     |
| <b>INTANGIBLE ASSETS</b>              |                     |                 |               |                                          |                           |                     |                     |
| Marketing rights                      | 216.86              | -               | -             | 216.86                                   | 33.60                     | 137.47              | 183.26              |
| Software                              | 60.89               | 46.47           | -             | 107.36                                   | 1.56                      | 96.52               | 59.33               |
| <b>R &amp; D assets</b>               |                     |                 |               |                                          |                           |                     |                     |
| Technical know-how                    | 233.38              | -               | -             | 233.38                                   | 106.24                    | 80.46               | 127.14              |
| <b>Total of Intangible assets (B)</b> | <b>511.13</b>       | <b>46.47</b>    | <b>-</b>      | <b>557.60</b>                            | <b>141.40</b>             | <b>314.45</b>       | <b>369.73</b>       |
| Previous year                         | 321.90              | 189.23          | -             | 511.13                                   | 61.31                     | 369.73              |                     |
| <b>Total (A+B)</b>                    | <b>41,415.95</b>    | <b>2,483.47</b> | <b>182.77</b> | <b>43,716.65</b>                         | <b>13,413.79</b>          | <b>27,655.48</b>    | <b>28,002.16</b>    |
| Previous year                         | 38,916.53           | 2,773.18        | 273.76        | 41,415.95                                | 11,738.12                 | 28,002.16           | 701.31              |
| Capital work in progress - Tangible # |                     |                 |               |                                          |                           | <b>722.43</b>       | <b>370.59</b>       |
| Capital work in progress - Intangible |                     |                 |               |                                          |                           | -                   |                     |

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

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

\*\*\* Building of Rs. 2,970.05 lacs (Previous year - Rs. 2,970.05 lacs) includes cost of unquoted fully paid shares in various co-operative housing societies.

@ Includes impairment of Rs. 49.80 lacs.

# Net of provision for impairment of Rs. 144.79 lacs (Previous year - Rs. 144.79 lacs).

## 9. Non-current investments (At cost)

|                                                                                                                                                     | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Trade Investments (Unquoted)</b>                                                                                                                 |                                   |                                   |
| <b>Investments in fully paid-up equity instruments</b>                                                                                              |                                   |                                   |
| <b>In Subsidiaries</b>                                                                                                                              |                                   |                                   |
| 374,085 (Previous year - 374,085) Equity Shares of FDC International 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                             |
| 1,740,000 (Previous year - 1,740,000) Equity Shares of Anand Synthochem Limited of Rs.10 each                                                       | 606.16                            | 606.16                            |
| <b>(A)</b>                                                                                                                                          | <b>628.16</b>                     | <b>628.16</b>                     |
| <b>In Joint Venture Entity</b>                                                                                                                      |                                   |                                   |
| 159,250 (Previous year - 159,250) Equity Shares of Fair Deal Corporation Pharmaceutical SA (Pty) Ltd., of ZAR 1 each                                | 11.30                             | 11.30                             |
| <b>(B)</b>                                                                                                                                          | <b>11.30</b>                      | <b>11.30</b>                      |
| <b>Sub Total (A+B) = (C)</b>                                                                                                                        | <b>639.46</b>                     | <b>639.46</b>                     |
| <b>Non Trade Investments (Unquoted unless otherwise stated)</b>                                                                                     |                                   |                                   |
| <b>Investments in Government Securities (Refer note below)</b>                                                                                      |                                   |                                   |
| National Savings Certificates                                                                                                                       | 0.07                              | 0.07                              |
| 35 (Previous year - 35) Govt. of India G.P. Notes - face value of Rs.2,000                                                                          | 0.02                              | 0.02                              |
| <b>(D)</b>                                                                                                                                          | <b>0.09</b>                       | <b>0.09</b>                       |
| <b>Investments in fully paid-up equity instruments</b>                                                                                              |                                   |                                   |
| 1,000 (Previous year - 1,000) Equity Shares of The Saraswat Co-op. Bank Ltd. of Rs.10 each                                                          | 0.10                              | 0.10                              |
| 5,000 (Previous year - 5,000) Equity Shares of The North Kanara G.S.B. Co-op Bank Ltd. of Rs.10 each                                                | 0.50                              | 0.50                              |
| 100 (Previous year - 100) Equity Shares of Roha Industries Association Sahakari Grahak Bhandar Ltd. of Rs.25 each                                   | 0.03                              | 0.03                              |
| <b>(E)</b>                                                                                                                                          | <b>0.63</b>                       | <b>0.63</b>                       |
| <b>Investments in fully paid-up preference instruments</b>                                                                                          |                                   |                                   |
| 304,376 (Previous year - Nil) Preference shares of L&T Finance Holdings Ltd. of Rs.100 each fully paid - up                                         | 304.38                            | -                                 |
| <b>(F)</b>                                                                                                                                          | <b>304.38</b>                     | <b>-</b>                          |
| <b>Investments in mutual funds</b>                                                                                                                  |                                   |                                   |
| 3,000,000.000 (Previous year - Nil) units of Rs. 10 each in Birla Sunlife Fixed Term Plan Series - GR (399 Days) Regular Growth                     | 300.00                            | -                                 |
| 4,287,065.000 (Previous year - Nil) units of Rs. 10 each in Birla Sunlife Fixed Term Plan Series - HF (385 Days) Growth Direct                      | 428.71                            | -                                 |
| 2,000,000.000 (Previous year - Nil) units of Rs.10 each in Baroda Pioneer Fixed Maturity Plan - Series C Plan A (372 Days) Growth                   | 200.00                            | -                                 |
| 6,000,000.000 (Previous year - Nil) units of Rs.10 each in BNP Paribas Fixed Term Fund - Series 24A Growth                                          | 600.00                            | -                                 |
| 2,692,500.000 (Previous year - Nil) units of Rs.10 each in DSP Black Rock Fixed Maturity Plan - Series - 89 -12M - Growth                           | 269.25                            | -                                 |
| 5,509,400.000 (Previous year - Nil) units of Rs.10 each in DSP Black Rock Fixed Term Plan - Series - 22 - 14M - Growth                              | 550.94                            | -                                 |
| 4,000,000.000 (Previous year - Nil) units of Rs.10 each in DWS Fixed Maturity Plan - Series 26 - Regular Plan - Growth                              | 400.00                            | -                                 |
| 4,000,000.000 (Previous year - Nil) units of Rs.10 each in ICICI Prudential Fixed Maturity Plan Series 66 - 420 Days Plan A Regular Plan Cumulative | 400.00                            | -                                 |
| 9,000,000.000 (Previous year - Nil) units of Rs.10 each in ICICI Prudential Fixed Maturity Plan Series 66 - 412 Days Plan E Regular Plan Cumulative | 900.00                            | -                                 |
| 3,322,440.000 (Previous year - Nil) units of Rs.10 each in HDFC Fixed Maturity Plan 384D March 2013(1) Series 23 - Direct - Growth                  | 332.24                            | -                                 |
| 4,000,000.000 (Previous year - Nil) units of Rs.10 each in Kotak Fixed Maturity Plan Series 95 Direct Growth                                        | 400.00                            | -                                 |
| 4,261,941.000 (Previous year - Nil) units of Rs.10 each in Kotak Fixed Maturity Plan Series 97 Direct Growth                                        | 426.19                            | -                                 |
| 5,000,000.000 (Previous year - Nil) units of Rs.10 each in L&T Fixed Maturity Plan - VII (February 511D A ) Direct Plan Growth                      | 500.00                            | -                                 |
| 4,415,320.000 (Previous year - Nil) units of Rs.10 each in L&T Fixed Maturity Plan - VII (March 13M A ) Direct Growth                               | 441.53                            | -                                 |

|                                                                                                                                          | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| 2,000,000.000 (Previous year - Nil) units of Rs.10 each in Reliance Fixed Horizon Fund - XXII - Series 33 - Growth                       | 200.00                            | -                                 |
| 3,000,000.000 (Previous year - Nil) units of Rs.10 each in Reliance Fixed Horizon Fund XXIII Series - 5 - Direct Plan Growth             | 300.00                            | -                                 |
| 3,739,576.325 (Previous year - Nil) units of Rs.10 each in Reliance Fixed Horizon Fund XXIII Series - 7 - Direct Plan - Growth           | 373.96                            | -                                 |
| 3,000,000.000 (Previous year - Nil) units of Rs.10 each in Religare Fixed Maturity Plan - Series XVII - Plan A (17 months) - Direct Plan | 300.00                            | -                                 |
| 6,281,304.000 (Previous year - Nil) units of Rs.10 each in Religare Fixed Maturity Plan - Series XVIII - Plan E (374 Days ) Direct Plan  | 628.13                            | -                                 |
| Nil (Previous year - 1,999,990.000) units of Rs. 10 each in Kotak Fixed Maturity Plan Series - 80 Growth                                 | -                                 | 200.00                            |
| (G)                                                                                                                                      | 7,950.95                          | 200.00                            |
| <b>Investments in fully paid up non convertible debentures</b>                                                                           |                                   |                                   |
| Nil (Previous year - 4 Units) of Rs. 2,000,000 each in Non-Convertible Secured Debentures of Future Corporate Resources Limited          | -                                 | 80.00                             |
| 200 Units (Previous year - Nil) of Rs.1,00,000 each in Non-Convertible Secured Debentures of India Infoline Finance Limited              | 200.00                            | -                                 |
| 1,990 Units (Previous year - Nil) of Rs.1,000 each in Non-Convertible Secured Debentures of Shriram Transport Finance Limited            | 19.90                             | -                                 |
| (H)                                                                                                                                      | 219.90                            | 80.00                             |
| <b>Investments in fully paid up Bonds (Quoted unless otherwise stated)</b>                                                               |                                   |                                   |
| 500 (Previous year - 500) of Rs.100,000 each in Indian Railway Finance Corporation Limited                                               | 500.00                            | 500.00*                           |
| 290,000 (Previous year - 290,000) of Rs.1,000 each in Housing & Urban Development Corporation Limited                                    | 2,900.00                          | 2,900.00                          |
| 2,700 (Previous year - 2,700) of Rs.100,000 each in Housing & Urban Development Corporation Limited                                      | 2,700.00                          | 2,700.00*                         |
| 1,500 (Previous year - 1,500) of Rs.100,000 each in Power Finance Corporation Limited                                                    | 1,500.00                          | 1,500.00*                         |
| 62,653 (Previous year - 62,653) of Rs.1,000 each in Power Finance Corporation Limited                                                    | 626.53                            | 626.53                            |
| 111,257 (Previous year - 111,257) of Rs.1,000 each in National Highways Authority Of India                                               | 1,112.57                          | 1,112.57                          |
| 130,000 (Previous year - Nil) of Rs.1,000 each in Housing & Urban Development Corporation Limited                                        | 1,300.00                          | -                                 |
| 320,000 (Previous year - Nil) of Rs.1,000 each in India Infrastructure Finance Company Limited                                           | 3,200.00                          | -                                 |
| 220,000 (Previous year - Nil) of Rs.1,000 each in Indian Railway Finance Corporation Limited                                             | 2,200.00                          | -                                 |
| (I)                                                                                                                                      | 16,039.10                         | 9,339.10                          |
| <b>Sub Total (D+E+F+G+H+I)= (J)</b>                                                                                                      | 24,515.05                         | 9,619.82                          |
| <b>Total = (C+J)</b>                                                                                                                     | 25,154.51                         | 10,259.28                         |
| * Not quoted in previous year.                                                                                                           |                                   |                                   |
| Aggregate amount of quoted investment [Market value - Rs.16,283.21 lacs (Previous year - Rs. 4,573.75 lacs)]                             | 16,039.10                         | 4,639.10                          |
| Aggregate amount of unquoted investments                                                                                                 | 9,115.41                          | 5,620.18                          |

Note: National Savings Certificates of the value of Rs. 0.04 lacs (Previous year - Rs. 0.04 lacs) and Government of India G.P.notes of the value of Rs. 0.02 lacs (Previous year- Rs. 0.02 lacs) have been lodged with the Excise authorities. National Savings Certificates of Rs. 0.03 lacs (Previous year - Rs. 0.03 lacs) have been lodged with Sales Tax authorities.

## 10. Loans and advances

|                                                               |  | Non-current                       |                                   | Current                           |                                   |
|---------------------------------------------------------------|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                                               |  | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs |
| <b>Capital advances</b>                                       |  |                                   |                                   |                                   |                                   |
| Unsecured, considered good                                    |  | 455.24                            | 250.03                            | -                                 | -                                 |
| (A)                                                           |  | 455.24                            | 250.03                            | -                                 | -                                 |
| <b>Security deposits</b>                                      |  |                                   |                                   |                                   |                                   |
| Unsecured, considered good                                    |  | 384.71                            | 99.67                             | 43.26                             | 15.82                             |
| Unsecured, considered doubtful                                |  | 0.53                              | 0.53                              | 4.05                              | 4.05                              |
|                                                               |  | 385.24                            | 100.20                            | 47.31                             | 19.87                             |
| Less: Provision for doubtful security deposits                |  | 0.53                              | 0.53                              | 4.05                              | 4.05                              |
| (B)                                                           |  | 384.71                            | 99.67                             | 43.26                             | 15.82                             |
| <b>Loans and advances to related parties</b>                  |  |                                   |                                   |                                   |                                   |
| Unsecured, considered good (Refer Note No. 29)                |  | -                                 | -                                 | 251.05                            | 277.67                            |
| (C)                                                           |  | -                                 | -                                 | 251.05                            | 277.67                            |
| <b>Advances recoverable in cash or kind</b>                   |  |                                   |                                   |                                   |                                   |
| Unsecured, considered good                                    |  | -                                 | -                                 | 296.10                            | 189.08                            |
| Unsecured, considered doubtful                                |  | -                                 | -                                 | 16.53                             | 16.53                             |
|                                                               |  | -                                 | -                                 | 312.63                            | 205.61                            |
| Less: Provision for doubtful advances                         |  | -                                 | -                                 | 16.53                             | 16.53                             |
| (D)                                                           |  | -                                 | -                                 | 296.10                            | 189.08                            |
| <b>Share/ mutual fund application money pending allotment</b> |  |                                   |                                   |                                   |                                   |
| Unsecured, considered good                                    |  | -                                 | -                                 | 1,046.42                          | 300.00                            |
| (E)                                                           |  | -                                 | -                                 | 1,046.42                          | 300.00                            |
| <b>Inter corporate deposits</b>                               |  |                                   |                                   |                                   |                                   |
| Secured, considered good                                      |  | -                                 | -                                 | 500.00                            | 500.00                            |
| Unsecured, considered good                                    |  | -                                 | -                                 | 1,025.00                          | 1,025.00                          |
| (F)                                                           |  | -                                 | -                                 | 1,525.00                          | 1,525.00                          |
| <b>Other loans and advances</b>                               |  |                                   |                                   |                                   |                                   |
| Unsecured, considered good                                    |  | -                                 | -                                 | -                                 | -                                 |
| MAT credit entitlement                                        |  | 622.00                            | 1,360.00                          | 685.00                            | 300.00                            |
| Prepaid expenses                                              |  | 149.38                            | 23.46                             | 233.17                            | 113.00                            |
| Loans/ advances to employees                                  |  | 50.98                             | 31.40                             | 83.12                             | 157.10                            |
| Balances with statutory/ government authorities               |  | -                                 | -                                 | 744.81                            | 646.09                            |
| (G)                                                           |  | 822.36                            | 1,414.86                          | 1,746.10                          | 1,216.19                          |
| <b>Total (A+B+C+D+E+F+G)</b>                                  |  | <b>1,662.31</b>                   | <b>1,764.56</b>                   | <b>4,907.93</b>                   | <b>3,523.76</b>                   |

## 11. Current investments

|                                                                                                                                             | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs |
|---------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Current Portion of Long Term Investments (At cost) (unquoted)</b>                                                                        |                                   |                                   |
| <b>Investments in mutual funds</b>                                                                                                          |                                   |                                   |
| 3,000,000.000 (Previous year - Nil) units of Rs.10 each in BNP Paribas Fixed Term Fund - Series 23 E Growth                                 | 300.00                            | -                                 |
| Nil (Previous year - 3,000,000.000) units of Rs.10 each in BNP Paribas Fixed Term Fund - Series 23A -Growth                                 | -                                 | 300.00                            |
| Nil (Previous year - 4,000,000.000) units of Rs.10 each in DSP Black Rock Fixed Maturity Plan - Series - 32 -12M - Growth                   | -                                 | 400.00                            |
| Nil (Previous year - 5,000,000.000) units of Rs.10 each in DSP Black Rock Fixed Maturity Plan - Series - 34 -12M - Growth                   | -                                 | 500.00                            |
| Nil (Previous year - 3,500,000.000) units of Rs.10 each in DSP BlackRock Fixed Maturity Plan - Series 36 - 12M -Growth                      | -                                 | 350.00                            |
| 2,000,000.000 (Previous year - Nil) units of Rs.10 each in DSP Black Rock Fixed Maturity Plan - Series - 81 -12M - Growth                   | 200.00                            | -                                 |
| Nil (Previous year - 3,000,000.000) units of Rs.10 each in Fidelity Fixed Maturity Plan - Series 6 - Plan C - Growth                        | -                                 | 300.00                            |
| Nil (Previous year - 3,000,000.000) units of Rs.10 each in HDFC Fixed Maturity Plan 370D March 2012(1) - Growth                             | -                                 | 300.00                            |
| 2,500,000.000 (Previous year - Nil) units of Rs.10 each in HDFC Fixed Maturity Plan 370D May 2012(2) - Growth - Series 22                   | 250.00                            | -                                 |
| 2,000,000.000 (Previous year - Nil) units of Rs.10 each in HDFC Fixed Maturity Plan 370D December 2012(1) - Growth - Series 23              | 200.00                            | -                                 |
| Nil (Previous year - 8,000,000.000) units of Rs.10 each in ICICI Prudentials Fixed Maturity Plan - Series 63 -1 Year Plan C Cumulative      | -                                 | 800.00                            |
| Nil (Previous year - 4,000,000.000) units of Rs.10 each in ICICI Prudential Fixed Maturity Plan - Series 55 - 15 Months Plan A - Cumulative | -                                 | 400.00                            |
| 3,302,490.000 (Previous year - Nil) units of Rs.10 each in IDBI Fixed Maturity Plan - 367 Days Series - III (February 2013) A Growth Direct | 330.25                            | -                                 |
| 2,500,000.000 (Previous year - Nil) units of Rs.10 each in IDBI Fixed Maturity Plan - 366 Days Series - II (May 2012) I Growth              | 250.00                            | -                                 |
| Nil (Previous year - 1,999,990.000) units of Rs.10 each in IDFC Fixed Maturity Plan - Yearly Series 56 - Growth                             | -                                 | 200.00                            |
| 2,500,000.000 (Previous year - Nil) units of 10 each in IDFC Fixed Maturity Plan 366 Days Series - 73 - Growth                              | 250.00                            | -                                 |
| Nil (Previous year - 5,000,000.000) units of 10 each in IDFC Fixed Maturity Plan - Yearly Series - 62 - Growth                              | -                                 | 500.00                            |
| Nil (Previous year - 11,008,613.000) units of Rs.10 each in Kotak Fixed Maturity Plan Series 72 - Growth                                    | -                                 | 1,100.86                          |
| Nil (Previous year - 3,000,000.000) units of Rs. 10 each in Kotak Fixed Maturity Plan Series 79 - Growth                                    | -                                 | 300.00                            |
| Nil (Previous year - 8,000,000.000) units of Rs.10 each in Kotak Fixed Maturity Plan Series - 83 - Growth                                   | -                                 | 800.00                            |
| 1,999,990.000 (Previous year - Nil) units of Rs.10 each in Kotak Fixed Maturity Plan Series 80 - Growth                                     | 200.00                            | -                                 |
| Nil (Previous year- 4,000,000.000) units of Rs.10 each in L & T Fixed Maturity Plan -V (February368D A) Growth                              | -                                 | 400.00                            |
| Nil (Previous year - 3,000,000.000) units of Rs.10 each in Reliance Fixed Horizon Fund - XXI - Series 16 - Growth                           | -                                 | 300.00                            |
| Nil (Previous year - 5,000,000.000) units of Rs.10 each in Reliance Fixed Horizon Fund - XXI - Series 6 - Growth                            | -                                 | 500.00                            |
| Nil (Previous year - 3,000,000.000) units of Rs.10 each in Reliance Fixed Horizon Fund - XXI - Series 10 - Growth                           | -                                 | 300.00                            |
| Nil (Previous year - 6,000,000.000) units of Rs.10 each in Reliance Fixed Horizon Fund - XXI - Series 12 - Growth                           | -                                 | 600.00                            |
| 2,000,000.000 (Previous year - Nil) units of Rs.10 each in Reliance Fixed Horizon Fund - XXII - Series 9 - Growth                           | 200.00                            | -                                 |
| 3,000,000.000 (Previous year - Nil) units of Rs.10 each in Reliance Fixed Horizon Fund - XXII - Series 31 - Growth Plan                     | 300.00                            | -                                 |
| 5,499,600.000 (Previous year - Nil) units of Rs.10 each in Reliance Yearly Interval Fund Series 2 - Growth Plan (Y2-GP)                     | 549.96                            | -                                 |
| Nil (Previous year - 3,000,000.000) units of Rs.10 each in Religare Fixed Maturity Plan Series XII - Plan C (368 Days) - Growth             | -                                 | 300.00                            |
| Nil (Previous year - 4,000,000.000) units of Rs.10 UTI Fixed Term Income Fund-Series - X - IX (368 Days) - Growth                           | -                                 | 400.00                            |
| <b>(A)</b>                                                                                                                                  | <b>3,030.21</b>                   | <b>9,050.86</b>                   |
| <b>Investments in fully paid up non convertible debentures</b>                                                                              |                                   |                                   |
| Nil (Previous year- 1 Unit) of Rs.100,000,000 each in Non-Convertible Secured Debenture of Avantha Holdings Limited                         | -                                 | 750.00                            |
| <b>(B)</b>                                                                                                                                  | <b>-</b>                          | <b>750.00</b>                     |
| <b>Sub Total (A+B) = (C)</b>                                                                                                                | <b>3,030.21</b>                   | <b>9,800.86</b>                   |
| <b>Other Current investment (valued at lower of cost and fair value) (unquoted)</b>                                                         |                                   |                                   |
| <b>Investments in mutual funds</b>                                                                                                          |                                   |                                   |
| 1,620,128.476 (Previous year - Nil) units of Rs.10 each in Axis Short Term Fund Institutional Growth (STGP)                                 | 200.00                            | -                                 |
| Nil (Previous year - 25,360.631) units of Rs.100 each in Birla Sun Life Ultra Short Fund - Institutional Growth                             | -                                 | 300.00                            |
| Nil (Previous year - 5,000,000.000) units of Rs.10 each in Birla SunLife Quaterly Interval Fund Series - 4 - Dividend Payout                | -                                 | 500.00                            |
| 2,448,473.241 (Previous year - Nil) units of Rs.10 each in Birla SunLife Dynamic Bond Fund-Retail Growth Regular Plan                       | 450.00                            | -                                 |
| 491,971.033 (Previous year - Nil) units of Rs.10 each in Birla SunLife Short Term Fund - Growth Regular Plan                                | 199.00                            | -                                 |
| Nil (Previous year - 3,000,000.000) units of Rs.10 each in Baroda Pioneer 90 Days Fixed Maturity Plan Series - 6 - Growth                   | -                                 | 300.00                            |
| 24,721.647 (Previous year - 24,721.647) units of Rs.1000 each in Baroda Pioneer Treasury Advantage Fund Plan A - Growth                     | 308.36                            | 300.00                            |
| 1,585,929.632 (Previous year - Nil) units of Rs.10 each in BNP Paribas Short Term Income Fund Growth                                        | 198.30                            | -                                 |
| 1,603,969.289 (Previous year - Nil) units of Rs.10 each in BNP Paribas Flexi Debt Fund Growth                                               | 300.00                            | -                                 |
| 2,739,226.716 (Previous year - Nil) units of Rs.10 each in BNP Paribas Flexi Debt Fund Direct Plan Growth                                   | 535.73                            | -                                 |
| Nil (Previous year - 1,375,061.878) units of Rs.10 each in DSP Black Rock Small and Midcap Fund - Regular Plan - Dividend                   | -                                 | 182.21                            |
| Nil (Previous year - 887,403.814) units of Rs.10 each in DSP Black Rock Small and Mid Cap Fund - Regular Plan - Growth                      | -                                 | 150.85                            |
| Nil (Previous year - 329,108.737) units of Rs.10 each in DSP Black Rock India T.I.G.E.R. Fund - Regular Plan - Growth                       | -                                 | 133.66                            |
| Nil (Previous year - 1,676,895.733 ) units of Rs.10 each in DSP Black Rock Short Term Fund - Growth                                         | -                                 | 294.89                            |
| 36,654.820 (Previous year - Nil) units of Rs.1000 each in DSP Black Rock Strategic Bond Fund - Direct Plan - Growth                         | 500.00                            | -                                 |
| 250,389.355 (Previous year - Nil) units of Rs.100 each in DWS Treasury Fund - Cash - Institutional Plan - Growth                            | 300.00                            | -                                 |
| 2,079,690.130 (Previous year - Nil) units of Rs.100 each in DWS Money Plus Fund Regular Plan Bonus                                          | 202.87                            | -                                 |

|                                                                                                                                            | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs |
|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| 1,976,167.421 (Previous year - Nil) units of Rs.10 each in DWS Short Maturity Fund - Regular Plan - Growth                                 | 400.00                            | -                                 |
| Nil (Previous year - 117,140.747) units of Rs.10 each in HDFC Equity Fund - Growth                                                         | -                                 | 306.53                            |
| Nil (Previous year - 504,962.841) units of Rs.10 each in HDFC Top 200 Fund - Dividend Payout                                               | -                                 | 199.60                            |
| Nil (Previous year - 1,501,041.723) units of Rs.10 each in HDFC MidCap Opportunities Fund - Dividend Payout                                | -                                 | 222.83                            |
| 2,284,064.539 (Previous year - Nil) units of Rs.10 each in HDFC High Interest Fund - Short Term Plan - Growth                              | 497.40                            | -                                 |
| 3,095,856.845 (Previous year - Nil) units of Rs.10 each in HDFC Income Fund - Growth                                                       | 834.40                            | -                                 |
| 2,269,397.133 (Previous year - Nil) units of Rs.10 each in HDFC Gilt Fund long Term - Growth                                               | 531.37                            | -                                 |
| 3,076,544.425 (Previous year - Nil) units of Rs.10 each in HSBC Flexi Debt Fund Growth Direct Plan                                         | 500.00                            | -                                 |
| Nil (Previous year - 3,780,554.999) units of Rs.10 each in ICICI Prudential Institutional Short Term Plan -Cumulative Option               | -                                 | 799.75                            |
| Nil (Previous year - 4,000,000.000) units of Rs.10 each in ICICI Prudential Fixed Maturity Plan Series - 62 1Year Plan H Cumulative        | -                                 | 400.00                            |
| 866,543.617 (Previous year - Nil) units of Rs.10 each in ICICI Prudential Short Term - Regular Plan - Growth Option                        | 200.00                            | -                                 |
| Nil (Previous year - 28,328.344) units of Rs.1000 each in IDBI Ultra Short Term Fund - Growth                                              | -                                 | 296.31                            |
| Nil (Previous year - 3,000,000.000) units of Rs.10 each in IDBI Dynamic Bond Fund - Growth                                                 | -                                 | 300.00                            |
| Nil (Previous year - 4,562,501.711) units of Rs.10 each in IDBI Short Term Bond Fund - Growth                                              | -                                 | 500.00                            |
| 2,000,000.000 (Previous year - Nil) units of Rs.10 each in IDBI Gilt Fund Growth                                                           | 200.00                            | -                                 |
| 1,330,698.550 (Previous year - Nil) units of 10 each in IDFC Arbitrage Fund - Plan B Growth                                                | 200.00                            | -                                 |
| Nil (Previous year - 3,554,114.954) units of Rs.10 each in J M Money Manager Fund Super Plan Growth                                        | -                                 | 500.00                            |
| 1,194,341.805 (Previous year - Nil) units of Rs.10 each in J M High Liquidity Fund - Bonus Option                                          | 117.07                            | -                                 |
| 1,624,840.563 (Previous year - Nil) units of Rs.10 each in J P Morgan India Active Bond Fund Retail Growth                                 | 200.00                            | -                                 |
| Nil (Previous year - 8,510,948.24) units of Rs.10 each in Kotak Flexi Debt Scheme Institutional - Growth                                   | -                                 | 1,054.94                          |
| 1,407,499.156 (Previous year - Nil) units of Rs.10 each in Kotak Bond (Short Term) Growth                                                  | 300.00                            | -                                 |
| 1,723,989.311 (Previous year - Nil) units of Rs.10 each in Kotak Gilt (Investment Regular) - Growth                                        | 699.99                            | -                                 |
| 1,834,245.361 (Previous year - Nil) units of Rs.10 each in Kotak Equity Arbitrage Fund Growth                                              | 300.00                            | -                                 |
| 3,921,286.536 (Previous year - 3,921,286.536) units of Rs.10 each in L&T Short Term Opportunities Fund Growth                              | 400.00                            | 400.00                            |
| 1,100,820.478 (Previous year - Nil) units of Rs.10 each in L&T Gilt Fund Direct Plan Growth Plan                                           | 299.93                            | -                                 |
| 29,777.311 (Previous year - 23,238.461) units of Rs.1000 each in PineBridge India Short Term Fund Standard Growth                          | 398.76                            | 300.00                            |
| 32,734.007 (Previous year - Nil) units of Rs.1000 each in PineBridge India Short Term Fund Standard WDR                                    | 330.39                            | -                                 |
| 35,579.574 (Previous year - Nil) units of Rs.1000 each in PineBridge India Short Term Fund Direct Growth                                   | 500.00                            | -                                 |
| 38,471.107 (Previous year - Nil) units of Rs.1000 each in PineBridge India Total Return Bond Fund Standard Growth                          | 587.80                            | -                                 |
| 10,151.441 (Previous year - Nil) units of Rs.1000 each in Principal Cash Management Fund - Regular Plan -Growth                            | 112.50                            | -                                 |
| Nil (Previous year - 462,779.779) units of Rs.10 each in Reliance Banking Fund - Dividend Payout                                           | -                                 | 158.57                            |
| Nil (Previous year - 151,358.777) units of Rs.10 each in Reliance Banking Fund - Growth                                                    | -                                 | 142.79                            |
| Nil (Previous year -1,461,267.284) units of Rs.10 each in Reliance Equity Opportunities Fund - Retail Plan - Dividend Payout               | -                                 | 322.09                            |
| Nil (Previous year - 619,495.780) units of Rs.10 each in Reliance Pharma Fund - Dividend Payout                                            | -                                 | 234.73                            |
| Nil (Previous year - 5,196,872.475) units of Rs.10 each in Reliance Medium Term Fund - Retail Plan - Growth                                | -                                 | 1,100.00                          |
| Nil (Previous year - 3,170,315.700) units of Rs.10 each in Reliance Floating Rate Fund - Short Term Plan - Growth Plan -Growth Option      | -                                 | 500.00                            |
| 3,805,509.146 (Previous year - Nil) units of Rs.10 each in Reliance Income Fund Growth Plan Bonus Option                                   | 415.02                            | -                                 |
| 3,989,660.566 (Previous year - Nil) units of Rs.10 each in Reliance Dynamic Bond Fund Growth Plan                                          | 600.00                            | -                                 |
| 3,476,803.125 (Previous year - Nil) units of Rs.10 each in Reliance Gilt Securities Fund Growth Plan Growth Option                         | 510.11                            | -                                 |
| Nil (Previous year - 5,394,737.813) units of Rs.10 each in Religare Credit Opportunities Institutional Growth                              | -                                 | 625.00                            |
| 5,378,173.714 (Previous year - Nil) units of Rs.10 each in SBI Short Term Debt Fund - Regular Plan - Growth                                | 700.00                            | -                                 |
| 1,337,279.795 (Previous year - Nil) units of Rs.10 each in SBI Magnum Gilt Fund - Long Term - Regular Plan -Growth                         | 300.00                            | -                                 |
| Nil (Previous year - 1,598,644.350) units of Rs.10 each in Sundaram Financial Services Opportunities Fund - Regular Plan - Dividend Payout | -                                 | 185.33                            |
| Nil (Previous year - 941,575.255) units of Rs.10 each in Sundaram Select Midcap Fund - Dividend Payout                                     | -                                 | 155.71                            |
| Nil (Previous year - 1,033,268.701) units of Rs.10 Sundaram Bond Saver Institutional - Bonu                                                | -                                 | 105.19                            |
| 829,175.937(Previous year - Nil) units of Rs.10 Sundaram Bond Saver Institutional Plan Growth                                              | 300.00                            | -                                 |
| 1,211,438.401(Previous year - Nil) units of Rs.10 Sundaram Monthly Income Plan Moderate Bonus (Bonus Units)                                | 133.33                            | -                                 |
| Nil (Previous year - 5,566,172.514) units of Rs.10 each in Templeton India Low Duration Fund - Growth                                      | -                                 | 606.18                            |
| Nil (Previous year - 26,495.533) units of Rs.1000 each in Tata Treasury Manager SHIP Growth                                                | -                                 | 300.00                            |
| 1,475,343.584 (Previous year - Nil) units of Rs.10 each in Tata Income Fund Plan A - Appreciation Option Bonus                             | 155.56                            | -                                 |
| 11,614.935 (Previous year - Nil) units of Rs.10 UTI Treasury Advantage Fund - Institutional Plan - Bonus                                   | 142.86                            | -                                 |
| (D)                                                                                                                                        | 14,060.75                         | 11,877.16                         |
| <b>Investments in Certificate of Deposits with Scheduled Banks (unquoted)</b>                                                              |                                   |                                   |
| Nil (Previous year - 1,000.000) units of Rs.100,000 each in Certificate of Deposit of Canara Bank                                          | -                                 | 906.03                            |
| Nil (Previous year - 1,000.000) units of Rs.100,000 each in Certificate of Deposit of Andhra Bank                                          | -                                 | 905.02                            |
| Nil (Previous year - 1,000.000) units of Rs.100,000 each in Certificate of Deposit Punjab & Sind Bank                                      | -                                 | 903.10                            |
| (E)                                                                                                                                        | -                                 | 2,714.15                          |
| <b>Sub Total (D+E) = (F)</b>                                                                                                               | 14,060.75                         | 14,591.31                         |
| <b>Total = (C+F)</b>                                                                                                                       | 17,090.96                         | 24,392.17                         |
| Aggregate amount of unquoted investments                                                                                                   | 17,090.96                         | 24,392.17                         |
| Aggregate provision for diminution in value of current investments                                                                         | 4.77                              | 603.39                            |

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

|                                                                                                   | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs |
|---------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| Raw materials [Including stock in transit Rs. 79.88 lacs<br>(Previous year - Rs. 102.22 lacs)]    | 2,211.42                          | 1,876.53                          |
| Packing materials [Including stock in transit Rs. 56.52 lacs<br>(Previous year - Rs. 10.93 lacs)] | 545.65                            | 491.92                            |
| Work-in-progress                                                                                  | 1,234.86                          | 1,239.79                          |
| Finished goods/ stock-in-trade                                                                    | 5,752.62                          | 6,494.29                          |
|                                                                                                   | <u>9,744.55</u>                   | <u>10,102.53</u>                  |
| <b>Details of Work-in-progress</b>                                                                |                                   |                                   |
| Formulations                                                                                      | 750.63                            | 831.56                            |
| Bulk drugs                                                                                        | 458.89                            | 394.18                            |
| Foods                                                                                             | 25.34                             | 14.05                             |
|                                                                                                   | <u>1,234.86</u>                   | <u>1,239.79</u>                   |

**13. Trade receivables**

|                                                                                         | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs |
|-----------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Unsecured, considered good unless stated otherwise</b>                               |                                   |                                   |
| Outstanding for a period exceeding six months from the date<br>they are due for payment |                                   |                                   |
| Unsecured, considered good                                                              | 22.79                             | 48.51                             |
| Doubtful                                                                                | 259.60                            | 274.27                            |
|                                                                                         | <u>282.39</u>                     | <u>322.78</u>                     |
| Less: Provision for doubtful receivables                                                | 259.60                            | 274.27                            |
|                                                                                         | <u>22.79</u>                      | <u>48.51</u>                      |
| <b>(A)</b>                                                                              |                                   |                                   |
| Other receivables                                                                       |                                   |                                   |
| Unsecured, considered good                                                              | 4,453.70                          | 4,020.66                          |
|                                                                                         | <u>4,453.70</u>                   | <u>4,020.66</u>                   |
| <b>(B)</b>                                                                              |                                   |                                   |
| <b>Total (A + B)</b>                                                                    | <u>4,476.49</u>                   | <u>4,069.17</u>                   |

**14. Cash and bank balances**

|                                                                 | Non-current                       |                                   | Current                           |                                   |
|-----------------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                                                 | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs |
| <b>Cash and cash equivalents</b>                                |                                   |                                   |                                   |                                   |
| Balances with banks:                                            |                                   |                                   |                                   |                                   |
| On current accounts                                             | -                                 | -                                 | 192.07                            | 1,235.51                          |
| On unpaid dividend account                                      | -                                 | -                                 | 93.13                             | 82.06                             |
| Cash on hand                                                    | -                                 | -                                 | 15.66                             | 15.94                             |
|                                                                 | <u>-</u>                          | <u>-</u>                          | <u>300.86</u>                     | <u>1,333.51</u>                   |
| Other bank balances                                             |                                   |                                   |                                   |                                   |
| Bank deposits with original maturity for more<br>than 12 months | 0.24                              | 6.29                              | -                                 | -                                 |
| Bank deposits with original maturity for less<br>than 12 months | -                                 | -                                 | 3,145.53                          | -                                 |
| Margin money deposits                                           | 0.98                              | 35.39                             | 43.88                             | 8.82                              |
|                                                                 | <u>1.22</u>                       | <u>41.68</u>                      | <u>3,189.41</u>                   | <u>8.82</u>                       |
| Amount disclosed under "non-current other assets"               | (1.22)                            | (41.68)                           | -                                 | -                                 |
| (Refer Note No. 15)                                             |                                   |                                   |                                   |                                   |
|                                                                 | <u>-</u>                          | <u>-</u>                          | <u>3,490.27</u>                   | <u>1,342.33</u>                   |

## 15. Other assets

|                                                                                  | Non-current                       |                                   | Current                           |                                   |
|----------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                                                                  | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs |
| <b>Unsecured, considered good</b>                                                |                                   |                                   |                                   |                                   |
| Bank deposits with original maturity for more than 12 months (Refer Note No. 14) | 0.24                              | 6.29                              | -                                 | -                                 |
| Margin money deposits (Refer Note No. 14)                                        | 0.98                              | 35.39                             | -                                 | -                                 |
| Receivable towards mutual funds redemptions                                      | -                                 | -                                 | 524.76                            | -                                 |
| Interest/ premium accrued on investments                                         | -                                 | -                                 | 312.67                            | 421.71                            |
| Interest accrued on others                                                       | -                                 | -                                 | 59.69                             | 56.73                             |
| Unamortised premium on investments                                               | 50.43                             | 54.18                             | 5.23                              | 9.37                              |
|                                                                                  | <b>51.65</b>                      | <b>95.86</b>                      | <b>902.35</b>                     | <b>487.81</b>                     |

## 16. Revenue from operations

|                                              | 2012-2013<br>Rupees in lacs | 2011-2012<br>Rupees in lacs |
|----------------------------------------------|-----------------------------|-----------------------------|
| Sale of products (Refer Note a below)        | 77,653.79                   | 70,854.82                   |
| Other operating revenue (Refer Note b below) | 373.83                      | 317.13                      |
| <b>Revenue from operations (gross)</b>       | <b>78,027.62</b>            | <b>71,171.95</b>            |
| Less: Excise duty                            | 1,568.11                    | 1,247.79                    |
| <b>Revenue from operations (net)</b>         | <b>76,459.51</b>            | <b>69,924.16</b>            |
| <b>a. Details of products sold</b>           |                             |                             |
| Formulations                                 | 69,156.24                   | 63,892.79                   |
| Bulk drugs                                   | 4,692.11                    | 4,123.96                    |
| Foods                                        | 3,805.44                    | 2,838.07                    |
|                                              | <b>77,653.79</b>            | <b>70,854.82</b>            |
| <b>b. Details of other operating revenue</b> |                             |                             |
| Export Incentives                            | 279.41                      | 246.96                      |
| Other miscellaneous receipts                 | 94.42                       | 70.17                       |
|                                              | <b>373.83</b>               | <b>317.13</b>               |

## 17. Other income

|                                                                             | 2012-2013<br>Rupees in lacs | 2011-2012<br>Rupees in lacs |
|-----------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Interest income on</b>                                                   |                             |                             |
| Current investments                                                         | -                           | 16.23                       |
| Long-term investments                                                       | 868.09                      | 248.82                      |
| Others (Refer note below)                                                   | 461.95                      | 456.65                      |
| <b>Dividend Income on</b>                                                   |                             |                             |
| Current investments                                                         | 35.80                       | 371.43                      |
| Long-term investments                                                       |                             |                             |
| [includes Rs. 192.39 lacs (Previous year - Rs. Nil) from subsidiaries]      | 192.49                      | 258.31                      |
| <b>Net gain on sale of investments</b>                                      |                             |                             |
| Current investments                                                         | 1,553.56                    | 657.16                      |
| Long-term investments                                                       | 980.68                      | 225.73                      |
| <b>Premium on non convertible debentures</b>                                |                             |                             |
| Long-term investments                                                       | 45.44                       | 128.67                      |
| Net exchange gain on foreign currency transactions                          | 111.51                      | 206.17                      |
| Provision for diminution in value of current investments sold, written back | 313.33                      | 13.79                       |
| Other non operating income                                                  | 193.23                      | 199.04                      |
|                                                                             | <b>4,756.08</b>             | <b>2,782.00</b>             |

Note: Interest on others includes interest on inter corporate deposits, fixed deposits, interest on delayed payments from debtors etc.

**18. Cost of materials consumed**

|                                        |
|----------------------------------------|
| Inventory at the beginning of the year |
| Add: Purchases                         |
| Less: Inventory at the end of the year |
| <b>Cost of materials consumed</b>      |

| <b>2012-2013</b><br><b>Rupees in lacs</b> | <b>2011-2012</b><br><b>Rupees in lacs</b> |
|-------------------------------------------|-------------------------------------------|
| 2,368.45                                  | 2,935.23                                  |
| <u>21,389.12</u>                          | <u>19,626.33</u>                          |
| <u>23,757.57</u>                          | <u>22,561.56</u>                          |
| <u>2,757.07</u>                           | <u>2,368.45</u>                           |
| <u><b>21,000.50</b></u>                   | <u><b>20,193.11</b></u>                   |

**Details of materials consumed**

|                           |
|---------------------------|
| Active Pharma Ingredients |
| Packing materials         |

| <b>2012-2013</b><br><b>Rupees in lacs</b> | <b>2011-2012</b><br><b>Rupees in lacs</b> |
|-------------------------------------------|-------------------------------------------|
| 15,820.94                                 | 15,395.01                                 |
| <u>5,179.56</u>                           | <u>4,798.10</u>                           |
| <u><b>21,000.50</b></u>                   | <u><b>20,193.11</b></u>                   |

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

|              |
|--------------|
| Formulations |
| Bulk drugs   |
| Foods        |

| <b>2012-2013</b><br><b>Rupees in lacs</b> | <b>2011-2012</b><br><b>Rupees in lacs</b> |
|-------------------------------------------|-------------------------------------------|
| 8,383.77                                  | 8,771.96                                  |
| <u>12.88</u>                              | <u>36.48</u>                              |
| <u>255.74</u>                             | <u>40.55</u>                              |
| <u><b>8,652.39</b></u>                    | <u><b>8,848.99</b></u>                    |

**20. Changes in inventories****Inventory at the end of the year**

|                                |
|--------------------------------|
| Finished goods/ stock-in-trade |
| Work-in-progress               |

**Inventory at the beginning of the year**

|                                |
|--------------------------------|
| Finished goods/ stock-in-trade |
| Work-in-progress               |

| <b>2012-2013</b><br><b>Rupees in lacs</b> | <b>2011-2012</b><br><b>Rupees in lacs</b> | <b>Decrease</b><br><b>Rupees in lacs</b> |
|-------------------------------------------|-------------------------------------------|------------------------------------------|
| 5,752.62                                  | 6,494.29                                  | <b>741.67</b>                            |
| <u>1,234.86</u>                           | <u>1,239.79</u>                           | <u><b>4.93</b></u>                       |
| <u><b>6,987.48</b></u>                    | <u><b>7,734.08</b></u>                    | <u><b>746.60</b></u>                     |
| 6,494.29                                  | 5,482.21                                  |                                          |
| <u>1,239.79</u>                           | <u>1,167.91</u>                           |                                          |
| <u><b>7,734.08</b></u>                    | <u><b>6,650.12</b></u>                    |                                          |
| <u><b>746.60</b></u>                      | <u><b>(1,083.96)</b></u>                  |                                          |

**21. Employee benefits expense**

|                                                               |
|---------------------------------------------------------------|
| Salaries, wages and bonus                                     |
| Contribution to provident and other funds (Refer Note No. 26) |
| Staff welfare expenses                                        |

| <b>2012-2013</b><br><b>Rupees in lacs</b> | <b>2011-2012</b><br><b>Rupees in lacs</b> |
|-------------------------------------------|-------------------------------------------|
| 9,343.78                                  | 8,557.83                                  |
| <u>920.93</u>                             | <u>916.54</u>                             |
| <u>375.64</u>                             | <u>352.67</u>                             |
| <u><b>10,640.35</b></u>                   | <u><b>9,827.04</b></u>                    |

**22. Finance costs**

|                             |
|-----------------------------|
| Interest (Refer note below) |
| Bank charges                |

| <b>2012-2013</b><br><b>Rupees in lacs</b> | <b>2011-2012</b><br><b>Rupees in lacs</b> |
|-------------------------------------------|-------------------------------------------|
| 104.01                                    | 102.93                                    |
| <u>47.04</u>                              | <u>29.42</u>                              |
| <u><b>151.05</b></u>                      | <u><b>132.35</b></u>                      |

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

**23. Other expenses**

|                                                          | <b>2012-2013</b>      | <b>2011-2012</b>      |
|----------------------------------------------------------|-----------------------|-----------------------|
|                                                          | <b>Rupees in lacs</b> | <b>Rupees in lacs</b> |
| Processing charges                                       | <b>751.81</b>         | 936.22                |
| Power, fuel and water charges                            | <b>1,683.26</b>       | 1,375.23              |
| Repairs and maintenance:                                 |                       |                       |
| Building                                                 | <b>357.83</b>         | 278.43                |
| Plant and machinery                                      | <b>442.04</b>         | 382.70                |
| Other assets                                             | <b>348.45</b>         | 280.42                |
| Stores and spares                                        | <b>384.15</b>         | 341.20                |
| Rent (Refer Note No. 30)                                 | <b>44.91</b>          | 47.35                 |
| Rates and taxes                                          | <b>184.33</b>         | 152.41                |
| Insurance                                                | <b>126.02</b>         | 116.76                |
| Travelling and conveyance                                | <b>2,885.63</b>       | 2,879.67              |
| Communication expenses                                   | <b>134.05</b>         | 131.63                |
| Carriage, freight and forwarding                         | <b>1,612.05</b>       | 1,543.06              |
| Advertisement and sales promotion                        | <b>3,863.12</b>       | 3,531.28              |
| Increase/ (decrease) in excise duty on finished products | <b>55.81</b>          | (0.67)                |
| Sales tax/ Value added tax                               | <b>81.47</b>          | 81.66                 |
| Commission on sales                                      | <b>436.76</b>         | 387.67                |
| Auditor's remuneration (Including service tax):          |                       |                       |
| As Audit fee                                             | <b>21.19</b>          | 17.45                 |
| For other services                                       | <b>6.01</b>           | 3.23                  |
| Directors sitting fees                                   | <b>5.67</b>           | 6.60                  |
| Bad debts written off                                    | <b>3.56</b>           | 90.29                 |
| Less: Transfer from provision for doubtful debts         | <b>3.56</b>           | (90.29)               |
| Provision for doubtful debts                             | -                     | 9.36                  |
| Provision for diminution in value of current investments | <b>4.77</b>           | 192.42                |
| Amortisation of premium on Non Convertible Debentures    | <b>14.43</b>          | 20.33                 |
| Loss on fixed assets sold/ scrapped (net)                | -                     | 77.81                 |
| Donation                                                 | <b>34.65</b>          | 25.36                 |
| Miscellaneous expenses                                   | <b>3,689.48</b>       | 3,148.41              |
|                                                          | <b>17,167.89</b>      | <b>15,965.99</b>      |

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

|                                                | <b>2012-2013</b>   | <b>2011-2012</b> |
|------------------------------------------------|--------------------|------------------|
| Profit after tax for the year (Rupees in lacs) | <b>15,833.17</b>   | 13,269.05        |
| Weighted average number of shares *            | <b>182,408,576</b> | 183,777,875      |
| Nominal value per share (Rupees)               | <b>1.00</b>        | 1.00             |
| Earnings per share - Basic (Rupees)            | <b>8.68</b>        | 7.22             |
| - Diluted (Rupees)                             | <b>8.68</b>        | 7.22             |

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

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

| <b>Contingent Liabilities</b>                                                                              | <b>31st March 2013<br/>Rupees in lacs</b> | <b>31st March 2012<br/>Rupees in lacs</b> |
|------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| a. <u>Disputed tax matters</u>                                                                             |                                           |                                           |
| Income tax (Appealed by tax authorities)                                                                   | 10.29                                     | 10.29                                     |
| Excise duty (Appealed by the Company)                                                                      | 231.25                                    | 235.47                                    |
| Sales tax (Appealed by the Company)                                                                        | 232.44                                    | 196.52                                    |
| b. In respect of guarantees given by banks                                                                 | 316.62                                    | 154.65                                    |
| c. Letter of credit issued by bankers                                                                      | 91.69                                     | 452.12                                    |
| d. Estimated amount of duty payable on export obligation against outstanding advance licences              | 31.50                                     | 4.63                                      |
| <b>Commitments</b>                                                                                         |                                           |                                           |
| Estimated amount of capital contracts remaining to be executed and not provided for (net of advances paid) | 699.21                                    | 858.12                                    |

**26. As per Accounting Standard – 15 (revised 2005) – “Employee Benefits” the disclosures as defined in the Accounting Standard are given below:****Defined Contribution Plan**

Contribution to Defined Contribution Plans are recognised as an expense for the year under Contribution to provident and other funds (Refer Note No. 21) as under:

|                                                | <b>2012-2013<br/>Rupees in lacs</b> | <b>2011-2012<br/>Rupees in lacs</b> |
|------------------------------------------------|-------------------------------------|-------------------------------------|
| Employer's Contribution to Provident Fund      | 281.65                              | 266.30                              |
| Employer's Contribution to Pension Scheme      | 247.65                              | 238.25                              |
| Employer's Contribution to Superannuation Fund | 48.23                               | 50.96                               |

**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 2013 | 31st March 2012 |
| <b>I Change in Benefit Obligation</b>                            |                 |                 |
| Liability at the beginning of the year                           | 882.67          | 730.88          |
| Interest Cost                                                    | 70.62           | 58.47           |
| Current Service Cost                                             | 96.47           | 118.64          |
| Benefit Paid                                                     | (78.90)         | (61.29)         |
| Actuarial (gain)/ loss on obligations                            | 6.35            | 35.97           |
| Liability at the end of the year                                 | 977.21          | 882.67          |
| <b>II Fair Value of Plan Assets</b>                              |                 |                 |
| Fair Value of Plan Assets at the beginning of the year           | 816.38          | 703.06          |
| Expected Return on Plan Assets                                   | 70.21           | 56.24           |
| Contributions                                                    | 152.00          | 121.00          |
| Benefit Paid                                                     | (78.90)         | (61.29)         |
| Actuarial gain/ (loss) on Plan Assets                            | (26.21)         | (2.63)          |
| Fair Value of Plan Assets at the end of the year                 | 933.48          | 816.38          |
| Total Actuarial gain/ (loss)                                     | (32.56)         | (38.60)         |
| <b>III Actual Return on Plan Assets</b>                          |                 |                 |
| Expected Return on Plan Assets                                   | 70.21           | 56.24           |
| Actuarial gain/ (loss) on Plan Assets                            | (26.21)         | (2.63)          |
| Actual Return on Plan Assets                                     | 44.00           | 53.61           |
| <b>IV Amount recognised in the Balance Sheet</b>                 |                 |                 |
| Liability at the end of the year                                 | (977.21)        | (882.67)        |
| Fair Value of Plan Assets at the end of the year                 | 933.48          | 816.38          |
| Amount recognised in the Balance Sheet                           | (43.73)         | (66.29)         |
| <b>V Expenses recognised in the Statement of Profit and Loss</b> |                 |                 |
| Current Service Cost                                             | 96.47           | 118.64          |
| Interest Cost                                                    | 70.62           | 58.47           |
| Expected Return on Plan Assets                                   | (70.21)         | (56.24)         |
| Net Actuarial (gain)/ loss                                       | 32.56           | 38.60           |
| Expense recognised in the statement of Profit and Loss           | 129.44          | 159.47          |
| <b>VI Balance Sheet Reconciliation</b>                           |                 |                 |
| Opening Net Liability                                            | 66.29           | 27.82           |
| Expense as above                                                 | 129.44          | 159.47          |
| Employers Contribution                                           | (152.00)        | (121.00)        |
| Amount recognised in the Balance Sheet                           | 43.73           | 66.29           |
| <b>VII Investment Details</b>                                    |                 |                 |
| Government of India Assets                                       | 318.55          | 243.55          |
| Corporate Bonds                                                  | 353.41          | 306.34          |
| State Government                                                 | 178.70          | 158.59          |
| Equity                                                           | 71.86           | 88.80           |
| Others                                                           | 10.96           | 19.10           |
| Total                                                            | 933.48          | 816.38          |
| <b>VIII Actuarial Assumptions</b>                                |                 |                 |
| Discount Rate Current                                            | 7.75%           | 8.00%           |
| Rate of Return on Plan Assets Current                            | 8.70%           | 8.60%           |
| Salary Escalation Current                                        | 7.00%           | 7.00%           |

**IX Experience Adjustments**

Rupees in lacs

|                                                                                    | <b>31st March<br/>2013</b> | 31st March<br>2012 | 31st March<br>2011 | 31st March<br>2010 | 31st March<br>2009 |
|------------------------------------------------------------------------------------|----------------------------|--------------------|--------------------|--------------------|--------------------|
| Defined benefit obligation                                                         | <b>977.21</b>              | 882.67             | 730.88             | 607.25             | 407.99             |
| Plan assets                                                                        | <b>933.48</b>              | 816.38             | 703.06             | 396.41             | 371.17             |
| Deficit / (Surplus)                                                                | <b>43.73</b>               | 66.29              | 27.82              | 210.84             | 36.82              |
| Net Actuarial (Gain)/ Loss due to<br>Experience adjustments on Plan<br>Liabilities | <b>(17.94)</b>             | (103.18)           | 8.41               | (63.99)            | 1.50               |
| Net Actuarial Gain/ (Loss) due to<br>Experience adjustments on Plan<br>Assets      | <b>(26.21)</b>             | (2.63)             | (9.28)             | (19.79)            | (12.50)            |

**X. Salary Escalation Rate**

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

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

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

**XII. The Company expects to contribute Rs. 141.05 lacs to gratuity in next year (Previous year - Rs. 162.76 lacs).**

The liability for Leave Encashment as at the year end is Rs. 322.17 lacs (Previous year - Rs. 302.42 lacs) and provision for sick leave as at the year end is Rs. 37.23 lacs (Previous year - Rs. 37.03 lacs).

**27. Segment Information:**Primary segment information

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

Secondary segment information

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

The information related to secondary segment is as under:

Rupees in lacs

| <b>Particulars</b>                              | <b>India</b>                    | <b>Others</b>                 | <b>Total</b>                     |
|-------------------------------------------------|---------------------------------|-------------------------------|----------------------------------|
| Segment Revenue (net)                           | <b>66,620.24</b><br>(60,994.27) | <b>9,839.27</b><br>(8,929.89) | <b>76,459.51</b><br>(69,924.16)  |
| Carrying amount of assets by location of assets | <b>43,514.02</b><br>(43,788.19) | <b>1,778.53</b><br>(2,285.17) | <b>45,292.55*</b><br>(46,073.36) |
| Additions to tangible and intangible assets     | <b>2,489.05</b><br>(2,764.47)   | <b>-</b><br>(62.67)           | <b>2,489.05</b><br>(2,827.14)    |

Previous year's figures are shown in brackets.

\*Segment assets include the following:

| <b>PARTICULARS</b>                          | <b>31st March 2013<br/>Rupees in lacs</b> | <b>31st March 2012<br/>Rupees in lacs</b> |
|---------------------------------------------|-------------------------------------------|-------------------------------------------|
| <u>Fixed Assets</u>                         |                                           |                                           |
| i) Tangible assets                          | <b>27,341.03</b>                          | 27,632.43                                 |
| ii) Intangible assets                       | <b>314.45</b>                             | 369.73                                    |
| iii) Capital work-in-progress               |                                           |                                           |
| Tangible assets                             | <b>722.43</b>                             | 701.31                                    |
| Intangible assets                           | <b>-</b>                                  | 370.59                                    |
| Loans and advances (Long term & short term) | <b>2,440.77</b>                           | 1,525.65                                  |
| Inventories                                 | <b>9,744.55</b>                           | 10,102.53                                 |
| Trade receivables                           | <b>4,476.49</b>                           | 4,069.17                                  |
| Cash and bank balances                      | <b>252.83</b>                             | 1,301.95                                  |
| <b>Total</b>                                | <b>45,292.55</b>                          | 46,073.36                                 |

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

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

**Subsidiary Companies**

- FDC International Limited
- FDC Inc.
- Anand Synthochem Limited

**Joint Venture Entity**

- Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.

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

**Key Management Personnel**

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

**Relatives of Key Management Personnel**

- Ms. Sandhya M. Chandavarkar, Wife of Mr. Mohan A. Chandavarkar
- Ms. Mangala A. Chandavarkar, Wife of Mr. Ashok A. Chandavarkar

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

- Anand Synthochem Limited (upto 16th October 2011)
- Mejda Marketing Private Limited
- Akhil Farma Limited
- Soven Trading and Investment Company Private Limited
- Transgene Trading and Investment Company Private Limited
- Anand Chandavakar Foundation

## Nature of transactions:

Rupees in lacs

| Particulars                    | Subsidiary Companies        | Joint Venture Entity      | Key Management Personnel  | Relatives of Key Management Personnel | Enterprises owned or significantly influenced by Key Management Personnel or their relatives | Total                         |
|--------------------------------|-----------------------------|---------------------------|---------------------------|---------------------------------------|----------------------------------------------------------------------------------------------|-------------------------------|
| Sale of goods                  | <b>530.63</b><br>(1,085.44) | -<br>(7.55)               | -<br>(-)                  | -<br>(-)                              | -<br>(-)                                                                                     | <b>530.63</b><br>(1,092.99)   |
| Services received              | -<br>(-)                    | -<br>(-)                  | -<br>(-)                  | -<br>(-)                              | -<br>(20.01)                                                                                 | -<br>(20.01)                  |
| Dividend received              | <b>192.39</b><br>(-)        | -<br>(-)                  | -<br>(-)                  | -<br>(-)                              | -<br>(-)                                                                                     | <b>192.39</b><br>(-)          |
| Rent paid                      | -<br>(-)                    | -<br>(-)                  | -<br>(-)                  | -<br>(-)                              | -<br>(0.08)                                                                                  | -<br>(0.08)                   |
| Reimbursement of expenses      | <b>4.96</b><br>(-)          | -<br>(-)                  | -<br>(-)                  | -<br>(-)                              | -<br>(-)                                                                                     | <b>4.96</b><br>(-)            |
| <b>Finance</b>                 |                             |                           |                           |                                       |                                                                                              |                               |
| Investment                     | -<br>(606.16)               | -<br>(-)                  | -<br>(-)                  | -<br>(-)                              | -<br>(-)                                                                                     | -<br>(606.16)                 |
| Loans granted                  | -<br>(38.42)                | -<br>(-)                  | -<br>(-)                  | -<br>(-)                              | -<br>(-)                                                                                     | -<br>(38.42)                  |
| Interest income                | -<br>(-)                    | <b>10.63</b><br>(11.96)   | -<br>(-)                  | -<br>(-)                              | -<br>(-)                                                                                     | <b>10.63</b><br>(11.96)       |
| Managerial remuneration*       | -<br>(-)                    | -<br>(-)                  | <b>446.45</b><br>(420.39) | -<br>(-)                              | -<br>(-)                                                                                     | <b>446.45</b><br>(420.39)     |
| Purchase of equity shares      | -<br>(-)                    | -<br>(-)                  | -<br>(23.00)              | -<br>(342.31)                         | -<br>(33.09)                                                                                 | -<br>(398.40)                 |
| Donation paid                  | -<br>(-)                    | -<br>(-)                  | -<br>(-)                  | -<br>(-)                              | <b>30.00</b><br>(25.00)                                                                      | <b>30.00</b><br>(25.00)       |
| Dividend on equity shares paid | -<br>(-)                    | -<br>(-)                  | <b>641.60</b><br>(629.21) | <b>342.55</b><br>(354.94)             | <b>668.50</b><br>(668.50)                                                                    | <b>1,652.65</b><br>(1,652.65) |
| <b>Outstanding balances</b>    |                             |                           |                           |                                       |                                                                                              |                               |
| - Payable                      | -<br>(-)                    | -<br>(-)                  | <b>285.97</b><br>(269.34) | -<br>(-)                              | -<br>(-)                                                                                     | <b>285.97</b><br>(269.34)     |
| - Loans granted                | <b>38.42</b><br>(38.42)     | <b>212.63</b><br>(239.25) | -<br>(-)                  | -<br>(-)                              | -<br>(-)                                                                                     | <b>251.05</b><br>(277.67)     |
| - Interest on loans granted    | -<br>(-)                    | <b>10.63</b><br>(35.89)   | -<br>(-)                  | -<br>(-)                              | -<br>(-)                                                                                     | <b>10.63</b><br>(35.89)       |
| - Receivable against sales     | <b>317.36</b><br>(72.08)    | -<br>(7.25)               | -<br>(-)                  | -<br>(-)                              | -<br>(-)                                                                                     | <b>317.36</b><br>(79.33)      |

\* 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:

|                                                                         | 2012-2013<br>Rupees in lacs | 2011-2012<br>Rupees in lacs |
|-------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>1 <u>Sale of goods</u></b>                                           |                             |                             |
| FDC International Limited                                               | 530.63                      | 1,085.44                    |
| <b>2 <u>Services received</u></b>                                       |                             |                             |
| Anand Synthochem Limited                                                | -                           | 6.16                        |
| Mejda Marketing Private Limited                                         | -                           | 6.47                        |
| Akhil Farma Limited                                                     | -                           | 7.38                        |
| <b>3 <u>Dividend received</u></b>                                       |                             |                             |
| FDC International Limited                                               | 192.39                      | -                           |
| <b>4 <u>Rent paid</u></b>                                               |                             |                             |
| Akhil Farma Limited                                                     | -                           | 0.08                        |
| <b>5 <u>Reimbursement of expenses</u></b>                               |                             |                             |
| FDC International Limited                                               | 4.96                        | -                           |
| <b>6 <u>Investment</u></b>                                              |                             |                             |
| Anand Synthochem Limited                                                | -                           | 606.16                      |
| <b>7 <u>Loan granted</u></b>                                            |                             |                             |
| Anand Synthochem Limited                                                | -                           | 38.42                       |
| <b>8 <u>Interest received</u></b>                                       |                             |                             |
| Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.                      | 10.63                       | 11.96                       |
| <b>9 <u>Managerial remuneration</u></b>                                 |                             |                             |
| Mr. Mohan A. Chandavarkar                                               | 134.39                      | 126.49                      |
| Mr. Ashok A. Chandavarkar                                               | 111.03                      | 103.26                      |
| Mr. Nandan M. Chandavarkar                                              | 119.74                      | 113.43                      |
| Mr. Ameya A. Chandavarkar                                               | 81.29                       | 77.21                       |
| <b>10 <u>Purchase of equity share for investment in subsidiary</u></b>  |                             |                             |
| Ms. Mangala A. Chandavarkar                                             | -                           | 193.08                      |
| Ms. Sandhya M. Chandavarkar                                             | -                           | 149.23                      |
| <b>11 <u>Donation paid</u></b>                                          |                             |                             |
| Anand Chandavakar Foundation                                            | 30.00                       | 25.00                       |
| <b>12 <u>Dividend paid</u></b>                                          |                             |                             |
| Mr. Mohan A. Chandavarkar                                               | 224.46                      | 218.26                      |
| Mr. Ashok A. Chandavarkar                                               | 210.61                      | 210.61                      |
| Ms. Sandhya M. Chandavarkar                                             | 209.67                      | 209.67                      |
| Soven Trading and Investment Company Private Limited                    | 326.55                      | 326.55                      |
| Transgene Trading and Investment Company Private Limited                | 341.95                      | 341.95                      |
| <b>13 <u>Outstanding balances payable</u></b>                           |                             |                             |
| Mr. Mohan A. Chandavarkar                                               | 91.64                       | 86.27                       |
| Mr. Ashok A. Chandavarkar                                               | 73.43                       | 69.14                       |
| Mr. Nandan M. Chandavarkar                                              | 74.06                       | 69.78                       |
| Mr. Ameya A. Chandavarkar                                               | 46.84                       | 44.15                       |
| <b>14 <u>Outstanding balances against loans granted</u></b>             |                             |                             |
| Anand Synthochem Limited                                                | 38.42                       | 38.42                       |
| Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.                      | 212.63                      | 239.25                      |
| <b>15 <u>Outstanding balances against interest on loans granted</u></b> |                             |                             |
| Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.                      | 10.63                       | 35.89                       |
| <b>16 <u>Outstanding balances receivable against debtors</u></b>        |                             |                             |
| FDC International Limited                                               | 317.36                      | 72.08                       |

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

Balance as at 31st March 2013 Rs. 38.42 lacs (Previous year - Rs. 38.42 lacs).

Maximum balance outstanding during the year Rs. 38.42 lacs (Previous year - Rs. 38.42 lacs).

The same is payable on demand.

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

The Company's significant leasing arrangements are in respect of godowns / office premises taken on operating lease basis. The aggregate lease rentals payable are charged as Rent and shown under 'Other Expenses' (Refer Note No. 23).

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

**31. During the current year, Company has made revision in the estimated useful life of certain class of fixed assets which has resulted in higher charge of depreciation cost of Rs. 803.79 lacs. [Refer Note 1(d)]****32. Pursuant to Accounting Standard 27 - "Financial Reporting of interests in Joint Ventures", the disclosures relating to the Joint Venture Entity (JV) is as follows:**

| Sr. No. | Name                                               | Country of Incorporation | Percentage of Ownership Interest as on 31st March 2013 | Percentage of Ownership Interest as on 31st March 2012 |
|---------|----------------------------------------------------|--------------------------|--------------------------------------------------------|--------------------------------------------------------|
| 1       | Fair Deal Corporation Pharmaceutical SA (Pty) Ltd. | Republic of South Africa | 49%                                                    | 49%                                                    |

The Company's interest in the JV is reported as Non-Current Investment (Refer Note No. 9) and stated at cost. The Company's share of each of the assets, liabilities, income and expenses etc. (each without elimination of the effect of transactions between the Company and the JV) related to its interest in the JV, based on the audited financial statements of Fair Deal Corporation Pharmaceutical SA (Pty) Ltd. is as follows:

| Balance Sheet            | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs |
|--------------------------|-----------------------------------|-----------------------------------|
| Current assets           | 327.50                            | 360.36                            |
| Non current assets       | 102.09                            | 126.65                            |
| <b>Total assets</b>      | <b>429.59</b>                     | <b>487.01</b>                     |
| Current liabilities      | (336.05)                          | (402.07)                          |
| Non current liabilities  | -                                 | -                                 |
| <b>Total liabilities</b> | <b>(336.05)</b>                   | <b>(402.07)</b>                   |
| Shareholders' fund       | 93.54                             | 84.94                             |

| <b>Statement of Profit and Loss</b>                                           | <b>2012-2013<br/>Rupees in lacs</b> | <b>2011-2012<br/>Rupees in lacs</b> |
|-------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Income</b>                                                                 |                                     |                                     |
| Revenue from operations                                                       | <b>709.37</b>                       | 540.62                              |
| Other income                                                                  | <b>(0.08)</b>                       | -                                   |
| <b>Expenditure</b>                                                            |                                     |                                     |
| Purchases of stock-in-trade                                                   | <b>591.79</b>                       | 570.15                              |
| Changes in inventories of finished goods, work in progress and stock-in-trade | <b>35.73</b>                        | (115.03)                            |
| Employee benefit expense                                                      | <b>27.70</b>                        | 7.82                                |
| Other expense                                                                 | <b>18.13</b>                        | 26.77                               |
| Finance costs                                                                 | <b>13.31</b>                        | 12.43                               |
| Depreciation                                                                  | <b>25.16</b>                        | 25.52                               |
| <b>Total Expenditure</b>                                                      | <b>711.82</b>                       | 527.66                              |
| <b>Provision for taxation</b>                                                 |                                     |                                     |
| Current tax                                                                   | <b>5.05</b>                         | 6.60                                |
| Deferred tax                                                                  | <b>(0.26)</b>                       | (3.88)                              |

No contingent liabilities and capital commitments have been incurred as at 31st March 2013 in relation to the Company's interest in the JV along with the other venturers (Previous year - Rs. Nil).

33. 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:

| <b>Balances</b>                                 | <b>Foreign currency amount</b> |                            |                    | <b>Equivalent amount<br/>Rupees in lacs</b> |                    |
|-------------------------------------------------|--------------------------------|----------------------------|--------------------|---------------------------------------------|--------------------|
|                                                 |                                | <b>31st March<br/>2013</b> | 31st March<br>2012 | <b>31st March<br/>2013</b>                  | 31st March<br>2012 |
| Bank balances                                   | USD                            | <b>822,735</b>             | 31,139             | <b>442.97</b>                               | 15.66              |
|                                                 | EUR                            | <b>58,306</b>              | 75,386             | <b>39.92</b>                                | 50.49              |
|                                                 | GBP                            | <b>12,880</b>              | 54,655             | <b>10.43</b>                                | 43.65              |
| Trade receivables                               | USD                            | <b>2,256,137</b>           | 2,618,786          | <b>1,201.57</b>                             | 1,316.91           |
|                                                 | EUR                            | <b>116,920</b>             | 457,354            | <b>80.22</b>                                | 307.94             |
|                                                 | GBP                            | <b>437,989</b>             | 91,459             | <b>355.17</b>                               | 73.60              |
|                                                 | JPY                            | <b>7,950,000</b>           | 13,250,000         | <b>45.29</b>                                | 81.43              |
| Loans and advances                              | EUR                            | -                          | 8,879              | -                                           | 5.93               |
|                                                 | USD                            | <b>140,300</b>             | 197,030            | <b>75.20</b>                                | 98.77              |
|                                                 | ZAR                            | <b>3,993,953</b>           | 4,374,330          | <b>223.26</b>                               | 275.15             |
| Trade payable                                   | EUR                            | <b>90,053</b>              | 187,836            | <b>63.76</b>                                | 130.24             |
|                                                 | GBP                            | <b>10,673</b>              | 17,874             | <b>8.94</b>                                 | 14.82              |
|                                                 | USD                            | <b>482,822</b>             | 617,033            | <b>265.90</b>                               | 320.03             |
| Investment in subsidiaries/Joint venture entity | USD                            | <b>50,000</b>              | 50,000             | <b>22.00</b>                                | 22.00              |
|                                                 | ZAR                            | <b>159,250</b>             | 159,250            | <b>11.30</b>                                | 11.30              |
|                                                 | GBP                            | <b>1</b>                   | 1                  | <b>0.00</b>                                 | 0.00               |

34. Revenue expenditure on research and development (including depreciation and amortisation) aggregating to Rs. 2,082.45 lacs (Previous year - Rs.1,599.04 lacs) is included under relevant heads in the Statement of Profit and Loss.
35. Costs of samples, manufactured and purchased, have been included in Cost of materials consumed and purchases of stock-in-trade respectively.

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

|              | <b>Rupees in lacs</b>           | <b>Percentage</b>         |
|--------------|---------------------------------|---------------------------|
| Indigenous   | <b>13,728.10</b><br>(13,558.44) | <b>86.77</b><br>(88.07)   |
| Imported     | <b>2,092.84</b><br>(1,836.57)   | <b>13.23</b><br>(11.93)   |
| <b>Total</b> | <b>15,820.94</b><br>(15,395.01) | <b>100.00</b><br>(100.00) |

Previous year's figures are shown in brackets.

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

|              | <b>Rupees in lacs</b>     | <b>Percentage</b>         |
|--------------|---------------------------|---------------------------|
| Indigenous   | <b>347.66</b><br>(327.44) | <b>85.73</b><br>(83.55)   |
| Imported     | <b>57.88</b><br>(64.45)   | <b>14.27</b><br>(16.45)   |
| <b>Total</b> | <b>405.54</b><br>(391.89) | <b>100.00</b><br>(100.00) |

Previous year's figures are shown in brackets.

**38. CIF value of imports:**

|                               | <b>2012-2013</b><br><b>Rupees in lacs</b> | <b>2011-2012</b><br><b>Rupees in lacs</b> |
|-------------------------------|-------------------------------------------|-------------------------------------------|
| Raw material                  | <b>1,954.81</b>                           | 1,759.30                                  |
| Packing material              | <b>324.56</b>                             | 184.87                                    |
| Components, stores and spares | <b>57.88</b>                              | 64.45                                     |
| Capital goods                 | <b>451.36</b>                             | 786.25                                    |
| Intangible assets             | <b>-</b>                                  | 62.68                                     |
| <b>Total</b>                  | <b>2,788.61</b>                           | 2,857.55                                  |

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

|                          | <b>2012-2013</b><br><b>Rupees in lacs</b> | <b>2011-2012</b><br><b>Rupees in lacs</b> |
|--------------------------|-------------------------------------------|-------------------------------------------|
| FOB value of exports     | <b>9,290.83</b>                           | 8,414.13                                  |
| Interest                 | <b>10.63</b>                              | 25.34                                     |
| Dividend from subsidiary | <b>192.39</b>                             | -                                         |
| Others                   | <b>22.22</b>                              | 6.34                                      |
| <b>Total</b>             | <b>9,516.07</b>                           | 8,445.81                                  |

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

|                                 | <b>2012-2013</b>      | 2011-2012      |
|---------------------------------|-----------------------|----------------|
|                                 | <b>Rupees in lacs</b> | Rupees in lacs |
| Miscellaneous expenses (Export) | <b>258.40</b>         | 119.01         |
| Commission on sales             | <b>91.35</b>          | 58.57          |
| Legal and professional fees     | <b>304.12</b>         | 42.20          |
| Travelling and conveyance       | <b>6.07</b>           | 9.67           |
| Others (gross)                  | <b>25.82</b>          | 16.82          |
| <b>Total</b>                    | <b>685.76</b>         | 246.27         |

**41. Previous year's figures have been regrouped/ reclassified, wherever necessary to conform to this year's classification.**

As per our report of even date

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

For and on behalf of the Board of Directors

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

**ASHOK A. CHANDAVARKAR**  
Director

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

**SHALINI KAMATH**  
Company Secretary

Place : Mumbai  
Date : May 24, 2013

Place : Mumbai  
Date : May 24, 2013

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

| SR. NO. | PARTICULARS                                                                                                                                                                       | NAME OF THE SUBSIDIARIES               |                                   |                                        |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-----------------------------------|----------------------------------------|
|         |                                                                                                                                                                                   | FDC International Limited              | FDC Inc.                          | Anand Synthochem Limited               |
| 1.      | The Financial Year of the Subsidiary Companies ended on                                                                                                                           | 31.03.2013                             | 31.03.2013                        | 31.03.2013                             |
| 2.      | Date on which they became subsidiaries                                                                                                                                            | 09.10.1997                             | 01.09.2004                        | 17.10.2011                             |
| 3.      | Number of shares held by FDC Limited (Holding Company) in the Subsidiary Companies at the end of the financial year of the Subsidiary Companies                                   | 374,085 equity shares of GBP 0.01 each | 500 equity shares of USD 100 each | 1,740,000 equity shares of INR 10 each |
| 4.      | Extent of interest of Holding Company as at the end of the financial year of the Subsidiary Companies                                                                             | 100%                                   | 100%                              | 100%                                   |
| 5.      | The net aggregate amount of the Subsidiary Companies' Profit/ (Loss) so far as it concerns members of the Holding Company and is not dealt with in the Holding Company's Accounts |                                        |                                   |                                        |
|         | i. For the year ended 31st March 2013                                                                                                                                             | (GBP 103,980)                          | (USD 1,517)                       | (INR 448,048)                          |
|         | ii. For the financial years since they became subsidiaries                                                                                                                        | GBP 367,367                            | USD 39,754                        | (INR 656,986)                          |
| 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 2013                                                                                                                                             | Nil                                    | Nil                               | Nil                                    |
|         | ii. For the financial years since they became subsidiaries                                                                                                                        | Nil                                    | Nil                               | Nil                                    |

For and on behalf of the Board of Directors

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

**ASHOK A. CHANDAVARKAR**  
Director

**SHALINI KAMATH**  
Company Secretary

Place : Mumbai  
Date : May 24, 2013

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

## INDEPENDENT AUDITOR'S REPORT

### To the Board of Directors of FDC Limited

We have audited the accompanying consolidated financial statements of FDC Limited ("the Company"), its subsidiaries and its joint venture, which comprise the Consolidated Balance Sheet as at 31st March 2013, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### Other Matter

We did not audit total assets of Rs. 1,872.71 lacs as at 31st March 2013, total revenues of Rs. 1,355.74 lacs and net cash outflows amounting to Rs. 175.15 lacs for the year then ended, included in the accompanying consolidated financial statements in respect of all subsidiaries and a joint venture whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiaries and joint venture is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

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

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

Place: Mumbai  
Date : May 24, 2013

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013

| PARTICULARS                        | Note No. | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs |
|------------------------------------|----------|-----------------------------------|-----------------------------------|
| <b>I. EQUITY AND LIABILITIES</b>   |          |                                   |                                   |
| <b>1 Shareholders' funds</b>       |          |                                   |                                   |
| (a) Share capital                  | 2        | 1,816.19                          | 1,837.06                          |
| (b) Reserves and surplus           | 3        | 76,608.22                         | 67,705.28                         |
|                                    |          | <u>78,424.41</u>                  | <u>69,542.34</u>                  |
| <b>2 Non-current liabilities</b>   |          |                                   |                                   |
| (a) Long-term borrowings           | 4        | 146.63                            | 201.00                            |
| (b) Deferred tax liabilities (Net) | 5        | 3,011.82                          | 2,848.67                          |
|                                    |          | <u>3,158.45</u>                   | <u>3,049.67</u>                   |
| <b>3 Current liabilities</b>       |          |                                   |                                   |
| (a) Short-term borrowings          | 7        | 114.07                            | 128.62                            |
| (b) Trade payables                 | 8        | 6,103.73                          | 5,763.82                          |
| (c) Other current liabilities      | 8        | 3,598.29                          | 3,009.38                          |
| (d) Short-term provisions          | 6        | 5,228.05                          | 4,789.23                          |
|                                    |          | <u>15,044.14</u>                  | <u>13,691.05</u>                  |
| <b>TOTAL</b>                       |          | <u><u>96,627.00</u></u>           | <u><u>86,283.06</u></u>           |
| <b>II. ASSETS</b>                  |          |                                   |                                   |
| <b>1 Non-current assets</b>        |          |                                   |                                   |
| (a) Fixed assets                   | 9        |                                   |                                   |
| (i) Tangible assets                |          | 28,529.42                         | 28,834.42                         |
| (ii) Intangible assets             |          | 389.72                            | 470.01                            |
| (iii) Capital work-in-progress     |          |                                   |                                   |
| Tangible assets                    |          | 722.43                            | 701.31                            |
| Intangible assets                  |          | -                                 | 370.59                            |
| (b) Non-current investments        | 10       | 24,515.05                         | 9,619.82                          |
| (c) Deferred tax assets            | 11       | 26.39                             | 26.13                             |
| (d) Long-term loans and advances   | 12       | 1,662.36                          | 1,764.61                          |
| (e) Other non-current assets       | 17       | 51.65                             | 95.86                             |
|                                    |          | <u>55,897.02</u>                  | <u>41,882.75</u>                  |
| <b>2 Current assets</b>            |          |                                   |                                   |
| (a) Current investments            | 13       | 17,090.96                         | 24,392.17                         |
| (b) Inventories                    | 14       | 9,970.66                          | 10,291.50                         |
| (c) Trade receivables              | 15       | 4,322.64                          | 4,197.41                          |
| (d) Cash and bank balances         | 16       | 3,650.33                          | 1,677.54                          |
| (e) Short-term loans and advances  | 12       | 4,798.25                          | 3,371.47                          |
| (f) Other current assets           | 17       | 897.14                            | 470.22                            |
|                                    |          | <u>40,729.98</u>                  | <u>44,400.31</u>                  |
| <b>TOTAL</b>                       |          | <u><u>96,627.00</u></u>           | <u><u>86,283.06</u></u>           |

**Significant accounting policies**

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

1

2 to 37

As per our report of even date

**For S.R. BATLIBOI & CO. LLP**

Chartered Accountants  
Firm Registration No. 301003E

For and on behalf of the Board of Directors

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

**ASHOK A. CHANDAVARKAR**  
Director

**per VIJAY MANIAR**

Partner  
Membership No. 36738

**SHALINI KAMATH**  
Company Secretary

Place: Mumbai  
Date : May 24, 2013

Place: Mumbai  
Date : May 24, 2013

# **CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013**

| PARTICULARS |                                                                               | Note No. | 2012-2013<br>Rupees in lacs | 2011-2012<br>Rupees in lacs |
|-------------|-------------------------------------------------------------------------------|----------|-----------------------------|-----------------------------|
| I.          | Revenue from operations (Gross)                                               | 18       | 78,850.61                   | 72,301.87                   |
|             | Less: Excise duty                                                             |          | 1,568.11                    | 1,247.79                    |
|             | Revenue from operations (Net)                                                 |          | 77,282.50                   | 71,054.08                   |
| II.         | Other income                                                                  | 19       | 4,632.90                    | 2,774.88                    |
| III.        | <b>Total Revenue (I + II)</b>                                                 |          | <b>81,915.40</b>            | <b>73,828.96</b>            |
| IV.         | <b>Expenses:</b>                                                              |          |                             |                             |
|             | Cost of materials consumed                                                    | 20       | 21,000.50                   | 20,193.11                   |
|             | Purchases of Stock-in-trade                                                   |          | 9,345.76                    | 9,476.35                    |
|             | Changes in inventories of finished goods/ stock-in-trade and work-in-progress | 21       | 709.46                      | (1,116.20)                  |
|             | Employee benefits expense                                                     | 22       | 10,749.62                   | 9,901.75                    |
|             | Finance costs                                                                 | 23       | 160.44                      | 141.28                      |
|             | Depreciation and amortisation expense                                         | 9        | 2,798.16                    | 1,851.24                    |
|             | Less: Recoupment from Revaluation Reserve                                     | 3        | 8.02                        | 8.02                        |
|             |                                                                               |          | 2,790.14                    | 1,843.22                    |
|             | Other expenses                                                                | 24       | 17,387.79                   | 16,169.66                   |
|             | <b>Total expenses</b>                                                         |          | <b>62,143.71</b>            | <b>56,609.17</b>            |
| V.          | <b>Profit before tax (III- IV)</b>                                            |          | <b>19,771.69</b>            | <b>17,219.79</b>            |
| VI.         | <b>Tax expense:</b>                                                           |          |                             |                             |
|             | (1) Current tax                                                               |          | 4,107.18                    | 3,516.28                    |
|             | (2) Deferred tax                                                              |          | 162.89                      | 324.27                      |
|             | (3) Tax adjustments for earlier years - Current tax                           |          | (15.43)                     | (29.56)                     |
|             | <b>Total tax expense</b>                                                      |          | <b>4,254.64</b>             | <b>3,810.99</b>             |
| VII.        | <b>Profit for the year (V - VI)</b>                                           |          | <b>15,517.05</b>            | <b>13,408.80</b>            |
| VIII.       | Earnings per equity share:                                                    | 25       |                             |                             |
|             | Par value Re. 1 per share (Previous year - Re. 1 per share)                   |          |                             |                             |
|             | (1) Basic (Rs.)                                                               |          | 8.51                        | 7.30                        |
|             | (2) Diluted (Rs.)                                                             |          | 8.51                        | 7.30                        |

**Significant accounting policies**

1

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

2 to 37

As per our report of even date

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

For and on behalf of the Board of Directors

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

**ASHOK A. CHANDAVARKAR**  
Director

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

**SHALINI KAMATH**  
Company Secretary

Place : Mumbai  
Date : May 24, 2013

Place : Mumbai  
Date : May 24, 2013

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

| PARTICULARS                                                                 | 2012-2013<br>Rupees in lacs | 2011-2012<br>Rupees in lacs |
|-----------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                 |                             |                             |
| <b>NET PROFIT BEFORE TAXATION</b>                                           | <b>19,771.69</b>            | <b>17,219.79</b>            |
| Non-cash adjustments to reconcile Profit before tax to Net Cash flows:      |                             |                             |
| Depreciation and amortisation                                               | 2,790.14                    | 1,843.22                    |
| Interest expense                                                            | 112.97                      | 111.49                      |
| Premium income on Non Convertible Debentures                                | (45.44)                     | (128.67)                    |
| Interest income                                                             | (1,324.83)                  | (715.84)                    |
| (Profit)/ Loss on fixed assets sold/ scrapped (net)                         | (19.98)                     | 77.81                       |
| Amortisation of premium on Non Convertible Debentures/ Bonds                | 14.43                       | 20.33                       |
| Dividend income                                                             | (35.90)                     | (629.74)                    |
| Provision for diminution in value of current investments                    | 4.77                        | 192.42                      |
| Profit on sale of investments (net)                                         | (2,534.24)                  | (882.89)                    |
| Translation adjustment on consolidation                                     | 31.44                       | (20.89)                     |
| Unrealised foreign exchange loss/ (gain) on restatement                     | 4.73                        | (51.67)                     |
| Bad debts written off                                                       | 0.18                        | -                           |
| Provision for doubtful debts                                                | -                           | 9.36                        |
| Provision for expenses no longer required, written back                     | (93.42)                     | (57.91)                     |
| Provision for doubtful debts/ advances no longer required, written back     | (11.11)                     | (14.82)                     |
| Provision for diminution in value of current investments sold, written back | (313.33)                    | (13.79)                     |
| <b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>                      | <b>18,352.10</b>            | <b>16,958.20</b>            |
| Movements in Working Capital:                                               |                             |                             |
| Increase in trade receivables                                               | (116.86)                    | (89.91)                     |
| Decrease/ (increase) in inventories                                         | 320.84                      | (549.42)                    |
| (Increase)/ decrease in loans & advances and other current assets           | (740.83)                    | 266.97                      |
| Increase in trade payables and other current liabilities                    | 951.81                      | 1,187.19                    |
| (Decrease)/ increase in provisions                                          | (1.16)                      | 85.92                       |
| <b>CASH GENERATED FROM OPERATIONS</b>                                       | <b>18,765.90</b>            | <b>17,858.95</b>            |
| Direct taxes paid (net of refunds)                                          | (3,771.87)                  | (3,425.88)                  |
| <b>NET CASH FROM OPERATING ACTIVITIES (A)</b>                               | <b>14,994.03</b>            | <b>14,433.07</b>            |
| <b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>                              |                             |                             |
| Purchase of fixed assets, including CWIP and capital advances               | (2,339.55)                  | (2,927.29)                  |
| Proceeds from sale of fixed assets                                          | 90.92                       | 58.60                       |
| Inter corporate deposits given                                              | (1,000.00)                  | (1,000.00)                  |
| Repayment of inter corporate deposits given                                 | 1,000.00                    | 1,900.00                    |
| Investment in bank deposits (net)                                           | (3,145.53)                  | -                           |
| Decrease in fixed and margin deposits                                       | 5.40                        | 12.24                       |
| Purchase of investments in subsidiary company                               | -                           | (606.16)                    |
| Purchase of investments                                                     | (45,165.26)                 | (54,811.03)                 |
| Proceeds from sale of investments                                           | 38,342.86                   | 45,389.86                   |
| Premium paid on Non Convertible Debentures/ Bonds purchased                 | (6.54)                      | (58.56)                     |
| Dividend received                                                           | 35.90                       | 635.29                      |
| Interest/ Premium received                                                  | 1,463.97                    | 582.43                      |
| <b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>                            | <b>(10,717.83)</b>          | <b>(10,824.62)</b>          |
| <b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>                              |                             |                             |
| Repayment of term loan taken from bank                                      | (32.15)                     | (17.08)                     |
| Repayment of borrowings                                                     | -                           | (33.52)                     |
| Receipt of capital subsidy                                                  | -                           | 30.00                       |
| Repayment of deferred sales tax loan                                        | (27.75)                     | (33.40)                     |
| Payment towards buy back of shares                                          | (1,933.41)                  | (1,460.87)                  |
| Dividend paid                                                               | (3,658.41)                  | (3,677.21)                  |
| Dividend tax paid                                                           | (593.48)                    | (597.02)                    |
| Interest paid                                                               | (37.41)                     | (29.32)                     |
| <b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>                            | <b>(6,282.61)</b>           | <b>(5,818.42)</b>           |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>                | <b>(2,006.41)</b>           | <b>(2,209.97)</b>           |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>               | <b>2,423.16</b>             | <b>4,633.13</b>             |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>                     | <b>416.75</b>               | <b>2,423.16</b>             |
| (Refer Note 1 below)                                                        |                             |                             |

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

### 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:

| <b>PARTICULARS</b>                                                           | <b>31st March 2013<br/>Rupees in lacs</b> | <b>31st March 2012<br/>Rupees in lacs</b> |
|------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Cash on hand                                                                 | <b>15.81</b>                              | 16.09                                     |
| Balance with scheduled banks:                                                |                                           |                                           |
| In current accounts                                                          | <b>351.98</b>                             | 1,570.57                                  |
| In unpaid dividend accounts (Refer Note 2 below)                             | <b>93.13</b>                              | 82.06                                     |
| Short term investments in mutual funds                                       | -                                         | 800.00                                    |
| Unrealised foreign exchange gain on restatement of cash and cash equivalents | <b>(44.17)</b>                            | (45.56)                                   |
|                                                                              | <b>416.75</b>                             | 2,423.16                                  |

2. Rs. 93.13 lacs (Previous year - Rs. 82.06 lacs) in unclaimed dividend accounts are not available for use by the Company as they represent corresponding dividend liabilities.

As per our report of even date

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

For and on behalf of the Board of Directors

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

**ASHOK A. CHANDAVARKAR**  
Director

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

**SHALINI KAMATH**  
Company Secretary

Place: Mumbai  
Date : May 24, 2013

Place: Mumbai  
Date : May 24, 2013

## 1. SIGNIFICANT ACCOUNTING POLICIES

### a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

### b. USE OF ESTIMATES

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

### c. BASIS OF CONSOLIDATION

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

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

The excess of cost of investment in the subsidiaries/ joint venture companies over the share of equity in the subsidiaries/ joint venture companies at the respective dates of investment is recognised in the financial statements as Goodwill and the same is charged off during the year of acquisition. The excess of share of equity in the subsidiaries/ joint venture companies over the cost of acquisition in the subsidiaries/ joint venture companies at the respective dates of investment is recognised in the financial statements as Capital Reserve. The share of equity in such subsidiaries/ joint venture companies is determined on the basis of the latest financial statements of the subsidiaries/ joint venture companies prior to the date of investment.

### d. TANGIBLE FIXED ASSETS

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

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

**e. DEPRECIATION/ AMORTISATION/ IMPAIRMENT****FDC Limited**

Depreciation on the historical cost of tangible fixed assets is provided on straight line method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956 except for the below mentioned assets where higher rates are considered based on the useful life of the assets as estimated by the management:

| ASSETS                      | RATES  |
|-----------------------------|--------|
| Laboratory testing machines | 10.00% |
| R&D Equipments              | 10.00% |
| Vehicles                    | 16.67% |

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

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of the money and risks specific to the assets.

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

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

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

Leasehold land/ improvements are amortised on a straight line basis over the period of lease ranging from 30 to 99 years.

**Subsidiaries/ Joint venture companies**

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

**f. INTANGIBLE ASSETS****FDC Limited*****Technical know-how***

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

***Marketing Rights and Software***

Cost relating to marketing rights and software, which are acquired, are capitalised and amortised over the period of its estimated useful life as estimated by the management on a straight line basis, not exceeding ten years.

**Subsidiaries/ Joint venture companies*****Dossiers***

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

**g. INVESTMENTS**

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

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

**h. INVENTORIES**

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

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

**i. REVENUE RECOGNITION**

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

Revenue from sale of goods is recognised when significant risks and rewards of ownership are transferred to customers, which coincides with dispatch of goods to customers. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company, hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of the liability arising during the year.

Dividend is recognised when the Company's right to receive the payment is established by the balance sheet date.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

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

**j. FOREIGN CURRENCY TRANSLATION/ TRANSACTIONS**

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

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

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

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

The financial statements of the foreign subsidiaries and the joint venture companies are translated into Indian Rupees as follows:

**Non-integral foreign operations:**

- Income and expense items except opening and closing inventories are translated at the average exchange rate for the year. Opening and closing inventories are translated at the rates prevalent at the commencement and close respectively of the accounting period.
- All assets and liabilities are translated using the closing exchange rate.
- The differences on translation including those arising on elimination of non-monetary intra-group balances and transactions are taken to Translation Reserve as a part of Reserves and Surplus.
- The differences arising on elimination of monetary intra-group balances and transactions are taken to the Consolidated Statement of Profit and Loss.

**Integral foreign operations:**

- Income and expense items except opening and closing inventories are translated at the average exchange rate for the year.
- All monetary assets and liabilities are translated using the closing exchange rate.
- All non-monetary assets and liabilities, other than inventories, are translated using the exchange rate at the date of their acquisition.
- The differences on translation including those arising on elimination of intra-group balances and transactions are taken to Consolidated Statement of Profit and Loss.

**k. GOVERNMENT GRANTS**

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

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

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

**l. EMPLOYEE BENEFITS**

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

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

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

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

**m. RESEARCH AND DEVELOPMENT**

Revenue expenditure is charged off to the Statement of Profit and Loss in the year in which it is incurred.

**n. LEASE ACCOUNTING**

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

**o. EARNING PER SHARE**

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

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

**p. ACCOUNTING FOR TAXES ON INCOME**

Tax expense comprises of current and deferred tax. Provision for current tax is made, based on the tax payable under the Income-tax Act, 1961. Deferred tax assets and liabilities from timing differences between taxable income and accounting income is accounted for using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date.

At each balance sheet date, the Company reassesses unrecognised deferred tax assets. Deferred tax assets are recognised only to the extent that there is a reasonable certainty of their realisation. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

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

**q. PROVISIONS AND CONTINGENCIES**

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

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

**r. CASH AND CASH EQUIVALENTS**

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

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

### 2. Share capital

|                                                                                      | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs |
|--------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Authorised Shares</b>                                                             |                                   |                                   |
| 250,000,000 (Previous year - 250,000,000) Equity shares of Re. 1 each                | <u>2,500.00</u>                   | <u>2,500.00</u>                   |
| <b>Issued Shares</b>                                                                 |                                   |                                   |
| 183,977,995 (Previous year - 186,065,427) Equity shares of Re. 1 each, fully paid-up | <u>1,839.78</u>                   | <u>1,860.65</u>                   |
| <b>Subscribed and Paid-up Shares</b>                                                 |                                   |                                   |
| 180,832,995 (Previous year - 182,920,427) Equity shares of Re. 1 each, fully paid-up | <u>1,808.33</u>                   | <u>1,829.20</u>                   |
| Add: 3,145,000 (Previous year - 3,145,000) Equity shares forfeited                   | <u>7.86</u>                       | <u>7.86</u>                       |
| <b>Total</b>                                                                         | <u>1,816.19</u>                   | <u>1,837.06</u>                   |

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

|                                             | 31st March 2013 |                 | 31st March 2012 |                 |
|---------------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                             | No. in lacs     | Rupees in lacs  | No. in lacs     | Rupees in lacs  |
| At the beginning of the period              | 1,829.20        | 1,829.20        | 1,845.70        | 1,845.70        |
| Less: Buy back during the period            | 20.87           | 20.87           | 16.50           | 16.50           |
| <b>Outstanding at the end of the period</b> | <u>1,808.33</u> | <u>1,808.33</u> | <u>1,829.20</u> | <u>1,829.20</u> |

#### b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Re.1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2013, the amount of per share dividend recognised as distributions to equity shareholders was Rs. 2.25 (Previous year - Rs. 2).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

- c. **Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date**

|                                          | <b>31st March 2013<br/>No. in lacs</b> | <b>31st March 2012<br/>No. in lacs</b> |
|------------------------------------------|----------------------------------------|----------------------------------------|
| Equity shares bought back by the Company | <b>106.28</b>                          | 85.41                                  |

In accordance with Section 77A, 77AA and 77B of the Companies Act, 1956 and pursuant to the buy back announcement made by the Company on 22nd August 2012, the Company has bought back from open market through stock exchanges 2,087,432 equity shares of Re. 1 each during the year for a total consideration of Rs. 1,933.41 lacs. Of this, the Company has extinguished 1,689,310 equity shares till 31st March 2013 and 398,122 equity shares have been extinguished subsequent to the balance sheet date. Consequently, an amount of Rs. 20.87 lacs being the nominal value of equity shares bought back has been transferred to Capital Redemption Reserve from General Reserve. An amount of Rs.1,912.54 lacs being the premium on buyback has been appropriated from General Reserve.

- d. **Details of shareholders holding more than 5% shares in the Company**

|                                                    | <b>31st March 2013</b> |                               | <b>31st March 2012</b> |                               |
|----------------------------------------------------|------------------------|-------------------------------|------------------------|-------------------------------|
|                                                    | <b>Number</b>          | <b>% holding in the class</b> | <b>Number</b>          | <b>% holding in the class</b> |
| <b>Equity shares of Re. 1 each fully paid</b>      |                        |                               |                        |                               |
| Meera Ramdas Chandavarkar                          | <b>21,925,260</b>      | <b>12.10</b>                  | 21,925,260             | 11.98                         |
| Transgene Trading and Investment Company Pvt. Ltd. | <b>17,097,500</b>      | <b>9.43</b>                   | 17,097,500             | 9.35                          |
| Sudipta Trading and Investment Company Pvt. Ltd.   | <b>16,365,000</b>      | <b>9.03</b>                   | 16,365,000             | 8.95                          |
| Soven Trading and Investment Company Pvt. Ltd.     | <b>16,327,500</b>      | <b>9.01</b>                   | 16,327,500             | 8.93                          |
| Mohan Anand Chandavarkar                           | <b>11,222,770</b>      | <b>6.19</b>                   | 11,222,770             | 6.14                          |
| Ashok Anand Chandavarkar                           | <b>10,530,360</b>      | <b>5.81</b>                   | 10,530,360             | 5.76                          |
| Sandhya Mohan Chandavarkar                         | <b>10,483,480</b>      | <b>5.79</b>                   | 10,483,480             | 5.73                          |
| ICICI Prudential Right Fund                        | <b>5,270,667</b>       | <b>2.91</b>                   | 11,569,168             | 6.33                          |

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

## 3. Reserves and surplus

|                                                                                                | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs |
|------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Capital Reserve</b>                                                                         |                                   |                                   |
| Opening Balance                                                                                | 268.27                            | 45.01                             |
| Add: Capital subsidy received during the year                                                  | -                                 | 30.00                             |
| Add: Capital Reserve on consolidation of subsidiary                                            | -                                 | 193.26                            |
| <b>Closing Balance (A)</b>                                                                     | <b>268.27</b>                     | <b>268.27</b>                     |
| <b>Capital Redemption Reserve</b>                                                              |                                   |                                   |
| Opening Balance                                                                                | 102.22                            | 85.72                             |
| Add: Transfer from General Reserve on account of buy back of equity shares (Refer Note No. 2c) | 20.87                             | 16.50                             |
| <b>Closing Balance (B)</b>                                                                     | <b>123.09</b>                     | <b>102.22</b>                     |
| <b>Securities Premium Account (C)</b>                                                          | <b>72.90</b>                      | <b>72.90</b>                      |
| <b>Revaluation Reserve</b>                                                                     |                                   |                                   |
| Opening Balance                                                                                | 65.39                             | 73.41                             |
| Less: Transfer to Statement of Profit and Loss as reduction from depreciation                  | 8.02                              | 8.02                              |
| <b>Closing Balance (D)</b>                                                                     | <b>57.37</b>                      | <b>65.39</b>                      |
| <b>General Reserve</b>                                                                         |                                   |                                   |
| Opening Balance                                                                                | 32,191.23                         | 30,652.10                         |
| Less: Premium paid for buy back of equity shares (Refer Note No. 2c)                           | 1,912.54                          | 1,444.37                          |
| Less: Transfer to Capital Redemption Reserve Account (Refer Note No. 2c)                       | 20.87                             | 16.50                             |
| Add: Transfer from surplus balance in the Statement of Profit and Loss                         | 5,000.00                          | 3,000.00                          |
| <b>Closing Balance (E)</b>                                                                     | <b>35,257.82</b>                  | <b>32,191.23</b>                  |
| <b>Surplus in the Statement of Profit and Loss</b>                                             |                                   |                                   |
| Opening Balance                                                                                | 35,063.37                         | 28,893.67                         |
| Profit for the year                                                                            | 15,517.05                         | 13,408.80                         |
| Add: Reversal of excess provision of dividend                                                  | -                                 | 12.79                             |
| Less: Appropriations                                                                           |                                   |                                   |
| Proposed final equity dividend [Amount per share Rs. 2.25 (Previous year - Rs. 2)]             | 4,038.63                          | 3,658.41                          |
| Tax on proposed equity dividend                                                                | 686.36                            | 593.48                            |
| Transfer to General Reserve                                                                    | 5,000.00                          | 3,000.00                          |
| <b>Net surplus in the Statement of Profit and Loss (F)</b>                                     | <b>40,855.43</b>                  | <b>35,063.37</b>                  |
| <b>Translation Reserve</b>                                                                     |                                   |                                   |
| Opening Balance                                                                                | (58.10)                           | (37.21)                           |
| Add/ (Less): Movement during the year                                                          | 31.44                             | (20.89)                           |
| <b>Closing Balance (G)</b>                                                                     | <b>(26.66)</b>                    | <b>(58.10)</b>                    |
| <b>Total (A+B+C+D+E+F+G)</b>                                                                   | <b>76,608.22</b>                  | <b>67,705.28</b>                  |

**4. Long-term borrowings**

|                                                                                                                 | Non-current portion               |                                   | Current maturities                |                                   |
|-----------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                                                                                                 | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs |
| Term loan from Bank (Refer Note a below)<br>(Secured by a charge on FDC International Limited, U.K.'s property) | 22.16                             | 55.59                             | 34.12                             | 32.84                             |
| Deferred sales tax loan (unsecured)<br>(Refer Note b below)                                                     | 124.47                            | 145.41                            | 20.47                             | 27.28                             |
|                                                                                                                 | 146.63                            | 201.00                            | 54.59                             | 60.12                             |
| Amount disclosed under the head<br>"Other current liabilities" (Refer Note No. 8)                               | -                                 | -                                 | (54.59)                           | (60.12)                           |
| <b>Net amount</b>                                                                                               | <b>146.63</b>                     | <b>201.00</b>                     | <b>-</b>                          | <b>-</b>                          |

- a. Term loan from bank was taken by FDC International Limited, UK for purchase of property in UK during the financial year 2008-09 and carries interest @ 1.8% p.a. over base rate. The loan is repayable along with interest in 174 monthly instalments. The loan has been secured against the property of FDC International Limited, UK.
- b. Under various schemes of Government of Maharashtra, the Company was entitled to interest free Sales tax deferral incentives for its units at Waluj and Sinnar. These are repayable in annual instalments over a period of 9-11 years commencing after a period of 10-12 years from the year of availment of deferred sales tax loan.

**5. Deferred tax liabilities (Net)**

|                                                                 | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs |
|-----------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Deferred tax liability</b>                                   |                                   |                                   |
| Depreciation                                                    | 3,437.01                          | 3,331.18                          |
| <b>Less: Deferred tax asset</b>                                 |                                   |                                   |
| Provision for doubtful debts/ advances                          | 95.71                             | 96.12                             |
| Provision for diminution in value of investments                | 1.62                              | 97.90                             |
| Liabilities disallowed under Section 43B of the IT Act, 1961    | 274.02                            | 249.78                            |
| Expenses disallowed under Section 40(a)(ia) of the IT Act, 1961 | 53.84                             | 38.71                             |
|                                                                 | 425.19                            | 482.51                            |
| <b>Net deferred tax liability</b>                               | <b>3,011.82</b>                   | <b>2,848.67</b>                   |

**6. Short-term provisions**

|                                                            | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs |
|------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Provision for employee benefits</b> (Refer Note No. 28) |                                   |                                   |
| Provision for gratuity                                     | 43.73                             | 66.29                             |
| Provision for leave benefits                               | 359.40                            | 339.45                            |
|                                                            | 403.13                            | 405.74                            |
| <b>Other provisions</b>                                    |                                   |                                   |
| Provision for tax (net of advances) (Refer note below)     | 90.28                             | 123.40                            |
| Provision for Wealth tax                                   | 9.65                              | 8.20                              |
| Proposed equity dividend                                   | 4,038.63                          | 3,658.41                          |
| Provision for tax on proposed equity dividend              | 686.36                            | 593.48                            |
|                                                            | 4,824.92                          | 4,383.49                          |
|                                                            | 5,228.05                          | 4,789.23                          |

Note: Provision for tax (net of advances) is net of MAT credit set off of Rs. 353 lacs (Previous year - Rs. 210 lacs).

**7. Short-term borrowings**

|                                                 | <b>31st March 2013</b><br><b>Rupees in lacs</b> | 31st March 2012<br>Rupees in lacs |
|-------------------------------------------------|-------------------------------------------------|-----------------------------------|
| Loan from others (unsecured) (Refer note below) | <b>114.07</b>                                   | 128.62                            |
|                                                 | <b>114.07</b>                                   | 128.62                            |

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

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

|                                                                                                       | <b>31st March 2013</b><br><b>Rupees in lacs</b> | 31st March 2012<br>Rupees in lacs |
|-------------------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------|
| Trade payables (Refer Note a below)                                                                   | <b>6,103.73</b>                                 | 5,763.82                          |
| <b>Other current liabilities</b>                                                                      |                                                 |                                   |
| Current maturities of long-term borrowings (Refer Note No. 4)                                         | <b>54.59</b>                                    | 60.12                             |
| Interest accrued but not due on borrowings                                                            | <b>0.10</b>                                     | 0.14                              |
| Interest accrued and due on borrowings                                                                | <b>5.70</b>                                     | 19.29                             |
| Investor Education and Protection Fund<br>(shall be credited as and when due by the following amount) |                                                 |                                   |
| Unpaid dividend (Refer Note b below)                                                                  | <b>93.13</b>                                    | 82.06                             |
| Advance from customers                                                                                | <b>86.84</b>                                    | 54.89                             |
| Sundry deposits                                                                                       | <b>1,158.11</b>                                 | 1,083.26                          |
| Employee related liabilities                                                                          | <b>1,516.35</b>                                 | 1,151.51                          |
| Others (includes dues to directors, statutory dues, rent deposit,<br>trade advances)                  | <b>683.47</b>                                   | 558.11                            |
|                                                                                                       | <b>3,598.29</b>                                 | 3,009.38                          |
|                                                                                                       | <b>9,702.02</b>                                 | 8,773.20                          |

a. As per the information available with the Company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosure have been made. The Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

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

## 9. Fixed assets

Rupees in lacs

| PARTICULARS                           | GROSS BLOCK              |                 |                                 |               | DEPRECIATION/ AMORTISATION/ IMPAIRMENT |                 |                                 |               | NET BLOCK                |                          |                          |
|---------------------------------------|--------------------------|-----------------|---------------------------------|---------------|----------------------------------------|-----------------|---------------------------------|---------------|--------------------------|--------------------------|--------------------------|
|                                       | As at<br>31st March 2012 | Additions       | On acquisition<br>of subsidiary | Deletions     | As at<br>31st March 2013               | For the year    | On acquisition<br>of subsidiary | Deletions     | As at<br>31st March 2013 | As at<br>31st March 2013 | As at<br>31st March 2012 |
| <b>TANGIBLE ASSETS</b>                |                          |                 |                                 |               |                                        |                 |                                 |               |                          |                          |                          |
| Leasehold land *                      | 419.16                   | 78.49           | -                               | -             | 497.65                                 | 7.90            | -                               | -             | 143.89                   | 353.76                   | 283.17                   |
| Leasehold improvements                | 5.68                     | -               | -                               | -             | 5.68                                   | 0.09            | -                               | -             | 5.68                     | -                        | 0.09                     |
| Freehold land **                      | 2,254.57                 | 44.52           | -                               | -             | 2,299.09                               | -               | -                               | -             | -                        | 2,299.09                 | 2,254.57                 |
| Buildings***                          | 13,473.12                | 711.72          | -                               | 32.05         | 14,152.79                              | 332.81          | -                               | 8.94          | 2,611.25                 | 11,541.54                | 11,185.74                |
| Plant and machinery                   | 14,125.82                | 706.63          | -                               | 11.79         | 14,820.66                              | 878.64          | -                               | 7.91          | @ 8,287.09               | 6,533.57                 | 6,709.46                 |
| Laboratory testing machines           | 2,489.30                 | 325.87          | -                               | 67.29         | 2,747.88                               | 534.99          | -                               | 41.60         | 1,153.92                 | 1,593.96                 | 1,828.77                 |
| Electrical installations              | 1,455.42                 | 39.93           | -                               | -             | 1,495.35                               | 68.54           | -                               | -             | 478.99                   | 1,016.36                 | 1,044.97                 |
| Furniture, fixtures and fittings      | 2,587.06                 | 149.92          | -                               | 1.01          | 2,735.97                               | 171.62          | -                               | 0.75          | 1,088.10                 | 1,647.87                 | 1,669.83                 |
| Office equipments                     | 1,714.93                 | 99.49           | -                               | 10.76         | 1,803.66                               | 82.35           | -                               | 4.84          | 483.52                   | 1,320.14                 | 1,308.92                 |
| Vehicles                              | 422.38                   | 74.06           | -                               | 31.35         | 465.09                                 | 100.97          | -                               | 28.45         | 251.18                   | 213.91                   | 243.72                   |
| <b>R&amp;D assets</b>                 |                          |                 |                                 |               |                                        |                 |                                 |               |                          |                          |                          |
| Buildings                             | 109.91                   | -               | -                               | -             | 109.91                                 | 3.49            | -                               | -             | 62.36                    | 47.55                    | 51.04                    |
| Equipments                            | 2,959.72                 | 203.34          | -                               | 28.52         | 3,134.54                               | 479.84          | -                               | 19.34         | 1,308.26                 | 1,826.28                 | 2,111.96                 |
| Furniture and fixtures                | 197.21                   | 3.37            | -                               | -             | 200.58                                 | 10.16           | -                               | -             | 65.19                    | 135.39                   | 142.18                   |
| <b>Total of Tangible assets (A)</b>   | <b>42,214.28</b>         | <b>2,437.34</b> | <b>-</b>                        | <b>182.77</b> | <b>44,468.85</b>                       | <b>2,671.40</b> | <b>-</b>                        | <b>111.83</b> | <b>15,939.43</b>         | <b>28,529.42</b>         | <b>28,834.42</b>         |
| Previous year                         | 39,017.97                | 2,585.15        | 884.92                          | 273.76        | 42,214.28                              | 1,745.71        | 41.32                           | 137.35        | 13,379.86                | 28,834.42                |                          |
| <b>INTANGIBLE ASSETS</b>              |                          |                 |                                 |               |                                        |                 |                                 |               |                          |                          |                          |
| Dossiers                              | 275.18                   | -               | -                               | -             | 275.18                                 | 25.01           | -                               | -             | 199.91                   | 75.27                    | 100.28                   |
| Marketing Rights                      | 216.86                   | -               | -                               | -             | 216.86                                 | 45.79           | -                               | -             | 79.39                    | 137.47                   | 183.26                   |
| Software                              | 60.89                    | 46.47           | -                               | -             | 107.36                                 | 9.28            | -                               | -             | 10.84                    | 96.52                    | 59.33                    |
| <b>R&amp;D assets</b>                 |                          |                 |                                 |               |                                        |                 |                                 |               |                          |                          |                          |
| Technical know-how                    | 233.38                   | -               | -                               | -             | 233.38                                 | 46.68           | -                               | -             | 152.92                   | 80.46                    | 127.14                   |
| <b>Total of Intangible assets (B)</b> | <b>786.31</b>            | <b>46.47</b>    | <b>-</b>                        | <b>-</b>      | <b>832.78</b>                          | <b>126.76</b>   | <b>-</b>                        | <b>-</b>      | <b>443.06</b>            | <b>389.72</b>            | <b>470.01</b>            |
| Previous year                         | 597.08                   | 189.23          | -                               | -             | 786.31                                 | 105.53          | -                               | -             | 316.30                   | 470.01                   |                          |
| <b>TOTAL (A+B)</b>                    | <b>43,000.59</b>         | <b>2,483.81</b> | <b>-</b>                        | <b>182.77</b> | <b>45,301.63</b>                       | <b>2,798.16</b> | <b>-</b>                        | <b>111.83</b> | <b>16,382.49</b>         | <b>28,919.14</b>         | <b>29,304.43</b>         |
| Previous year                         | 39,615.05                | 2,774.38        | 884.92                          | 273.76        | 43,000.59                              | 1,851.24        | 41.32                           | 137.35        | 13,696.16                | 29,304.43                |                          |
| Capital work in progress - Tangible # |                          |                 |                                 |               |                                        |                 |                                 |               |                          | 722.43                   | 701.31                   |
| Capital work in progress - Intangible |                          |                 |                                 |               |                                        |                 |                                 |               |                          | -                        | 370.59                   |

\* 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. 2,970.05 lacs (Previous year - Rs. 2,970.05 lacs) includes cost of unquoted fully paid shares in various co-operative housing societies.

@ Includes impairment of Rs. 49.80 lacs.

# Net of provision for impairment of Rs. 144.79 lacs (Previous year - Rs. 144.79 lacs).

**10. Non-current investments (At cost)**

|                                                                                                             | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Non Trade Investments (Unquoted unless otherwise stated)</b>                                             |                                   |                                   |
| <b>Investments in Government Securities (Refer note below)</b>                                              |                                   |                                   |
| National Savings Certificates                                                                               | 0.07                              | 0.07                              |
| 35 (Previous year - 35) Govt. of India G.P. Notes - face value of Rs. 2,000                                 | 0.02                              | 0.02                              |
| <b>Investments in fully paid-up Equity Instruments</b>                                                      |                                   |                                   |
| 1,000 (Previous year - 1,000) Equity Shares of The Saraswat Co-op. Bank Ltd. of Rs. 10 each                 | 0.10                              | 0.10                              |
| 5,000 (Previous year - 5,000) Equity Shares of The North Kanara G.S.B. Co-op. Bank Ltd. of Rs. 10 each      | 0.50                              | 0.50                              |
| 100 (Previous year - 100) Shares of Roha Industries Association Sahakari Grahak Bhandar Ltd. of Rs. 25 each | 0.03                              | 0.03                              |
| Investments in fully paid-up Preference Instruments                                                         | 304.38                            | -                                 |
| Investments in Mutual Funds                                                                                 | 7,950.95                          | 200.00                            |
| Investments in fully paid-up Non Convertible Debentures                                                     | 219.90                            | 80.00                             |
| Investments in fully paid-up Bonds                                                                          | -                                 | 4,700.00                          |
| Investments in fully paid-up Bonds (quoted)                                                                 | 16,039.10                         | 4,639.10                          |
|                                                                                                             | <b>24,515.05</b>                  | <b>9,619.82</b>                   |
| Aggregate amount of quoted investments                                                                      | 16,039.10                         | 4,639.10                          |
| [Market value - Rs. 16,283.21 lacs (Previous year - Rs. 4,573.75 lacs)]                                     |                                   |                                   |
| Aggregate amount of unquoted investments                                                                    | 8,475.95                          | 4,980.72                          |

Note: National Savings Certificates of the value of Rs. 0.04 lacs (Previous year - Rs. 0.04 lacs) and Government of India G.P. Notes of the value of Rs. 0.02 lacs (Previous year - Rs. 0.02 lacs) have been lodged with the Excise authorities. National Savings Certificates of Rs. 0.03 lacs (Previous year - Rs. 0.03 lacs) have been lodged with the Sales tax authorities.

**11. Deferred tax assets**

|                               | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs |
|-------------------------------|-----------------------------------|-----------------------------------|
| <b>Deferred tax asset</b>     |                                   |                                   |
| Depreciation                  | 26.39                             | 26.13                             |
| <b>Net deferred tax asset</b> | <b>26.39</b>                      | <b>26.13</b>                      |

## 12. Loans and advances

|                                                               |  | Non-current                       |                                   | Current                           |                                   |
|---------------------------------------------------------------|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                                               |  | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs |
| <b>Capital advances</b>                                       |  |                                   |                                   |                                   |                                   |
| Unsecured, considered good                                    |  | 455.24                            | 250.03                            | -                                 | -                                 |
| (A)                                                           |  | 455.24                            | 250.03                            | -                                 | -                                 |
| <b>Security deposits</b>                                      |  |                                   |                                   |                                   |                                   |
| Unsecured, considered good                                    |  | 384.76                            | 99.72                             | 43.26                             | 15.82                             |
| Unsecured, considered doubtful                                |  | 0.53                              | 0.53                              | 4.05                              | 4.05                              |
|                                                               |  | 385.29                            | 100.25                            | 47.31                             | 19.87                             |
| Less: Provision for doubtful security deposits                |  | 0.53                              | 0.53                              | 4.05                              | 4.05                              |
| (B)                                                           |  | 384.76                            | 99.72                             | 43.26                             | 15.82                             |
| <b>Loans and advances to related parties</b>                  |  |                                   |                                   |                                   |                                   |
| Unsecured, considered good (Refer Note No. 30)                |  | -                                 | -                                 | 108.44                            | 122.01                            |
| (C)                                                           |  | -                                 | -                                 | 108.44                            | 122.01                            |
| <b>Advances recoverable in cash or kind</b>                   |  |                                   |                                   |                                   |                                   |
| Unsecured, considered good                                    |  | -                                 | -                                 | 296.10                            | 189.20                            |
| Unsecured, considered doubtful                                |  | -                                 | -                                 | 16.53                             | 16.53                             |
|                                                               |  | -                                 | -                                 | 312.63                            | 205.73                            |
| Less: Provision for doubtful advances                         |  | -                                 | -                                 | 16.53                             | 16.53                             |
| (D)                                                           |  | -                                 | -                                 | 296.10                            | 189.20                            |
| <b>Share/ Mutual Fund application money pending allotment</b> |  |                                   |                                   |                                   |                                   |
| Unsecured, considered good                                    |  | -                                 | -                                 | 1,046.42                          | 300.00                            |
| (E)                                                           |  | -                                 | -                                 | 1,046.42                          | 300.00                            |
| <b>Inter corporate deposits</b>                               |  |                                   |                                   |                                   |                                   |
| Secured, considered good                                      |  | -                                 | -                                 | 500.00                            | 500.00                            |
| Unsecured, considered good                                    |  | -                                 | -                                 | 1,025.00                          | 1,025.00                          |
| (F)                                                           |  | -                                 | -                                 | 1,525.00                          | 1,525.00                          |
| <b>Other loans and advances</b>                               |  |                                   |                                   |                                   |                                   |
| Unsecured, considered good                                    |  |                                   |                                   |                                   |                                   |
| MAT credit entitlement                                        |  | 622.00                            | 1,360.00                          | 685.00                            | 300.00                            |
| Prepaid expenses                                              |  | 149.38                            | 23.46                             | 262.43                            | 115.43                            |
| Loans/ advances to employees                                  |  | 50.98                             | 31.40                             | 86.79                             | 157.92                            |
| Balances with statutory/ government authorities               |  | -                                 | -                                 | 744.81                            | 646.09                            |
| (G)                                                           |  | 822.36                            | 1,414.86                          | 1,779.03                          | 1,219.44                          |
| <b>Total (A+B+C+D+E+F+G)</b>                                  |  | <b>1,662.36</b>                   | <b>1,764.61</b>                   | <b>4,798.25</b>                   | <b>3,371.47</b>                   |

**13. Current investments**

|                                                                           | <b>31st March 2013</b><br><b>Rupees in lacs</b> | <b>31st March 2012</b><br><b>Rupees in lacs</b> |
|---------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| <b>Current Portion of Long Term Investments (At cost)</b>                 |                                                 |                                                 |
| Investments in Mutual Funds (unquoted)                                    | <b>3,030.21</b>                                 | 9,050.86                                        |
| Investments in fully paid-up Non Convertible Debentures (unquoted)        | -                                               | 750.00                                          |
|                                                                           | <b>3,030.21</b>                                 | <b>9,800.86</b>                                 |
| <b>Other Current Investments (valued at lower of cost and fair value)</b> |                                                 |                                                 |
| Investments in Mutual Funds (unquoted)                                    | <b>14,060.75</b>                                | 11,877.16                                       |
| Investments in Certificate of Deposits with Scheduled Banks (unquoted)    | -                                               | 2,714.15                                        |
|                                                                           | <b>14,060.75</b>                                | <b>14,591.31</b>                                |
|                                                                           | <b>17,090.96</b>                                | <b>24,392.17</b>                                |
| Aggregate amount of unquoted investments                                  | <b>17,090.96</b>                                | 24,392.17                                       |
| Aggregate provision for diminution in value of current investments        | <b>4.77</b>                                     | 603.39                                          |

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

|                                                                                                   | <b>31st March 2013</b><br><b>Rupees in lacs</b> | <b>31st March 2012</b><br><b>Rupees in lacs</b> |
|---------------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Raw materials [Including Stock in transit Rs. 79.88 lacs<br>(Previous year - Rs. 102.22 lacs)]    | <b>2,211.42</b>                                 | 1,876.53                                        |
| Packing materials [Including Stock in transit Rs. 56.52 lacs<br>(Previous year - Rs. 10.93 lacs)] | <b>545.65</b>                                   | 491.92                                          |
| Work-in-progress                                                                                  | <b>1,234.86</b>                                 | 1,239.79                                        |
| Finished goods/ Stock-in-trade                                                                    | <b>5,978.73</b>                                 | 6,683.26                                        |
|                                                                                                   | <b>9,970.66</b>                                 | <b>10,291.50</b>                                |

**15. Trade receivables**

|                                                                                         | <b>31st March 2013</b><br><b>Rupees in lacs</b> | <b>31st March 2012</b><br><b>Rupees in lacs</b> |
|-----------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| <b>Unsecured, considered good unless stated otherwise</b>                               |                                                 |                                                 |
| Outstanding for a period exceeding six months from the date<br>they are due for payment |                                                 |                                                 |
| Unsecured, considered good                                                              | <b>22.79</b>                                    | 65.42                                           |
| Doubtful                                                                                | <b>259.60</b>                                   | 274.27                                          |
|                                                                                         | <b>282.39</b>                                   | 339.69                                          |
| Less: Provision for doubtful receivables                                                | <b>259.60</b>                                   | 274.27                                          |
|                                                                                         | <b>(A) 22.79</b>                                | 65.42                                           |
| Other receivables                                                                       |                                                 |                                                 |
| Unsecured, considered good                                                              | <b>4,299.85</b>                                 | 4,131.99                                        |
|                                                                                         | <b>(B) 4,299.85</b>                             | 4,131.99                                        |
| <b>Total (A + B)</b>                                                                    | <b>4,322.64</b>                                 | <b>4,197.41</b>                                 |

**16. Cash and bank balances**

|                                                                                | <b>Non-current</b>     |                        | <b>Current</b>         |                        |
|--------------------------------------------------------------------------------|------------------------|------------------------|------------------------|------------------------|
|                                                                                | <b>31st March 2013</b> | <b>31st March 2012</b> | <b>31st March 2013</b> | <b>31st March 2012</b> |
|                                                                                | <b>Rupees in lacs</b>  | <b>Rupees in lacs</b>  | <b>Rupees in lacs</b>  | <b>Rupees in lacs</b>  |
| <b>Cash and cash equivalents</b>                                               |                        |                        |                        |                        |
| Balances with banks:                                                           |                        |                        |                        |                        |
| On current accounts                                                            | -                      | -                      | <b>351.98</b>          | 1,570.57               |
| On unpaid dividend account                                                     | -                      | -                      | <b>93.13</b>           | 82.06                  |
| Cash on hand                                                                   | -                      | -                      | <b>15.81</b>           | 16.09                  |
|                                                                                | <b>-</b>               | <b>-</b>               | <b>460.92</b>          | 1,668.72               |
| Other bank balances                                                            |                        |                        |                        |                        |
| Bank deposits with original maturity of more than 12 months                    | <b>0.24</b>            | 6.29                   | -                      | -                      |
| Bank deposits with original maturity of less than 12 months                    | -                      | -                      | <b>3,145.53</b>        | -                      |
| Margin money deposits                                                          | <b>0.98</b>            | 35.39                  | <b>43.88</b>           | 8.82                   |
|                                                                                | <b>1.22</b>            | 41.68                  | <b>3,189.41</b>        | 8.82                   |
| Amount disclosed under the head "Other non-current assets" (Refer Note No. 17) | <b>(1.22)</b>          | (41.68)                | -                      | -                      |
|                                                                                | <b>-</b>               | <b>-</b>               | <b>3,650.33</b>        | 1,677.54               |

**17. Other assets**

|                                                                                 | <b>Non-current</b>     |                        | <b>Current</b>         |                        |
|---------------------------------------------------------------------------------|------------------------|------------------------|------------------------|------------------------|
|                                                                                 | <b>31st March 2013</b> | <b>31st March 2012</b> | <b>31st March 2013</b> | <b>31st March 2012</b> |
|                                                                                 | <b>Rupees in lacs</b>  | <b>Rupees in lacs</b>  | <b>Rupees in lacs</b>  | <b>Rupees in lacs</b>  |
| <b>Unsecured, considered good</b>                                               |                        |                        |                        |                        |
| Bank deposits with original maturity of more than 12 months (Refer Note No. 16) | <b>0.24</b>            | 6.29                   | -                      | -                      |
| Margin money deposits (Refer Note No. 16)                                       | <b>0.98</b>            | 35.39                  | -                      | -                      |
| Receivable towards redemption of mutual funds                                   | -                      | -                      | <b>524.76</b>          | -                      |
| Interest/ premium accrued on investments                                        | -                      | -                      | <b>312.67</b>          | 421.71                 |
| Interest accrued on others                                                      | -                      | -                      | <b>54.48</b>           | 39.14                  |
| Unamortised premium on investments                                              | <b>50.43</b>           | 54.18                  | <b>5.23</b>            | 9.37                   |
|                                                                                 | <b>51.65</b>           | 95.86                  | <b>897.14</b>          | 470.22                 |

**18. Revenue from operations**

|                                                 | <b>2012-2013</b><br><b>Rupees in lacs</b> | 2011-2012<br>Rupees in lacs |
|-------------------------------------------------|-------------------------------------------|-----------------------------|
| Sale of products                                | <b>78,476.12</b>                          | 71,983.56                   |
| Other operating revenue (Refer note below)      | <b>374.49</b>                             | 318.31                      |
| <b>Revenue from operations (Gross)</b>          | <b>78,850.61</b>                          | 72,301.87                   |
| Less: Excise duty                               | <b>1,568.11</b>                           | 1,247.79                    |
| <b>Revenue from operations (Net)</b>            | <b>77,282.50</b>                          | 71,054.08                   |
|                                                 |                                           |                             |
| Note: <u>Details of other operating revenue</u> |                                           |                             |
| Export Incentives                               | <b>279.41</b>                             | 246.96                      |
| Other miscellaneous receipts                    | <b>95.08</b>                              | 71.35                       |
|                                                 | <b>374.49</b>                             | 318.31                      |

**19. Other income**

|                                                                             | <b>2012-2013</b><br><b>Rupees in lacs</b> | 2011-2012<br>Rupees in lacs |
|-----------------------------------------------------------------------------|-------------------------------------------|-----------------------------|
| <b>Interest income on</b>                                                   |                                           |                             |
| Current investments                                                         | -                                         | 16.23                       |
| Long-term investments                                                       | <b>868.09</b>                             | 248.82                      |
| Others (Refer note below)                                                   | <b>456.74</b>                             | 450.79                      |
| <b>Dividend income on</b>                                                   |                                           |                             |
| Current investments                                                         | <b>35.80</b>                              | 371.43                      |
| Long-term investments                                                       | <b>0.10</b>                               | 258.31                      |
| <b>Net gain on sale of investments</b>                                      |                                           |                             |
| Current investments                                                         | <b>1,553.56</b>                           | 657.16                      |
| Long-term investments                                                       | <b>980.68</b>                             | 225.73                      |
| <b>Premium on non convertible debentures</b>                                |                                           |                             |
| Long-term investments                                                       | <b>45.44</b>                              | 128.67                      |
| Provision for diminution in value of current investments sold, written back | <b>313.33</b>                             | 13.79                       |
| Net exchange gain on foreign currency transactions                          | <b>185.93</b>                             | 204.89                      |
| Other non operating income                                                  | <b>193.23</b>                             | 199.06                      |
|                                                                             | <b>4,632.90</b>                           | 2,774.88                    |

Note: Interest on others includes interest on inter corporate deposits, fixed deposits, interest on delayed payments from debtors etc.

**20. Cost of materials consumed**

|                                        | <b>2012-2013</b><br><b>Rupees in lacs</b> | 2011-2012<br>Rupees in lacs |
|----------------------------------------|-------------------------------------------|-----------------------------|
| Inventory at the beginning of the year | <b>2,368.45</b>                           | 2,935.23                    |
| Add: Purchases                         | <b>21,389.12</b>                          | 19,626.33                   |
|                                        | <b>23,757.57</b>                          | 22,561.56                   |
| Less: Inventory at the end of the year | <b>2,757.07</b>                           | 2,368.45                    |
| <b>Cost of materials consumed</b>      | <b>21,000.50</b>                          | 20,193.11                   |

**21. Changes in inventories**

|                                               | <b>2012-2013</b><br><b>Rupees in lacs</b> | <b>2011-2012</b><br><b>Rupees in lacs</b> | <b>Decrease</b><br><b>Rupees in lacs</b> |
|-----------------------------------------------|-------------------------------------------|-------------------------------------------|------------------------------------------|
| <b>Inventory at the end of the year</b>       |                                           |                                           |                                          |
| Finished goods/ Stock-in-trade                | <b>5,978.73</b>                           | 6,683.26                                  | <b>704.53</b>                            |
| Work-in-progress                              | <b>1,234.86</b>                           | 1,239.79                                  | <b>4.93</b>                              |
|                                               | <b>7,213.59</b>                           | 7,923.05                                  | <b>709.46</b>                            |
| <b>Inventory at the beginning of the year</b> |                                           |                                           |                                          |
| Finished goods/ Stock-in-trade                | <b>6,683.26</b>                           | 5,638.94                                  |                                          |
| Work-in-progress                              | <b>1,239.79</b>                           | 1,167.91                                  |                                          |
|                                               | <b>7,923.05</b>                           | 6,806.85                                  |                                          |
|                                               | <b>709.46</b>                             | (1,116.20)                                |                                          |

**22. Employee benefits expense**

|                                                               | <b>2012-2013</b><br><b>Rupees in lacs</b> | <b>2011-2012</b><br><b>Rupees in lacs</b> |
|---------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Salaries, wages and bonus                                     | <b>9,442.53</b>                           | 8,625.56                                  |
| Contribution to provident and other funds (Refer Note No. 28) | <b>929.39</b>                             | 923.38                                    |
| Staff welfare expenses                                        | <b>377.70</b>                             | 352.81                                    |
|                                                               | <b>10,749.62</b>                          | 9,901.75                                  |

**23. Finance costs**

|                             | <b>2012-2013</b><br><b>Rupees in lacs</b> | <b>2011-2012</b><br><b>Rupees in lacs</b> |
|-----------------------------|-------------------------------------------|-------------------------------------------|
| Interest:                   |                                           |                                           |
| on Banks (Refer note below) | <b>1.75</b>                               | 2.27                                      |
| on Others                   | <b>111.22</b>                             | 109.22                                    |
| Bank charges                | <b>47.47</b>                              | 29.79                                     |
|                             | <b>160.44</b>                             | 141.28                                    |

Note: Interest expenses include interest paid/ payable towards fixed loan of Rs. 1.75 lacs (Previous year - Rs. 2.27 lacs).

**24. Other expenses**

|                                                          | <b>2012-2013</b><br><b>Rupees in lacs</b> | <b>2011-2012</b><br><b>Rupees in lacs</b> |
|----------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Processing charges                                       | 751.81                                    | 936.22                                    |
| Power, fuel and water charges                            | 1685.47                                   | 1,377.47                                  |
| Repairs and maintenance:                                 |                                           |                                           |
| Building                                                 | 357.83                                    | 278.43                                    |
| Plant and machinery                                      | 443.13                                    | 383.81                                    |
| Other assets                                             | 350.90                                    | 282.20                                    |
| Stores and spares                                        | 384.15                                    | 341.20                                    |
| Rent (Refer Note No. 31)                                 | 45.09                                     | 47.39                                     |
| Rates and taxes                                          | 194.26                                    | 165.22                                    |
| Insurance                                                | 137.36                                    | 127.14                                    |
| Travelling and conveyance                                | 2,887.01                                  | 2,880.14                                  |
| Communication expenses                                   | 135.55                                    | 132.31                                    |
| Carriage, freight and forwarding                         | 1,612.05                                  | 1,543.06                                  |
| Advertisement and sales promotion                        | 3,863.12                                  | 3,533.10                                  |
| Increase/ (decrease) in excise duty on finished products | 55.81                                     | (0.67)                                    |
| Sales tax/ Value added tax                               | 81.47                                     | 81.66                                     |
| Commission on sales                                      | 436.76                                    | 387.67                                    |
| Auditor's remuneration (including service tax):          |                                           |                                           |
| As Audit fee                                             | 21.19                                     | 17.45                                     |
| For other services                                       | 6.01                                      | 3.23                                      |
| Directors sitting fees                                   | 5.67                                      | 6.60                                      |
| Bad debts written off                                    | 3.74                                      | 90.29                                     |
| Less: Transfer from Provision for doubtful debts         | 3.56                                      | (90.29)                                   |
| Provision for doubtful debts                             | -                                         | 9.36                                      |
| Provision for diminution in value of current investments | 4.77                                      | 192.42                                    |
| Amortisation of premium on Non Convertible Debentures    | 14.43                                     | 20.33                                     |
| Loss on fixed assets sold/ scrapped (net)                | -                                         | 77.81                                     |
| Donation                                                 | 34.65                                     | 25.36                                     |
| Miscellaneous expenses                                   | 3,879.12                                  | 3,320.75                                  |
|                                                          | <b>17,387.79</b>                          | <b>16,169.66</b>                          |

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

|                                                | <b>2012-2013</b> | <b>2011-2012</b> |
|------------------------------------------------|------------------|------------------|
| Profit after tax for the year (Rupees in lacs) | 15,517.05        | 13,408.80        |
| Weighted average number of shares *            | 182,408,576      | 183,777,875      |
| Nominal value per share (Rupees)               | 1.00             | 1.00             |
| Earnings per share - Basic (Rupees)            | 8.51             | 7.30             |
| - Diluted (Rupees)                             | 8.51             | 7.30             |

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

**26. Consolidation of accounts:**

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

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

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

|                                                                                                               | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs |
|---------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b><u>Contingent Liabilities</u></b>                                                                          |                                   |                                   |
| a. <u>Disputed tax matters</u>                                                                                |                                   |                                   |
| Income tax (appealed by tax authorities)                                                                      | 10.29                             | 10.29                             |
| Excise duty (appealed by the Company)                                                                         | 231.25                            | 235.47                            |
| Sales tax (appealed by the Company)                                                                           | 232.44                            | 196.52                            |
| b. In respect of guarantees given by banks                                                                    | 316.62                            | 154.65                            |
| c. Letter of credit issued by bankers                                                                         | 91.69                             | 452.12                            |
| d. Estimated amount of duty payable on export obligation<br>against outstanding advance licences              | 31.50                             | 4.63                              |
| <b><u>Commitments</u></b>                                                                                     |                                   |                                   |
| Estimated amount of capital contracts remaining to be executed<br>and not provided for (net of advances paid) | 699.21                            | 858.12                            |

**28. Disclosure of Employee benefits:**

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

**Defined Contribution Plan**

Contribution to Defined Contribution Plans are recognised as an expense for the year under Contribution to provident and other funds (Refer Note No. 22) as under:

|                                                | 2012-2013<br>Rupees in lacs | 2011-2012<br>Rupees in lacs |
|------------------------------------------------|-----------------------------|-----------------------------|
| Employer's Contribution to Provident Fund      | 281.65                      | 266.30                      |
| Employer's Contribution to Pension Scheme      | 247.65                      | 238.25                      |
| Employer's Contribution to Superannuation Fund | 48.23                       | 50.96                       |

**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 2013 | 31st March 2012 |
| <b>I</b>    | <b>Change in Benefit Obligation</b>                                 |                 |                 |
|             | Liability at the beginning of the year                              | 882.67          | 730.88          |
|             | Interest Cost                                                       | 70.62           | 58.47           |
|             | Current Service Cost                                                | 96.47           | 118.64          |
|             | Benefit Paid                                                        | (78.90)         | (61.29)         |
|             | Actuarial (gain)/ loss on obligations                               | 6.35            | 35.97           |
|             | Liability at the end of the year                                    | 977.21          | 882.67          |
| <b>II</b>   | <b>Fair Value of Plan Assets</b>                                    |                 |                 |
|             | Fair Value of Plan Assets at the beginning of the year              | 816.38          | 703.06          |
|             | Expected Return on Plan Assets                                      | 70.21           | 56.24           |
|             | Contributions                                                       | 152.00          | 121.00          |
|             | Benefit Paid                                                        | (78.90)         | (61.29)         |
|             | Actuarial gain/ (loss) on Plan Assets                               | (26.21)         | (2.63)          |
|             | Fair Value of Plan Assets at the end of the year                    | 933.48          | 816.38          |
|             | Total Actuarial gain/ (loss)                                        | (32.56)         | (38.60)         |
| <b>III</b>  | <b>Actual Return on Plan Assets</b>                                 |                 |                 |
|             | Expected Return on Plan Assets                                      | 70.21           | 56.24           |
|             | Actuarial gain/ (loss) on Plan Assets                               | (26.21)         | (2.63)          |
|             | Actual Return on Plan Assets                                        | 44.00           | 53.61           |
| <b>IV</b>   | <b>Amount recognised in the Balance Sheet</b>                       |                 |                 |
|             | Liability at the end of the year                                    | (977.21)        | (882.67)        |
|             | Fair Value of Plan Assets at the end of the year                    | 933.48          | 816.38          |
|             | Amount recognised in the Consolidated Balance Sheet                 | (43.73)         | (66.29)         |
| <b>V</b>    | <b>Expenses recognised in the Statement of Profit and Loss</b>      |                 |                 |
|             | Current Service Cost                                                | 96.47           | 118.64          |
|             | Interest Cost                                                       | 70.62           | 58.47           |
|             | Expected Return on Plan Assets                                      | (70.21)         | (56.24)         |
|             | Net Actuarial (gain)/ loss                                          | 32.56           | 38.60           |
|             | Expense recognised in the Consolidated Statement of Profit and Loss | 129.44          | 159.47          |
| <b>VI</b>   | <b>Balance Sheet Reconciliation</b>                                 |                 |                 |
|             | Opening Net Liability                                               | 66.29           | 27.82           |
|             | Expense as above                                                    | 129.44          | 159.47          |
|             | Employer's Contribution                                             | (152.00)        | (121.00)        |
|             | Amount recognised in the Consolidated Balance Sheet                 | 43.73           | 66.29           |
| <b>VII</b>  | <b>Investment Details</b>                                           |                 |                 |
|             | Government of India Assets                                          | 318.55          | 243.55          |
|             | Corporate Bonds                                                     | 353.41          | 306.34          |
|             | State Government                                                    | 178.70          | 158.59          |
|             | Equity                                                              | 71.86           | 88.80           |
|             | Others                                                              | 10.96           | 19.10           |
|             | Total                                                               | 933.48          | 816.38          |
| <b>VIII</b> | <b>Actuarial Assumptions</b>                                        |                 |                 |
|             | Discount Rate Current                                               | 7.75%           | 8.00%           |
|             | Rate of Return on Plan Assets Current                               | 8.70%           | 8.60%           |
|             | Salary Escalation Current                                           | 7.00%           | 7.00%           |

**IX Experience Adjustments**

Rupees in lacs

|                                                                              | 31st March<br>2013 | 31st March<br>2012 | 31st March<br>2011 | 31st March<br>2010 | 31st March<br>2009 |
|------------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Defined Benefit Obligation                                                   | 977.21             | 882.67             | 730.88             | 607.25             | 407.99             |
| Plan Assets                                                                  | 933.48             | 816.38             | 703.06             | 396.41             | 371.17             |
| Deficit/ (Surplus)                                                           | 43.73              | 66.29              | 27.82              | 210.84             | 36.82              |
| Net Actuarial (Gain)/ Loss due to Experience adjustments on Plan Liabilities | (17.94)            | (103.18)           | 8.41               | (63.99)            | 1.50               |
| Net Actuarial Gain/ (Loss) due to Experience adjustments on Plan Assets      | (26.21)            | (2.63)             | (9.28)             | (19.79)            | (12.50)            |

**X Salary Escalation Rate**

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

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

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

**XII** The Company expects to contribute Rs. 141.05 lacs to gratuity in next year (Previous year - Rs. 162.76 lacs).

The liability for leave encashment as at the year end is Rs. 322.17 lacs (Previous year - Rs. 302.42 lacs) and provision for sick leave as at the year end is Rs. 37.23 lacs (Previous year - Rs. 37.03 lacs).

**29. Segment information:**Primary segment information

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

Secondary segment information

The principal geographical areas in which the Group operates are India and others. The country-wise segmentation 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)                           | 66,620.24<br>(60,994.27) | 10,662.26<br>(10,059.81) | 77,282.50<br>(71,054.08)  |
| Carrying amount of assets by location of assets | 44,357.73<br>(44,635.94) | 2,463.78<br>(3,395.53)   | 46,821.51*<br>(48,031.47) |
| Additions to tangible and intangible assets     | 2,489.05<br>(2,764.47)   | 0.34<br>(63.87)          | 2,489.39<br>(2,828.34)    |

Previous year's figures are shown in brackets.

\*Segment assets include the following:

| Particulars                                 | 31st March 2013<br>Rupees in lacs | 31st March 2012<br>Rupees in lacs |
|---------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Fixed Assets</b>                         |                                   |                                   |
| i) Tangible assets                          | 28,529.42                         | 28,834.42                         |
| ii) Intangible assets                       | 389.72                            | 470.01                            |
| iii) Capital work-in-progress               |                                   |                                   |
| Tangible assets                             | 722.43                            | 701.31                            |
| Intangible assets                           | -                                 | 370.59                            |
| Loans and advances (Long term & short term) | 2,473.75                          | 1,529.07                          |
| Inventories                                 | 9,970.66                          | 10,291.50                         |
| Trade receivables                           | 4,322.64                          | 4,197.41                          |
| Cash and bank balances                      | 411.67                            | 1,595.48                          |
| Other non-current assets                    | 1.22                              | 41.68                             |
| <b>Total</b>                                | <b>46,821.51</b>                  | <b>48,031.47</b>                  |

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

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

**Joint Venture Company**

- Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.

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

**Key Management Personnel**

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

**Relatives of Key Management Personnel**

- Ms. Sandhya M. Chandavarkar, wife of Mr. Mohan A. Chandavarkar
- Ms. Mangala A. Chandavarkar, wife of Mr. Ashok A. Chandavarkar

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

- Anand Synthochem Limited (upto 16th October 2011)
- Mejda Marketing Private Limited
- Akhil Farma Limited
- Soven Trading and Investment Company Private Limited
- Transgene Trading and Investment Company Private Limited
- Anand Chandavarkar Foundation

## Nature of transactions:

Rupees in lacs

| Particulars                                            | Joint Venture Company     | Key Management Personnel  | Relatives of Key Management Personnel | Enterprises owned or significantly influenced by Key Management Personnel or their relatives | Total                         |
|--------------------------------------------------------|---------------------------|---------------------------|---------------------------------------|----------------------------------------------------------------------------------------------|-------------------------------|
| Sale of goods                                          | -<br>(3.85)               | -<br>(-)                  | -<br>(-)                              | -<br>(-)                                                                                     | -<br>(3.85)                   |
| Services received                                      | -<br>(-)                  | -<br>(-)                  | -<br>(-)                              | -<br>(20.01)                                                                                 | -<br>(20.01)                  |
| Rent paid                                              | -<br>(-)                  | -<br>(-)                  | -<br>(-)                              | -<br>(0.08)                                                                                  | -<br>(0.08)                   |
| Interest income                                        | <b>5.42</b><br>(6.10)     | -<br>(-)                  | -<br>(-)                              | -<br>(-)                                                                                     | <b>5.42</b><br>(6.10)         |
| Managerial remuneration *                              | -<br>(-)                  | <b>446.45</b><br>(420.39) | -<br>(-)                              | -<br>(-)                                                                                     | <b>446.45</b><br>(420.39)     |
| Dividend on equity shares paid                         | -<br>(-)                  | <b>641.60</b><br>(629.21) | <b>342.55</b><br>(354.94)             | <b>668.50</b><br>(668.50)                                                                    | <b>1,652.65</b><br>(1,652.65) |
| Purchase of equity shares for investment in subsidiary | -<br>(-)                  | -<br>(23.00)              | -<br>(342.31)                         | -<br>(33.09)                                                                                 | -<br>(398.40)                 |
| Donation paid                                          | -<br>(-)                  | -<br>(-)                  | -<br>(-)                              | <b>30.00</b><br>(25.00)                                                                      | <b>30.00</b><br>(25.00)       |
| <b>Outstanding balances</b>                            |                           |                           |                                       |                                                                                              |                               |
| - Payable                                              | -<br>(-)                  | <b>285.97</b><br>(269.34) | -<br>(-)                              | -<br>(-)                                                                                     | <b>285.97</b><br>(269.34)     |
| - Loans granted                                        | <b>108.44</b><br>(122.01) | -<br>(-)                  | -<br>(-)                              | -<br>(-)                                                                                     | <b>108.44</b><br>(122.01)     |
| - Interest on loans granted                            | <b>5.42</b><br>(18.30)    | -<br>(-)                  | -<br>(-)                              | -<br>(-)                                                                                     | <b>5.42</b><br>(18.30)        |
| - Receivable against sales                             | -<br>(3.70)               | -<br>(-)                  | -<br>(-)                              | -<br>(-)                                                                                     | -<br>(3.70)                   |

\* 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:

|                                                                         | 2012-2013<br>Rupees in lacs | 2011-2012<br>Rupees in lacs |
|-------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>1 <u>Sale of goods</u></b>                                           |                             |                             |
| Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.                      | -                           | 3.85                        |
| <b>2 <u>Services received</u></b>                                       |                             |                             |
| Anand Synthochem Limited                                                | -                           | 6.16                        |
| Mejda Marketing Private Limited                                         | -                           | 6.47                        |
| Akhil Farma Limited                                                     | -                           | 7.38                        |
| <b>3 <u>Rent paid</u></b>                                               |                             |                             |
| Akhil Farma Limited                                                     | -                           | 0.08                        |
| <b>4 <u>Interest income</u></b>                                         |                             |                             |
| Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.                      | 5.42                        | 6.10                        |
| <b>5 <u>Managerial remuneration</u></b>                                 |                             |                             |
| Mr. Mohan A. Chandavarkar                                               | 134.39                      | 126.49                      |
| Mr. Ashok A. Chandavarkar                                               | 111.03                      | 103.26                      |
| Mr. Nandan M. Chandavarkar                                              | 119.74                      | 113.43                      |
| Mr. Ameya A. Chandavarkar                                               | 81.29                       | 77.21                       |
| <b>6 <u>Dividend on equity shares paid</u></b>                          |                             |                             |
| Mr. Mohan A. Chandavarkar                                               | 224.46                      | 218.26                      |
| Mr. Ashok A. Chandavarkar                                               | 210.61                      | 210.61                      |
| Ms. Sandhya M. Chandavarkar                                             | 209.67                      | 209.67                      |
| Soven Trading and Investment Company Private Limited                    | 326.55                      | 326.55                      |
| Transgene Trading and Investment Company Private Limited                | 341.95                      | 341.95                      |
| <b>7 <u>Purchase of equity shares for investment in subsidiary</u></b>  |                             |                             |
| Ms. Sandhya M. Chandavarkar                                             | -                           | 149.23                      |
| Ms. Mangala A. Chandavarkar                                             | -                           | 193.08                      |
| <b>8 <u>Donation paid</u></b>                                           |                             |                             |
| Anand Chandavarkar Foundation                                           | 30.00                       | 25.00                       |
| <b>9 <u>Outstanding balances payable</u></b>                            |                             |                             |
| Mr. Mohan A. Chandavarkar                                               | 91.64                       | 86.27                       |
| Mr. Ashok A. Chandavarkar                                               | 73.43                       | 69.14                       |
| Mr. Nandan M. Chandavarkar                                              | 74.06                       | 69.78                       |
| Mr. Ameya A. Chandavarkar                                               | 46.84                       | 44.15                       |
| <b>10 <u>Outstanding balances against loans granted</u></b>             |                             |                             |
| Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.                      | 108.44                      | 122.01                      |
| <b>11 <u>Outstanding balances against interest on loans granted</u></b> |                             |                             |
| Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.                      | 5.42                        | 18.30                       |
| <b>12 <u>Outstanding balances receivable against sales</u></b>          |                             |                             |
| Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.                      | -                           | 3.70                        |

31. Pursuant to Accounting Standard 19 - "Leases", disclosure on leases is as follows:  
The Group's significant leasing arrangements are in respect of godowns/ office premises taken on operating lease basis. The aggregate lease rentals payable are charged as Rent and shown under 'Other Expenses' (Refer Note No. 24).

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

32. During the current year, the Company has made revision in the estimated useful life of certain class of fixed assets which has resulted in higher charge of depreciation cost of Rs. 803.79 lacs (Refer Note No. 1e).
33. 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 2013 | Percentage of Ownership Interest as on 31st March 2012 |
|---------|----------------------------------------------------|--------------------------|--------------------------------------------------------|--------------------------------------------------------|
| 1.      | Fair Deal Corporation Pharmaceutical SA (Pty) Ltd. | Republic of South Africa | 49%                                                    | 49%                                                    |

The Group's Statement of Profit and Loss, Balance Sheet and Cash Flow Statement incorporate the Group's share of income, expenses, assets and liabilities of Fair Deal Corporation Pharmaceutical SA (Pty) Ltd. on line by line basis to the extent of 49% shareholding.

34. 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<br>Rupees in lacs |                 |
|--------------------|-------------------------|-----------------|-----------------|-------------------------------------|-----------------|
|                    |                         | 31st March 2013 | 31st March 2012 | 31st March 2013                     | 31st March 2012 |
| Bank balances      | USD                     | 828,934         | 37,338          | 446.34                              | 18.82           |
|                    | EUR                     | 58,430          | 80,593          | 40.00                               | 54.04           |
|                    | GBP                     | 12,880          | 54,655          | 10.43                               | 43.65           |
| Trade receivables  | USD                     | 2,256,137       | 2,604,476       | 1,201.57                            | 1,309.66        |
|                    | EUR                     | 116,920         | 470,354         | 80.22                               | 317.07          |
|                    | GBP                     | 46,615          | 1,882           | 37.80                               | 1.51            |
|                    | JPY                     | 7,950,000       | 13,250,000      | 45.29                               | 81.43           |
| Loans and advances | USD                     | 140,300         | 197,030         | 75.20                               | 98.77           |
|                    | EUR                     | -               | 8,879           | -                                   | 5.93            |
|                    | ZAR                     | 2,036,916       | 2,230,908       | 113.86                              | 140.32          |
| Trade payables     | USD                     | 482,822         | 617,033         | 265.90                              | 320.03          |
|                    | EUR                     | 98,453          | 191,298         | 69.61                               | 132.70          |
|                    | GBP                     | 10,673          | 17,874          | 8.94                                | 14.82           |

35. Revenue expenditure on research and development (including depreciation and amortisation) aggregating to Rs. 2,082.45 lacs (Previous year - Rs. 1,599.04 lacs) is included under relevant heads in the Consolidated Statement of Profit and Loss.

- 36** Costs of samples, manufactured and purchased, have been included in Cost of materials consumed and Purchases of Stock-in-trade respectively.
- 37.** Previous year's figures have been regrouped/ reclassified, wherever necessary to conform to this year's classification.

As per our report of even date

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

For and on behalf of the Board of Directors

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

**ASHOK A. CHANDAVARKAR**  
Director

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

**SHALINI KAMATH**  
Company Secretary

Place : Mumbai  
Date : May 24, 2013

Place : Mumbai  
Date : May 24, 2013

## Financial Information of Subsidiary Companies

Pursuant to the general exemption granted under Section 212 of the Companies Act, 1956 by the Ministry of Corporate Affairs, Government of India, the Company is publishing the consolidated and standalone financial statements of FDC Limited and its subsidiaries. The financial statements and auditors' reports of the individual subsidiaries are available for inspection by the shareholders at the registered office. However, the information in aggregate on capital, reserves, total assets, total liabilities, details of investments (except in case of investment in subsidiaries), total income, profit before taxation, profit after taxation and proposed dividend for each subsidiary is as follows:

Rupees in lacs

| Sr. No. | Particulars                              | FDC International Limited | FDC Inc.   | Anand Synthochem Limited |
|---------|------------------------------------------|---------------------------|------------|--------------------------|
|         | Currency                                 | UK Pounds                 | US Dollars | INR Rupees               |
|         | Exchange Rate as on 31st March 2013      | 82.54                     | 54.28      | -                        |
| 1.      | Capital                                  | 3.09                      | 27.14      | 174.00                   |
| 2.      | Reserves                                 | 303.22                    | 21.58      | 618.85                   |
| 3.      | Total Assets                             | 709.62                    | 49.25      | 843.83                   |
| 4.      | Total Liabilities                        | 709.62                    | 49.25      | 843.83                   |
| 5.      | Investments (other than in subsidiaries) | -                         | -          | -                        |
| 6.      | Revenue from operations                  | 617.97                    | -          | -                        |
| 7.      | Other Income                             | 2.12                      | -          | -                        |
| 8.      | Profit/ (Loss) before taxation           | (107.76)                  | (0.55)     | (4.48)                   |
| 9.      | Provision for taxation                   | (21.94)                   | 0.27       | -                        |
| 10.     | Profit/ (Loss) after taxation            | (85.82)                   | (0.82)     | (4.48)                   |
| 11.     | Interim Dividend                         | 103.18                    | -          | -                        |
| 12.     | Proposed Dividend                        | -                         | -          | -                        |



**FDC Limited**

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