



FDC Limited

MANUFACTURERS & EXPORTERS OF FOODS, DRUGS & CHEMICALS

August 22, 2017

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001

National Stock Exchange of India Ltd.

Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051

Dear Sir / Madam,

Ref.: BSE Scrip Code: 531599 and NSE Symbol – FDC

Sub.: Annual Report of FDC Limited for the financial year ended 31st March 2017 under Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the soft copy of Annual Report of FDC Limited for the financial year ended 31st March, 2017.

Kindly take the same on record.

Thanking you,

Yours truly,

For FDC LIMITED

Company Secretary



Encl.: As above

CORPORATE OFFICE : 142-48, S. V. Road, Jogeshwari (W), Mumbai - 400 102. INDIA
Tel.: +91-22-3071 9100 - 399 / 2678 0652 / 2653 / 2656 • Fax : +91-22-2678 6393 / 8123 / 1912
E-mail: fdc@fdcindia.com • Website : www.fdcindia.com

REGISTERED OFFICE : B-8, M.I.D.C. Industrial Area, Waluj - 431 136, Dist. Aurangabad. INDIA
Tel.: 0240-255 4407 / 255 4299 / 255 4967 • Fax : 0240-255 4299
E-mail : waluj@fdcindia.com • CIN : L24239MH1940PLC003176



FDC LIMITED

CIN NO: L24239MH1940PLC003176

Registered Office: B-8, MIDC Industrial Estate, Waluj – 431 136, District Aurangabad, Maharashtra
R&D, Training Centre and Corp. Office: 142-48, Swami Vivekananda Road, Jogeshwari (West), Mumbai 400 102

Website: www.fdcindia.com; **E-mail Id:** investors@fdcindia.com

Tel: 0240-2554407; **Fax:** 0240-2554299

NOTICE is hereby given that the Seventy Seventh Annual General Meeting of FDC Limited will be held on **Saturday, August 19, 2017**, at 10.00 a.m. at WelcomHotel Rama International, R-3, Chikalthana, Aurangabad- 431 210, Maharashtra, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a final dividend for the financial year ended March 31, 2017.
3. To appoint a Director in place of Mr. Ameya A. Chandavarkar (DIN: 00043238) who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by the Audit Committee and Board of Directors, B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022), be and is hereby appointed as the Statutory Auditors of the Company to hold office for a term of 5 (Five) consecutive years from the conclusion of this 77th Annual General Meeting till the conclusion of the 82nd Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every Annual General Meeting till the 82nd Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to fix their remuneration as may be recommended by the Audit Committee and as mutually agreed upon by the Board of Directors and the Statutory Auditors.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Members be and is hereby accorded to the payment of commission of a sum not exceeding 0.25 percent per annum on the annual net profits of the Company, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, to the Non-Executive Directors of the Company (other than the Managing Director or Wholetime Directors), in such proportion and manner as may be determined and decided by the Board of Directors provided that none of the Non-Executive Directors shall receive individually a sum not exceeding Rs. 2,00,000/- (Rupees Two Lakhs Only) in a financial year, for a period of 5 (Five) years and such payments shall be made in respect of the profits of the Company for each financial years commencing from April 01, 2017 to March 31, 2022.

RESOLVED FURTHER THAT the above remuneration shall be in addition to the fees payable to the Non-Executive Directors for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings.”

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the

Members and do hereby ratify the remuneration of Rs.4,25,000/- (Rupees Four Lakhs and Twenty Five Thousand Only) plus taxes and out of pocket expenses, payable to M/s. Sevekari Khare & Associates, Cost Accountants (Firm Registration No. 000084), who have been appointed as the Cost Auditors by the Board of Directors, on the recommendation of the Audit Committee, to audit the cost records of the Company for the financial year ending March 31, 2018.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds and things as may be required in this regard."

7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), whereby, a document may be served on any Member by the Company, by sending it to him/her by post or by registered post or by speed post or by courier or such electronic or other mode as may be prescribed, approval of the Members be and is hereby accorded to charge from the Members such fees in advance, equivalent to estimated actual expenses of delivery of documents, pursuant to any request made by any Member for delivery of such documents through a particular mode of service mentioned above, provided that such request along with requisite fees has been duly received by the Company at least 10 (Ten) days in advance of dispatch of document by the Company to the Members.

RESOLVED FURTHER THAT the Board of Directors and the Key Managerial Personnel of the Company be and are hereby severally authorised to do all acts, deeds, matters and things as they may be necessary, proper or desirable to give effect to above resolution."

By Order of the Board

Place : Mumbai

Date : May 26, 2017

Varsharani Katre

Company Secretary

NOTES:

1. The relative Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the Business under Item Nos. 5, 6 & 7 of the accompanying Notice is annexed hereto.
2. In respect of Resolution at Item No. 3, a statement giving additional information on the Director seeking re-appointment is annexed herewith as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Regulations).
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON HIS/HER BEHALF ON A POLL ONLY. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE AFORESAID MEETING.

A person can act as a proxy on behalf of members not exceeding fifty, and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting pursuant to Section 113 of the Companies Act, 2013.
5. Members, Proxies and Authorised representatives are requested to bring the duly filled and signed attendance slips along with the copies of the Annual Report to the meeting.
6. Final Dividend of Rs.2.25/- per equity share has been recommended by the Board of Directors for the year ended March 31, 2017 and subject to the approval of the Members at the ensuing Annual General Meeting, is proposed to be paid latest by September 18, 2017.

7. The Register of Members and Share Transfer Books of the Company shall remain closed from August 10, 2017 to August 19, 2017 (both days inclusive) for annual closing and determining the entitlement of the Shareholders to the Final Dividend 2016-2017.
8. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
9. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
10. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Registrar & Share Transfer Agent for any assistance in this regard.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in dematerialized form should inform their Depository Participant and Members holding shares in physical form should inform the Registrar and Share Transfer Agent i.e. Sharex Dynamic (India) Pvt. Ltd., their PAN details along with proof thereof.
12. Under Section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of 7 (Seven) years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred Rs. 14,17,820/- (Rupees Fourteen Lakhs Seventeen Thousand Eight Hundred and Twenty Only) being the unpaid and unclaimed dividend amount pertaining to Final Dividend 2008-2009 to the IEPF of the Central Government.

The Company has been sending reminders to those Members having unpaid/unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/unclaimed dividend are also uploaded on the Company's website i.e. www.fdcindia.com. Members, who have not encashed their dividend pertaining to Final Dividend 2009 - 2010 and onwards, are advised to write to the Company immediately claiming dividends declared by the Company.

The Ministry of Corporate Affairs ('MCA') had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from 7th September, 2016 ('IEPF Rules 2016'). Amongst other things, the Rules provides for the manner of transfer of the unpaid and unclaimed dividends to the IEPF and the manner of transfer of shares in case any dividend has not been encashed by the Shareholders on such shares during the last 7 (Seven) years to the designated Suspense Account as prescribed by the IEPF Authority.

As per the requirement of Rule 6 of the IEPF Rules 2016, the Company had published the required notice in newspaper and sent reminder letters to all the Shareholders who had not claimed/encashed dividends in the last 7 (Seven) years intimating them, amongst other things, the requirements of the IEPF Rules, 2016 with regard to transfer of shares and that in the event those Shareholders do not claim any unclaimed/unpaid dividends for the past 7 (Seven) years, the Company will be required to transfer the respective shares to the IEPF Suspense Account by the due date prescribed as per the IEPF Rules, 2016 or such other extended date as may be notified. The Company has uploaded the details of such Shareholders and the shares due to be transferred on the website of the Company i.e. www.fdcindia.com

13. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 17, 2016 (date of last Annual General Meeting) on the website of the Company i.e. www.fdcindia.com and also on the website of the Ministry of Corporate Affairs i.e. www.mca.gov.in.
14. In accordance with the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, S R B C & CO LLP, Chartered Accountants, Statutory Auditors of the Company shall retire at the conclusion of the 77th Annual General Meeting of the Company.

Pursuant to the provisions of the Companies Act, 2013 and the Companies (Audit and Auditor) Rules, 2014, and on the recommendation of the Audit Committee, the Board of Directors has appointed B S R & Co. LLP, Chartered Accountants (ICAI

Firm Registration No. 101248W/W-100022), as the Statutory Auditors of the Company, for a period of 5 (Five) years, i.e. to hold office from the conclusion of this 77th Annual General Meeting till the conclusion of 82nd Annual General Meeting of the Company, to be held in the year 2022, subject to ratification of their appointment by the Members at every Annual General Meeting, at such remuneration as may be mutually agreed between the Board of Directors and the Statutory Auditors.

Consent and Certificate u/s. 139 of the Companies Act, 2013 have been obtained from B S R & Co. LLP, Chartered Accountants, to the effect that their appointment, if made, shall be in accordance with the applicable provisions of the Act and the Rules made thereunder.

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, B S R & Co. LLP, Chartered Accountants, has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

15. In case of joint holders attending the Annual General Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
16. Members desiring any information pertaining to the financial statements are requested to write to the Company Secretary at an early date so as to enable the Management to reply at the Annual General Meeting.
17. A route map showing directions to reach the venue of the 77th Annual General Meeting is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on "General Meetings".
18. Electronic copy of the Notice and the Annual Report for the year ended March 31, 2017 is being sent to all the Members whose e-mail address is registered with the Company / Depository Participants(s) unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail address, the Annual Report for the year ended March 31, 2017 is being physically sent along with the Notice. Members who have not yet registered their e-mail address are encouraged to submit their request with the Company/Depository Participants(s), as the case may be.
19. Members may also note that the Notice of the 77th Annual General Meeting and the Annual Report for the year ended March 31, 2017 shall also be available on the website of the Company i.e. www.fdcindia.com for download. Even after registering for e-communication, Members are entitled to receive such documents in physical form, upon submitting a request to the Company.

20. Process and manner of voting through electronic means:

- i. In compliance with the provisions of Section 108 of the Companies Act, 2013, and the Rules made thereunder, the Company is pleased to provide its shareholders with the facility to exercise their right to vote at the 77th Annual General Meeting of the Company by electronic means and the business may be transacted through e-Voting services provided by the Central Depository Services (India) Limited (CDSL).
- ii. The facility for voting through ballot paper shall be made available at the Annual General Meeting and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- iii. Members can adopt for only one mode of voting, i.e. either by e-voting or ballot paper. In case, Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through ballot form shall be treated as invalid.
- iv. The Voting rights of Shareholders shall be in proportion to the number of shares of the paid up capital of the Company as on the cut-off date of e-voting i.e. August 12, 2017.
- v. Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date shall be entitled to vote. If a person was a Member on the date of the Book Closure, but has ceased to be a Member on the cut-off date of e-voting, he/she shall not be entitled to vote. Such person should treat the Notice for informational purpose only.
- vi. M/s. Sanjay Dholakia & Associates, Practising Company Secretary (C.P.No.2655) has been appointed as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- vii. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of ballot paper for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.

- viii. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 3 (three) days from the date of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- ix. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.fdcindia.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.
- x. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Annual General Meeting i.e. August 19, 2017.

21. Instruction for remote e-voting through CDSL:

- i. The remote e-voting shall commence on **Wednesday, August 16, 2017 at 9.00 A.M. IST** and end on **Friday, August 18, 2017 at 05.00 P.M. IST**. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. August 12, 2017 may cast their vote by remote e-voting. The remote e-voting module will be disabled by CDSL for voting thereafter.
- ii. The Members who have cast their vote by remote e-voting prior to the Annual General Meeting, shall not be entitled to cast their vote again at the Annual General Meeting.
- iii. The shareholders should log on to the e-voting website i.e. **www.evotingindia.com**
- iv. Click on Shareholders.
- v. **Now Enter your User ID**
 - a. For CDSL: 16 digits beneficiary ID
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier resolution of any company, then your existing password has to be used.
- viii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the Depository or Company, please enter the Member ID /Folio number in the Dividend Bank details field as mentioned at instruction no. 21 (v).

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended, not to share your password with any other person and to take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant FDC Limited on which you choose to vote.
- xiii. On the e-voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out a print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii. If the Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xx. **Note for Non – Individual Shareholders and Custodians:**
 - a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - c. After receiving the login details a Compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
 - d. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have been issued in favour of the Custodians, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- xxi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
22. Relevant documents referred to in the accompanying notice and in the Explanatory Statements are open for inspection at the Registered Office of the Company situated at B-8, M.I.D.C, Industrial Estate, Waluj Dist., Aurangabad 431 136 between 10.00 a.m. IST to 12.00 noon IST on all days except Friday and holidays, prior to the date of the meeting and at the venue of the Annual General Meeting during the meeting hours.

By Order of the Board

Place : Mumbai
Date : May 26, 2017

Varsharani Katre
Company Secretary

I. EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 (“the Act”)

Item No. 5

The Members of the Company at the 72nd Annual General Meeting had approved the payment of remuneration by way of commission to Non-Executive Directors, of a sum not exceeding 0.25 percent per annum on the net profits of the Company calculated in accordance with the provisions of the Companies Act, 1956, for a period of 5 (Five) years commencing from April 01, 2012 to March 31, 2017.

Taking into considerations the various responsibilities entrusted on the Non-Executive Directors under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and their contribution to the growth and better corporate governance practices in the Company, it is proposed that the Non-Executive Directors (other than the Managing Director or Wholetime Directors) be paid a remuneration not exceeding 0.25 percent per annum of the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013, provided that none of the Non-Executive Directors shall receive individually a sum not exceeding Rs. 2,00,000/- (Rupees Two Lakhs Only) in each financial year, for a period of 5 (Five) years starting from April 01, 2017 to March 31, 2022. This remuneration will be distributed amongst all or some of the Non-Executive Directors in accordance with the directions given by the Board of Directors and subject to any other applicable requirements under the Companies Act, 2013.

The above remuneration shall be in addition to the fees payable to the Directors for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings.

Accordingly, the approval of the Members is sought by way of a Special Resolution as set out at Item No. 5 of the Notice for payment of remuneration by way of commission to the Non-Executive Directors of the Company for a period of 5 (Five) years commencing from April 01, 2017.

The Managing Director, Wholetime Directors and Key Managerial Personnel of the Company and their relatives are not in any way, concerned or interested, financially or otherwise, in the Resolution No. 5 of the Notice. The Non-Executive Directors may be deemed to be concerned or interested, financially or otherwise, in the Resolution No.5 to the extent of the remuneration that may be received by them.

The Board recommends the Resolution No. 5 for approval of the Members.

Item No. 6

The Board of Directors at their meeting held on May 26, 2017, on the recommendation of the Audit Committee, has approved the re-appointment of M/s. Sevekari Khare & Associates (Firm Registration No. 000084), as Cost Auditors to audit the cost records of the Company for the financial year ending March 31, 2018, on a remuneration of Rs.4,25,000/- (Rupees Four Lakhs and Twenty Five Thousand Only) plus taxes and out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company at the Annual General Meeting.

Accordingly, the approval of the Members is sought by way of an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6.

The Board recommends the Resolution No. 6 for approval of the Members.

Item No. 7

As per the provisions of Section 20 of the Companies Act, 2013, a Company may serve documents on its Members by post or by registered post or by speed post or by courier or such electronic or other mode as may be prescribed. Further, a Member may request the delivery of document through any other mode by paying such fees as may be determined by the Members in the Annual General Meeting.

Accordingly, the approval of the Members is sought by way of a Special Resolution as set out at Item No. 7 of the Notice for charging from the Members such fees in advance, equivalent to estimated actual expenses of delivery of documents, pursuant to any request made by any Member for delivery of such documents through a particular mode of service mentioned above, provided that such request along with requisite fees has been duly received by the Company at least 10 (Ten) days in advance of dispatch of document by the Company to the Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7.

The Board recommends the Resolution No. 7 for approval of the Members.

By Order of the Board

Place : Mumbai
Date : May 26, 2017

Varsharani Katre
Company Secretary

II. DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Re-appointment of Mr. Ameya A. Chandavarkar (Item No. 3)

In terms of Section 152(6) of the Companies Act, 2013, Mr. Ameya A. Chandavarkar shall retire by rotation at the forthcoming Annual General Meeting (AGM) and being eligible offers himself for re-appointment.

Mr. Ameya R. Chandavarkar was appointed as a Wholetime Director of the Company for a period of 5 (Five) years effective from November 01, 2014 to October 31, 2019. As per the terms of his appointment, re-appointment at the AGM as a Director retiring by rotation would not constitute break in his appointment as a Wholetime Director.

Mr. Ameya A. Chandavarkar joined FDC Limited in the year 2000 as Manager- Corporate Affairs, and thereafter was appointed as a Wholetime Director of the Company in the year 2002. He is a Bachelor of Science in Information Systems and Marketing Management from Florida Southern College, Lakeland, USA. In 2007, he earned an MBA from INSEAD (France and Singapore).

Mr. Chandavarkar is responsible for FDC's International Business (Formulations), The Consumer Healthcare (Enerzal) and Information Technology initiatives. He is also actively involved in Finance, Human Resource Development and other managerial and strategic affairs of the Company. He is also a member of the Risk Management Committee of the Company.

Mr. Chandavarkar is also a Director in Sports Square Private Limited, Virgo Advisors Private Limited and Leo Advisors Private Limited. He holds 10,720,580 shares of FDC Limited as on March 31, 2017.

Mr. Ashok A. Chandavarkar being related to Mr. Ameya A. Chandavarkar and Mr. Ameya A. Chandavarkar himself is deemed to be interested or concerned in the resolution as enumerated above.

The relatives of Mr. Ameya A. Chandavarkar may be deemed to be interested in the Resolution No. 3 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3.

Upon his re-appointment as a Director, Mr. Ameya A. Chandavarkar shall continue to hold office as a Wholetime Director.

The Board recommends the Resolution No. 3 for approval of the Members.

By Order of the Board

Place : Mumbai
Date : May 26, 2017

Varsharani Katre
Company Secretary



FDC LIMITED

CIN NO: L24239MH1940PLC003176

Registered Office: B-8, MIDC Industrial Estate, Waluj – 431 136, District Aurangabad, Maharashtra
R&D, Training Centre and Corp. Office: 142-48, Swami Vivekananda Road, Jogeshwari (West), Mumbai 400 102

Website: www.fdcindia.com; **E-mail Id:** investors@fdcindia.com

Tel: 0240-2554407; **Fax:** 0240-2554299

PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) : _____

Registered Address : _____

E-mail ID : _____

Folio No. / Client ID : _____

DP ID : _____

I/ We, being the Member(s) of _____ shares of FDC Limited hereby appoint:

1. Name : _____

Address : _____

E-mail ID : _____

Signature : _____

or falling him/her

2. Name : _____

Address : _____

E-mail ID : _____

Signature : _____

or falling him/her

3. Name : _____

Address : _____

E-mail ID : _____

Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Seventy Seven Annual General Meeting of the Company, to be held on Saturday, August 19, 2017 at 10.00 a.m. at WelcomHotel Rama International, R-3, Chikalthana, Aurangabad 431 210, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions
1.	Adoption of the Audited Standalone and Consolidated Financial Statements for the year ended March 31, 2017 and Reports of Board of Directors and Auditors thereon.
2.	Declaration of Dividend for the financial year ended March 31, 2017.
3.	Re-appointment of Mr. Ameya A. Chandavarkar, Wholetime Director (DIN: 00043238) who retires by rotation and being eligible, seeks re-appointment.
4.	Appointment of B S R & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company and to fix their remuneration.
5.	Payment of commission to the Non-Executive Directors of the Company for a period of 5 years commencing from April 01, 2017 to March 31, 2022.
6.	Ratification of Remuneration payable to M/s. Sevekari Khare & Associates, Cost Auditors for the financial year ending March 31, 2018.
7.	Authorising the Company to charge for service of documents to members of the Company.

Signed this _____ day of _____ 2017.

Signature of Shareholder

Signature of the Proxyholder

Affix Re 1
Revenue
Stamp

Note:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.

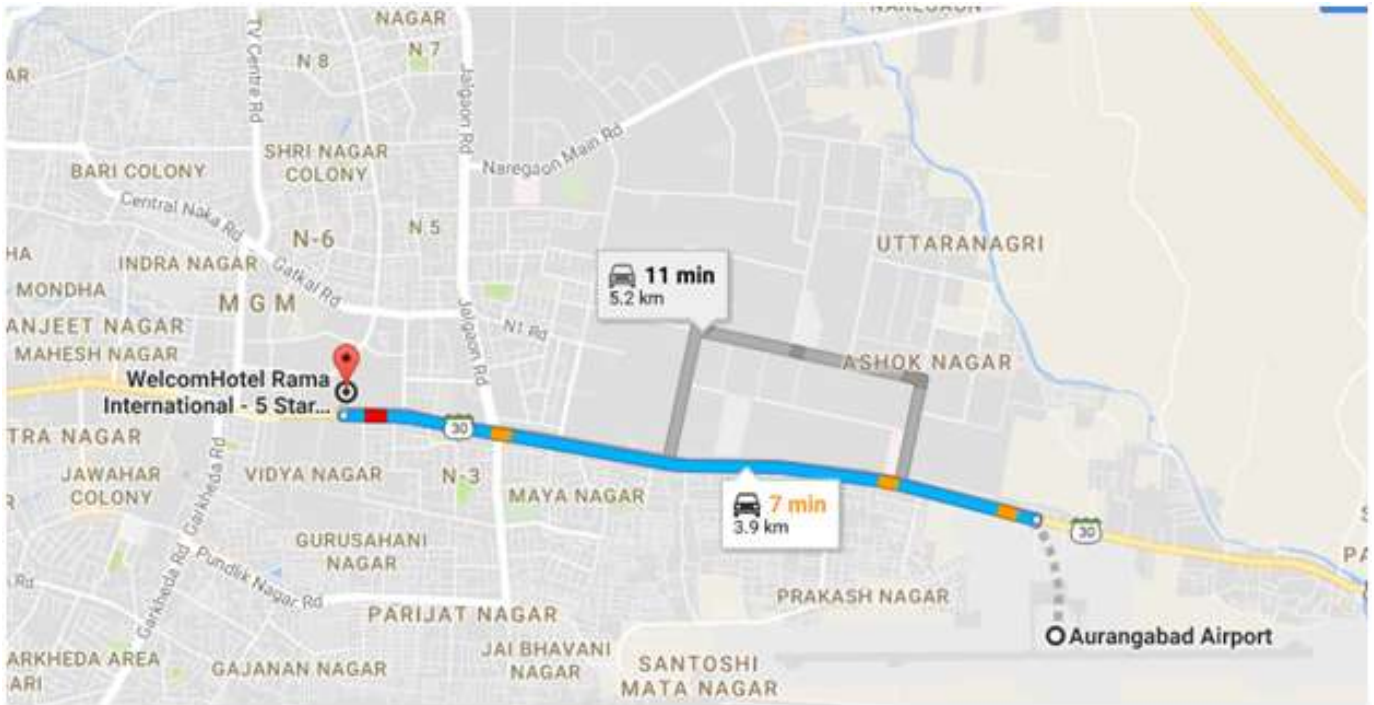
Route map for the venue of the Annual General Meeting

Venue : WelcomHotel Rama International,
R-3, Chikalthana, Aurangabad- 431 210,
Maharashtra.

Landmark: Opposite High Court



Distance from Aurangabad Railway Station : 7.4 km



Distance from Aurangabad Airport: 3.9 km

NOTES

[illegible]



FDC Limited

ANNUAL REPORT 2017

FORWARD LOOKING STATEMENTS

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

INVESTORS' INFORMATION

- | | |
|--|--|
| 1. Date of Annual General Meeting | Saturday, August 19, 2017 |
| 2. Venue and time | WelcomHotel Rama International
R-3, Chikalthana, Aurangabad 431 210
at 10.00 a.m. |
| 3. Book closure | August 10, 2017 to August 19, 2017
(both days inclusive) |
| 4. Dividend | Recommended a final dividend of Rs. 2.25/- (225%) per equity share |
| 5. Investors' complaints may be addressed to | The Secretarial Department
FDC Limited
142-48, Swami Vivekananda Road
Jogeshwari (West), Mumbai 400 102
Tel.: (022) 3071 9215, 3071 9100
Fax.: (022) 2678 8123
E-mail Id.: investors@fdcindia.com
Website: www.fdcindia.com |

FDC Limited**CIN: L24239MH1940PLC003176****Registered Office:** B-8, M.I.D.C. Industrial Estate, Waluj -431 136, Dist. Aurangabad, Maharashtra**R&D, Training Centre and Corporate Office:** 142-48, Swami Vivekananda Road, Jogeshwari (West), Mumbai 400 102.**Anand L. Chandavarkar** (1905-1959)

Founder

Ramdas A. Chandavarkar (1933-2001)

Chairman Emeritus

DIRECTORSMr. Mohan A. Chandavarkar
(Chairman and Managing Director)Mr. Nandan M. Chandavarkar
(Joint Managing Director)

Mr. Ashok A. Chandavarkar

Mr. Ameya A. Chandavarkar

Ms. Nomita R. Chandavarkar

CA. Girish C. Sheredalal
(resigned with effect from April 01, 2017)

Dr. Rahim H. Muljiani

Dr. Satish S. Ugrankar

CA. Vinod G. Yennemadi

CA. Swati S. Mayekar

CA. Uday Kumar Gurkar

CHIEF FINANCIAL OFFICER

Mr. Sanjay Jain

COMPANY SECRETARY

Ms. Varsharani Katre

AUDITORS

S R B C & CO LLP, Mumbai

PLANTS

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

IN HOUSE R & D CENTRES APPROVED BY DEPARTMENT OF SCIENTIFIC & INDUSTRIAL RESEARCH

- Jogeshwari R & D Centre at 142-48, S.V.Road, Jogeshwari (West), Mumbai- 400 102.
- Kandivali R & D Centre at 54-EFGH, Kandivali Co-operative Industrial Estate Ltd., Charkop, Kandivali (W), Mumbai-400067
- Roha R & D Centre at Plot No. 19 & 20/2, MIDC Area Road, Roha, Dist. Raigad.
- Goa Unit III R & D Centre at Plant Phase III/A, Plot No.L-121/B, Salcette, Verna Industrial Estate, Verna, Goa.

REGISTRAR & SHARE TRANSFER AGENTS *

Sharex Dynamic (India) Pvt. Ltd.

Unit-1, Luthra Industrial Premises, Andheri Kurla Road

Safed Pool, Andheri (East), Mumbai 400 072

Tel.: (022) 2851 5606, 2851 5644

Fax.: (022) 2851 2885

E-mail ID.: sharexindia@vsnl.com

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

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DIRECTORS' REPORT

To,
The Members

Your Directors have pleasure in presenting the 77th Annual Report together with the Audited Accounts for the year ended March 31, 2017.

1. STANDALONE FINANCIAL RESULTS

	(Rupees in lakhs)	
Particulars	2016-2017	2015-2016
Revenue from operations (Net)	1,04,602.34	1,00,989.33
Other income	4,964.51	3,997.54
Profit (before finance costs and depreciation / amortization)	28,571.39	26,694.49
Finance costs	140.71	139.68
Depreciation and amortization	3,452.33	3,361.14
Profit Before Tax	24,978.35	23,193.67
Less: Taxation		
- Current Tax	6,800.00	6,717.20
- Deferred Tax	(334.41)	(413.75)
- Tax adjustments for earlier years (Current Tax)	(193.98)	-
Profit After Tax	18,706.74	16,890.22
Other Comprehensive Income/(Loss) for the year	(19.26)	(32.49)
Balance of Profit from prior years	61,906.36	59,680.29
Surplus available for appropriation	80,593.84	76,538.02

The previous year's figures have been re-grouped/re-classified, wherever necessary to conform to this year's financial statements prepared in accordance with Ind AS (Indian Accounting Standards).

2. DIVIDEND

Your Board of Directors are pleased to recommend the payment of a final dividend of Rs. 2.25/- (225%) per equity share of Re.1 each, for the financial year ended March 31, 2017. The dividend, if approved by the Shareholders at the 77th Annual General Meeting will be paid to all the Shareholders of the Company whose names appear in the Register of Members as on the date of Book Closure.

As per Regulation 43A of the SEBI Listing Regulations, the Company has formulated a Dividend Distribution Policy which is annexed as **Annexure A** and is also

uploaded on the website of the Company i.e. www.fdcindia.com.

3. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(A) Industry structure & developments

The Indian Pharmaceutical Market (IPM) grew by 10.3% to reach the market size of Rs. 1,11,135 Crores, during the year ended March 31, 2017. Around 3,297 products were introduced during the year (Source: AIOCD Pharmasofttech AWACS Private Limited- Moving Annual Total Turnover-March 2017).

The Cardiac, Gastrointestinals and Antidiabetics segments have grown significantly and would continue to do so due to changing lifestyles and rising disposable incomes. Whereas, the anti-infectives, the ruling segment in the Industry, has been growing at a lower pace due to antibiotic resistance awareness, banning of fixed dose combinations by the Government and absence of new molecules on the horizon.

Due to various emerging changes in the Industry, it is likely that there would be notable trends in the Healthcare sector such as :

- **Shift from communicable to lifestyle diseases-** With increasing urbanization and problems related to modern-day living in urban settings, currently, about 50 per cent of spending on in-patient beds is for lifestyle diseases; this has increased the demand for specialized care.
- **Expansion of Tier II & Tier III cities** - There is substantial demand for high-quality & specialist healthcare services in Tier-II & Tier-III cities. In order to encourage the Private sector to establish hospitals in these cities, the Government has relaxed the taxes on these hospitals for the First 5 (Five) years.
- **Emergence of Telemedicine** - Telemedicine is a fast-emerging sector in India. It can bridge the rural-urban divide in terms of medical facilities, extending low-cost consultation & diagnosis facilities to the remotest of areas via high-speed internet & telecommunication.
- **Technological Initiatives (e-Prescriptions)** - Digital Health Knowledge Resources, Electronic Medical Record, Mobile Healthcare, Electronic Health Record, Hospital Information System, Technology-enabled care, and Hospital Management Information Systems are some of the technologies gaining wide acceptance in the sector.

(B) Outlook, Risks and Concerns

The year 2016-2017 was full of challenges & chaos in terms of fixed dose combination ban, Price erosion (downward price revisions) for a couple of products, Non supply of codeine based formulations, Impact of demonetisation – impact on purchasing behavior and Seasonal impact on acute therapies.

Your Company has undertaken various measures to minimise the risk impact to the best possible extent.

(C) Financial performance and Operations review

During the year under review, your Company registered a Standalone total income of Rs.1,09,566.85 lakhs as against Rs.1,04,986.87 lakhs in the previous year, thereby registering a growth of 4.36%.

The Earnings before interest and depreciation amounted to Rs. 28,571.39 lakhs as against Rs. 26,694.49 lakhs in the previous year. The Net Profit after taxation stood at Rs. 18,706.74 lakhs as against Rs. 16,890.22 lakhs in the previous year.

During the year under review, your Company registered a consolidated total income of Rs.1,10,120.14 lakhs as against Rs.1,05,640.48 lakhs in the previous year, thereby registering a growth of 4.24%.

Your Company has been able to maintain a steady profitable growth, through its increase in operations, cost control measures and a healthy working capital cycle.

(D) Segment-wise or product-wise performance**(i) Marketing**

FDC as a Corporate is ranked at 26th position, recording a growth of 3.7% and attaining a market share of 0.89% (Source: AIOCD Pharmasofttech AWACS Private Limited- Moving Annual Total Turnover- March 2017).

Your Company's top brands namely "ELECTRAL" and "ZIFI" continues to feature in the list of Top 300 brands.

During the year under review, your Company has launched various Products in the market such as Ten DC & Ten DCM, Vitcofol Hb, Zocon KZ Shampoo, etc. Your Company has also aligned itself in terms of portfolios & priorities, in order to maintain its finest performance.

(ii) Research and Development

The Research & Development (R & D) Centres located at Jogeshwari & Kandivali (Mumbai), Goa Unit III and Roha (Dist. Raigad) are duly recognised by the Department of Science and Technology. Your Company carries out its various R & D activities in the following areas:

- Formulations**

The Research & Development (R & D) centers located at Jogeshwari (Mumbai) and Goa Unit III cater to the

design and development of a diverse variety of dosage forms. The laboratories are equipped with state of the art instruments and equipments to enable development of conventional and complex products. A team of dedicated scientists works to develop formulations for various geographical markets viz. India, ROW and the regulated markets of US and Europe. Our R & D centers are also actively involved in capability building and transferring the technical know-how of novel drug delivery systems at the Plants, accredited by World Regulatory Authorities such as US-FDA, UK-MHRA, Medsafe New Zealand, TGA Australia, PICs Malaysia, and other rest of the world authorities like MCAZ Zimbabwe, PPB Kenya, NDA Uganda, TFDA (Tanzania), etc. Our ANDA's, MA's and our manufacturing Plant accreditations enable us to take care of sizable world exports.

- Synthetics**

The Research and development centers located at Kandivali (Mumbai) and Roha (Dist. Raigad) are engaged in process development of niche products, particularly in area of Ophthalmic, Antihypertensive, Antifungal and New Chemical entity (NCE). The work on life cycle management of existing drug products is also being carried out with the aim of Cost effectiveness, backward integration and meeting regulatory requirement from drug authorities, which enables to attain accreditation from various World Regulatory Authorities. The other highlights of the process developments of new molecules are Non-infringing processes, Usage of environment friendly chemicals, Development of desired polymorphs, Usage of classical chemistry for development of chiral drugs, etc.

The main highlights of R&D process development are Process development of Bimatoprost, Scale up of Latanoprost process and filling of USDMF, Process development of Polymorph II and III for Flucanazole and commercial batches at plant, achievements in cost reduction of existing drug products, Filling of CEP for Flucanazole, work on New Chemical Entities (NCE) in the area of Antifungal.

- Nutraceuticals**

During the year, your Company has launched the Enerzal 500 ml in pet bottle as well as 1 Litre in Tetrapak with Orange and Apple flavour.

To extend the product categories of Infant Milk Substitute (IMS), the division is working on development for range of Simyl MCT with some added micro nutrients like Nucleotides, Amino Acids and Omega3, O6 and also has developed MUM MUM 2 as a follow up formula which is under stability study.

Trials and validation of IMS at Sinnar Plant is successfully completed, which completes the commissioning activity at Sinnar Plant. With this, we

will be ready to supply current market requirement of IMS with spare capacity, which shall help us in launching new range of products under IMS and complimentary foods for infants.

● Biotechnology

With regards to recombinant Granulocyte Colony Stimulating Factor, inspection was conducted by Central Drugs Standard Control Organisation (CDSCO) along with Local Food, Drug and Authority (FDA) in consideration to our application to grant No-objection Certificate for manufacturing the clinical grade material. Your Company is undertaking all the necessary actions, for complying with FDA/CDSCO observations.

With reference to your Company's Project on the development of Third Generation Thrombolyte, your Company has obtained the Test License from Local FDA. Downstream processing, Purification and validation trials of the said molecule is being performed at an external party and once the purification strategy is finalized the technology shall be transferred to the Company.

(iii) Exports

Your Company's annual export turnover for the financial year ended March 31, 2017 of API and Finished formulations was Rs 15,576.50 lakhs as compared to Rs. 14,524.60 lakhs for the financial year ended March 31, 2016.

FDC is a fully integrated, research-oriented pharmaceutical company engaged in the manufacturing and marketing of Formulations (Finished Dosage Forms) and Active Pharmaceutical Ingredients (APIs).

Your Company has built a visible presence in the Regulated and Emerging markets. It is striving to place itself on a strong promising path by expanding its business strategically, strengthening its manufacturing facilities and enhancing capabilities across the organization.

Your Company is looking at various opportunities in untapped markets and association with business partners in the global markets to boost its revenues.

The Annual sale of FDC International Limited, a wholly owned subsidiary of FDC Limited, India for the financial year ended March 31, 2017 was GBP 15.00 lakhs as compared to GBP 15.93 lakhs of the previous financial year.

The Annual sale of FDC SA Pty Limited, a Joint Venture Company of FDC Limited, India for the financial year ended March 31, 2017 was ZAR 113.34 lakhs compared to ZAR 59.36 lakhs of the previous financial year.

(E) Internal Financial Controls and their adequacy

Your Company has in place a robust internal financial control commensurate with the size, scale and complexity

of its operations. These controls ensure that the transactions are recorded and reported diligently, adhere to the Company's policies & systems, safeguard the assets, prevent and detect the frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information.

Your Company has an internal audit department which carries out audits throughout the year and appropriate actions are taken by the management based on their recommendations.

(F) Human Resources

Your Company strongly believes that our quality process, systems, compliance and business performance are due to the competent Human resources of the organisation. Our Human Resource policies and practices are aligned to meet our business objectives.

Your Company attracts competent professionals, who are committed to deliver exceptional performance and also explores ways for hiring and retaining the best talents. We strive to provide our employees the freedom to excel in their professional and personal goals along with a focus on a healthy work-life balance. We also ensure that our employees are aligned with the organisational culture and values.

The Training & Development initiatives undertaken by the Company help our employees to learn the latest developments, which helps to maximise their potential both individually and collectively as a team, to deliver the business objectives. Your Company would be providing an e-learning platform to the sales employees on Medical and product knowledge in order to facilitate self paced learning through interactive ways.

Your Company believes in healthy cordial industrial relations and has continued to maintain and strengthens it. As on March 31, 2017, there were 5,338 permanent employees, out of which 3,732 employees are engaged in the sales and marketing activities.

(G) Cautionary Statement

Certain statements in respect to Management Discussion and Analysis Report may be forward looking and are stated as required by the applicable laws and regulations. The future results of the Company may be affected by many factors, which could be different from what the Directors envisage in the terms of future performance and outlook.

4. MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF THE FINANCIAL YEAR

No material changes and commitments affecting the financial position of the Company have occurred between

the end of the financial year to which financial statements in this report relates and the date of this report.

5. AUDITORS REPORT

The Report given by S R B C & CO LLP, Statutory Auditors on the financial statements of the Company for the year ended March 31, 2017 is a part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in the said audit Report.

6. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company form part of this Annual Report. These statements have been prepared on the basis of audited financial statements received from the subsidiary companies as approved by their respective Board of Directors.

7. SUBSIDIARIES / JOINT VENTURE AND ITS OPERATIONS

Your Company has 2 (Two) wholly owned Subsidiaries namely FDC Inc., USA and FDC International Ltd, UK and 1 (One) Joint Venture business, namely Fair Deal Corporation Pharmaceutical SA (Pty) Ltd. at South Africa. The Financials of the Subsidiaries and Joint Venture Company are disclosed in the Consolidated Financial Statements, which forms a part of this Annual Report.

A statement containing salient features of the financial statements of Subsidiary Companies/ Joint Ventures, is annexed to this Report as **Annexure B** pursuant to the provisions of Section 129 of the Companies Act, 2013 and the Rules made thereunder in the prescribed Form No. AOC-1 and hence, the same is not repeated for the sake of brevity.

In accordance with the provisions of Section 136 (1) of the Companies Act, 2013, the following information has been uploaded on the website of the Company i.e. www.fdcindia.com:

- (a) Annual Report of the Company, containing therein its Standalone and the Consolidated Financial Statement; and
- (b) Audited Annual Accounts of each of the subsidiary companies.

8. BUSINESS RESPONSIBILITY REPORT

As per Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report is annexed as **Annexure C**.

9. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors state that:

- (a) in the preparation of annual accounts for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- (b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down proper internal financial controls to be followed by the Company and they were adequate and operating effectively; and
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

10. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments made by the Company are given in the notes to the Financial Statements.

Your Company has not given any Loans or Guarantees or Investments in contravention of the provisions of Section 186 of the Companies Act, 2013.

11. PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits from the Public and as such no amount of principal or interest on deposits from Public was outstanding as on the date of the balance sheet.

12. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to energy conservation, technology absorption, foreign exchange earnings and outgo, pursuant to Section 134 of the Companies Act, 2013 and the Rules made thereunder, is annexed as **Annexure D** to this Report.

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

At the Annual General Meeting of the Company held on September 17, 2016, CA. Uday Kumar Gurkar was

appointed as an Non-Executive and Independent Director of the Company in terms of Section 149 of the Companies Act, 2013, to hold office for a period of 5 (Five) years with effect from April 01, 2016.

CA. Girish C. Shiredalal has resigned as a Director of the Company with effect from April 01, 2017. The Board of Directors wishes to place on record its appreciation for the valuable guidance received through him, from time to time.

In accordance with provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Ameya A. Chandavarkar, Wholetime Director, retires by rotation at the 77th Annual General Meeting and being eligible, has offered himself for re-appointment. The Profile of Director seeking reappointment pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included in the Notice of the 77th Annual General Meeting and the statement annexed thereto.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the following persons were the Key Managerial Personnel:

1. Mr. Mohan A. Chandavarkar, Chairman and Managing Director
2. Mr. Nandan M. Chandavarkar, Joint Managing Director
3. Mr. Ashok A. Chandavarkar, Wholetime Director
4. Mr. Ameya A. Chandavarkar, Wholetime Director
5. Ms. Nomita R. Chandavarkar, Wholetime Director
6. Mr. Sanjay B. Jain, Chief Financial Officer
7. Ms. Varsharani Katre, Company Secretary

14. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company forms part of this Annual Report. In terms of Section 136 of the Act, the Annual Report excluding the aforesaid information is being sent to the Members and others entitled thereto. The said information is available for inspection at the Registered Office of the Company during working hours upto the date of the forthcoming Annual General Meeting. Any Member interested in obtaining a copy of the same may write to the Company Secretary in this regard.

15. CORPORATE GOVERNANCE

In terms of Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate

Governance along with a Compliance Certificate issued by the Statutory Auditors of the Company, forms part of the Annual Report.

16. RISK MANAGEMENT

The Risk Management Committee identifies and evaluates the business risks, in addition to overseeing the Risk Management Policy of the Company, from time to time. The details of the Risk Management Committee are included in the Corporate Governance Report.

17. NOMINATION AND REMUNERATION POLICY

Your Company has in place, a Nomination and Remuneration Policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Team. The details of this Policy are provided in the Corporate Governance Report.

18. MEETINGS OF THE BOARD AND COMMITTEES THEREOF

The information has been furnished in the Corporate Governance Report.

19. AUDIT COMMITTEE

The Audit Committee comprises of comprises of 3 (Three) Independent Non-Executive Directors and 1 (One) Executive Director. CA. Swati S. Mayekar is the Chairperson of the Committee. Dr. Rahim H. Muljani, CA Vinod G. Yennemadi and Mr. Mohan A. Chandavarkar are the other members of the Committee.

The Powers and Role of the Audit Committee are provided in the Corporate Governance Report. All recommendations made by the Audit Committee were accepted by the Board of Directors.

20. BOARD & DIRECTORS EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance, evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees, based on the evaluation parameters formulated by the Nomination and Remuneration Committee. The manner in which the evaluation was carried out has been explained in the Corporate Governance Report.

21. FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

The Independent Directors are familiarized with their roles, rights, responsibilities of the Company, the business model of the Company, etc., through various programmes on a continuous basis. Details of the

familiarization program of Independent Directors are disclosed on the website of the Company i.e. <http://www.fdcindia.com/familiarisation-programme.php>

22. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Your Company has in place a Whistle Blower Policy for reporting genuine concerns or grievances on fraud and mismanagement. The said Policy is explained in detail in the Corporate Governance Report.

The Company has not denied any person from accessing the Audit Committee. There were no allegations/ disclosures/concerns received during the year under review, in terms of the vigil mechanism established by the Company. The said Policy is also uploaded on the website of the Company i.e. http://www.fdcindia.com/admin/images/Whistler_Blower_Policy.pdf

23. CODE OF CONDUCT

Your Company has in place a Code of Conduct for Board Members and Senior Management Personnel of the Company. The Code of Conduct lays down the standard of conduct which is expected to be followed by the Directors and the Senior Management Personnel and the duties of Independent Directors towards the Company.

The Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them, during the year ended March 31, 2017. A Certificate duly signed by the Managing Director, on the compliance with the Code of Conduct is given in the Corporate Governance Report. The said Code is available on the website of the company i.e. http://www.fdcindia.com/admin/images/Code_of_Conduct_of_FDC_Limited.pdf

24. PREVENTION OF INSIDER TRADING

Your Company has in place a Policy on the Code of Conduct for Prevention of Insider Trading with a view to regulate the trading in securities by the Promoters, Directors and the Designated Employees of the Company.

The same has also been uploaded on the website of the Company i.e. http://www.fdcindia.com/admin/images/CODE_OF_CONDUCT_FOR_PREVENTION_OF_INSIDER_TRADING.pdf

The Promoters, Directors and the Designated Employees have affirmed compliance with the Company's Code of Conduct for Prevention of Insider Trading.

25. RELATED PARTY TRANSACTIONS

During the year under review, all Related Party Transactions entered into by the Company were on an arm's length basis and in the ordinary course of business. Your Company has not entered into any contract,

arrangement or transaction with any Related Party which would be considered as the material under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board has also approved a policy on related party transactions and the same has been uploaded on the website of the Company i.e. http://www.fdcindia.com/admin/images/Policy_on_Related_Party_Transactions.pdf

All the Related Party Transactions are placed before the Audit Committee as well as the Board for their approval. Omnibus approval was also obtained from the Audit Committee and the Board on an annual basis for repetitive transactions.

Related Party Transactions are disclosed in the notes to the financial statements. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable to your Company.

26. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN OF WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Policy on the Prevention, Prohibition and Redressal of Sexual harassment at workplace in line with the requirements of The Sexual Harassment of Women of Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The said Policy is available on the website of the Company i.e. http://www.fdcindia.com/admin/images/Sexual_Harassment_Policy.pdf

An internal Sexual Harassment Committee has also been set up to redress the complaints received regarding sexual harassment. The Company has not received any complaints during the year under review.

27. CHANGE IN CORPORATE OFFICE OF THE COMPANY

Your Company is intending to carry out development activities in the presently occupied Corporate Office situated at Jogeshwari (West), Mumbai, after demolishing the existing structure. The Building wherein the Corporate Office is situated is an old structure and needs to be re-developed.

Accordingly, your Company has taken a Premises situated at C-3 SKYVISTAS, Near Versova Police Station, 106A, J.P. Road, Andheri (West), Mumbai - 400 053 on Leave and License basis for a period of 5 (Five) years, until the existing Corporate Office is fully developed and ready for occupation.

28. STATUTORY AUDITORS

As per Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the 10

(Ten) year term of S R B C & CO LLP (ICAI Firm Registration No. 324982E/E300003), Chartered Accountants, Mumbai, as the Statutory Auditors of the Company expires at the conclusion of the 77th Annual General Meeting of the Company.

The Board of Directors of the Company, on the recommendation of the Audit Committee, has proposed the appointment of B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022), as the Statutory Auditors of the Company by the Members at the 77th Annual General Meeting of the Company for an initial term of 5(Five) years. Your Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

Accordingly, a resolution proposing the appointment of B S R & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company for a term of 5 (Five) consecutive years i.e. from the conclusion of the 77th Annual General Meeting till the conclusion of the 82nd Annual General Meeting of the Company pursuant to Section 139 of the Companies Act, 2013, forms part of the Notice of the 77th Annual General Meeting of the Company.

29. COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audits) Rules, 2014, the Board of Directors on the recommendation of the Audit Committee have re-appointed M/s. Sevekari Khare & Associates (Firm Registration No. 000084) Cost Accountants, Mumbai, as Cost Auditors of the Company, to carry out the audit of cost records of the Company. The said Auditors have confirmed their eligibility for appointment as Cost Auditors.

As required under the Companies Act, 2013 and Rules made thereunder, the requisite resolution for ratification of remuneration of Cost Auditors by the Members has been set out in the Notice of the 77th Annual General Meeting of your Company.

The Cost Audit Report for the year ended March 31, 2016 was filed with the Ministry of Corporate Affairs on August 30, 2016.

30. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Company has appointed M/s. Sanjay Dholakia and Associates (PCS No.1798), Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the year ended March 31, 2017. The Secretarial Audit Report is annexed as **Annexure E** to this Report. There is no qualification, reservation, adverse remark or disclaimer in the said Report.

31. EXTRACT OF ANNUAL RETURN

Form MGT 9 providing an extract of the Annual Return in terms of the provisions of Section 92 of the Companies Act, 2013 and the Rules made thereunder is annexed as **Annexure F** to this Report.

32. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has always been a socially responsible corporate citizen who is well aware and sensitive to the needs of the underprivileged people around it. During the year under review, the Company has undertaken various socio-economic activities such as Nutritional Programmes, environmental awareness through supply of cloth bags through Non-Governmental Organisation, improving water resources/ structure in the villages surrounding our Plants, Construction of Toilets at Schools/ Backward regions, Rehabilitation programmes for street children, etc.

Your Company is doing its best to undertake various needs based activities in compliance with Schedule VII to the Companies Act, 2013.

The CSR policy is available on the website of the Company i.e. http://www.fdcindia.com/admin/images/Corporate_Social_Responsibility_Policy.pdf

In accordance with the provisions of Section 135 of the Companies Act, 2013, an abstract on the Company's CSR activities is appended as **Annexure G** to this report.

33. TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, declared dividends which remained unpaid or unclaimed for a period of 7 (Seven) years have been transferred by the Company to the IEPF, which has been established by the Central Government.

The above referred rules now mandate the transfer of dividends lying unpaid and unclaimed for a period of 7 (Seven) years as well as the underlying equity shares to IEPF. Your Company has published the requisite advertisement in the newspaper and issued individual notices to the shareholders, whose equity shares are liable to be transferred to IEPF, advising them to claim their dividend on or before 31st May 2017.

The Company has uploaded the details of unpaid and unclaimed dividend on the website of the Company i.e. www.fdcindia.com.

34. ENVIRONMENT, HEALTH AND SAFETY

Environment, Health and Safety are a part of the Management responsibilities and concerns. Your

Company has been providing various kinds of medical assistance to the families of its employees. Periodic health checkups are also carried out for all the employees. Employees are also educated on safety and precautionary measures to be undertaken on their job.

35. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant or material orders passed by any regulatory, tribunal or court that would impact the going concern status of the Company and its future operations.

36. ACKNOWLEDGEMENTS

Your Directors would like to express and place on record their sincere appreciation for the continued co-operation

and support received from the Medical fraternity, Government Authorities and Agencies, Stock Exchanges, Financial Institutions, Investors, Bankers, Consumers, Vendors and Members, during the year under review. Your Directors also place on record their appreciation for the hard work and contribution of all the employees of the Company.

For and on behalf of the Board

Place: Mumbai

Date : May 26, 2017

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ANNEXURE A TO DIRECTORS REPORT

DIVIDEND DISTRIBUTION POLICY OF FDC LIMITED

Introduction:

FDC Limited ("the Company") has always been committed in rewarding its shareholders by distributing its Profits via Dividend.

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Dividend Distribution Policy, to regulate the process of dividend declaration and its payout by the Company.

The key objectives of this policy is to ensure a regular dividend income to the shareholders and a long term capital appreciation for all stakeholders of the Company. Further, the Company shall also ensure to maintain adequate amount of Profits for its various expansion or diversification or acquisition Projects.

The dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other legislations governing dividends and the Articles of Association of the Company, as in force and as may be amended from time to time.

The Company shall always endeavour to maintain fairness, consistency and sustainability, while distributing profits to the shareholders.

Category of Dividends:

Under the Companies Act, 2013 and the Rules made thereunder, Dividend has been classified as Interim and Final Dividend. The Board of Directors ("Board") have been entrusted with the powers to recommend a final dividend to the shareholders and the same shall be approved by the shareholders at the general meeting of the Company. Further, the Board also has the absolute power to declare an interim dividend, as and when appropriate, during the financial year, as and when they consider it fit.

Declaration of Dividend:

Subject to the provisions of the Companies Act, 2013 and the Rules made thereunder, the Dividend shall be declared or paid out of the following:

(i) Current financial year's profit:

- (a) after providing for depreciation in accordance with law; and
- (b) after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion.

(ii) The profits for any previous financial year(s):

- (a) after providing for depreciation in accordance with law; and
- (b) remaining undistributed.

(iii) out of (i) & (ii) both

In computing the above, the Board may at its discretion, subject to the provisions of the applicable laws, exclude any or all of following :

- (a) extraordinary charges
- (b) exceptional charges
- (c) one off charges on account of changes in law or rules or accounting policies or accounting standards
- (d) provisions or write offs on account of impairment in investments (long term or short term)
- (e) non cash charges pertaining to amortisation or resulting from change in accounting policies or accounting standards.

The Board may, at its discretion, declare a Special Dividend under certain circumstances, on account of extraordinary profits from the sale of investments.

Factors to be considered while declaring Dividend:

The decision regarding dividend payout is a crucial decision as it determines the amount of profit to be distributed among shareholders and the amount of profit to be retained in the business, to be used for future expansion/ diversification plans.

The Dividend payout decision of the Company depends upon certain external and internal factors such as:

(i) External Factors:

- (a) State of the Economy- in case of uncertain or recessionary economic and business conditions, the Board will endeavour to retain larger part of the profits to build up reserves to absorb future shocks.
- (b) Capital Markets- when the markets are favorable, dividend pay-out can be liberal. However, in case of unfavorable market conditions, Board may resort to a conservative dividend payout in order to conserve cash outflows.
- (c) Statutory Restrictions- The Board will keep in mind the restrictions imposed under the Companies Act 2013, with regard to the declaration of dividend.

(ii) Internal Factors:

Apart from the various external factors mentioned above, the Board shall also take into account the various internal factors while declaring Dividend, which inter alia may include:

- (a) Profits earned during the year
- (b) Present & future Capital requirements of the existing businesses
- (c) Brand/ Business Acquisitions
- (d) Expansion/ Modernization of existing businesses
- (e) Additional investments in subsidiaries/associates of the Company
- (f) Fresh investments into external businesses
- (g) Any other factor as may be deemed fit by the Board

After taking into consideration the factors mentioned above, the Board shall endeavour to take a uniformed decision on the distribution of dividend, with an objective to enhance the Shareholders wealth as well as retaining substantial amount of Profit for the future plans of the Company.

Commitment towards distribution of Dividend to Shareholders:

The Company stands committed to deliver sustainable value to all its stakeholders. The Company shall strive to distribute an optimal and appropriate level of the profits earned, through its core business activities, to the Shareholders, in the form of dividend.

In case the Board proposes not to distribute the profit, the grounds thereof and information on utilisation of the undistributed profit, if any, shall be disclosed to the Shareholders in the Annual Report of the Company.

For and on behalf of the Board

Place : Mumbai
Date : May 26, 2017

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ANNEXURE B TO DIRECTORS REPORT**Form AOC-1**

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of Subsidiary Companies/ Joint Ventures as per Companies Act, 2013

Pursuant to the general exemption granted under Section 129 of the Companies Act, 2013 by the Ministry of Corporate Affairs, Government of India, the Company is publishing the Standalone and Consolidated 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 of the Company.

Part "A" - Subsidiaries**(Rupees in lakhs)**

Sr. No.	Particulars	FDC International Limited	FDC Inc.
	Reporting Period for the Subsidiary	31 st March, 2017	31 st March, 2017
	% of Shareholding	100%	100%
	Reporting Currency	UK Pounds	US Dollars
	Exchange Rate as on 31 st March, 2017	81.29	64.86
1.	Share capital	3.04	32.43
2.	Reserves and surplus	827.85	21.68
3.	Total Assets	1,243.46	55.20
4.	Total Liabilities	1,243.46	55.20
5.	Investments (other than in subsidiaries)	-	-
6.	Turnover	1,227.51	-
7.	Profit/ (Loss) before taxation	259.03	(0.83)
8.	Provision for taxation	53.68	0.32
9.	Profit/ (Loss) after taxation	205.35	(1.16)
10.	Proposed / Interim Dividend	-	-

Part "B" – Joint Ventures**(Rupees in lakhs)**

Sr. No.	Particulars	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.
1.	Latest Audited Balance Sheet Date	31 st March, 2017
2.	No. of Shares of Joint Venture held by the Company on the year end	159,250
3.	Amount of Investment in Joint Venture	11.30
4.	Extent of Holding %	49%
5.	Description of how there is significant influence	There is significant influence due to percentage of Shareholding in the Joint Venture
6.	Reason why the Joint Venture is not consolidated	N.A.
7.	Networth attributable to Shareholding as per latest audited Balance Sheet	(51.38)
8.	Profit/ Loss for the year considered in Consolidation	5.81
9.	Profit/ Loss for the year not considered in Consolidation	6.05

Notes:

- (i) Names of Subsidiaries/ Joint Ventures which are yet to commence operations: **None**
- (ii) Names of Subsidiaries/ Joint Ventures which have been liquidated or sold during the year: **None**

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ASHOK A. CHANDAVARKAR
Director

SANJAY JAIN
Chief Financial Officer

VARSHARANI KATRE
Company Secretary

Place : Mumbai
Date : May 26, 2017

ANNEXURE C TO DIRECTORS REPORT**BUSINESS RESPONSIBILITY REPORT**

(Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L24239MH1940PLC003176
2.	Name of the Company	FDC Limited
3.	Registered address	B-8, MIDC Industrial Area, Waluj- 431 136, District Aurangabad, Maharashtra
4.	Website	www.fdcindia.com
5.	E-mail id	investors@fdcindia.com
6.	Financial Year reported	April 01, 2016 to March 31, 2017
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code 21002- Manufacture and Sale of Pharmaceutical Products
8.	List 3 (Three) key products/services that the Company manufactures/provides (as in balance sheet)	Cefixime, Oral Rehydration Salts (ORS) and Fluconazole
9.	Total number of locations where business activity is undertaken by the Company:	
i.	Number of International Locations (Provide details of major 5)	The Company has 2 (Two) foreign wholly owned subsidiaries located in USA & UK and (1) One Joint Venture located in South Africa.
ii.	Number of National Locations	The Company has 8 (Eight) manufacturing plants located at 5(Five) locations such as Waluj, Baddi, Roha, Sinnar and Goa. It has 4(Four) R & D Centres are located at Jogeshwari, Kandivali, Roha and Goa Unit III. The Company has 20(Twenty) Carrying and Forwarding Agents and 2(Two) Central Warehouses across the Country.
10.	Markets served by the Company Local/State/National/ International/	India and 74 Countries for Exports

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (Rs)	1,786.19 lakhs
2.	Total Turnover (Rs)	109,566.85 lakhs (Standalone)
3.	Total profit after taxes (Rs)	18,706.74 Lakhs (Standalone)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company's total spending on CSR is 2.09% of the average net profit in the previous 3 (Three) financial years.
5.	List of activities in which expenditure in 4 above has been incurred	The details of the CSR activities are given under Annexure G of the Directors Report.

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Yes
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The Company has 2 (Two) wholly owned subsidiaries incorporated in UK and USA. These Companies comply with the requirements of the respective countries wherein they operate.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company has a Code of Conduct for stakeholders, wherein they are expected to adhere to business principles consistent with those of the Company.

SECTION D: BR INFORMATION

1.a.	Details of Director/Directors responsible for implementation of the BR Policy/ Policies: DIN Number : 00043344 Name : Mr. Mohan A. Chandavarkar Designation : Chairman and Managing Director
1.b.	Details of the BR Head : DIN Number : 00043344 Name : Mr. Mohan A. Chandavarkar Designation : Chairman and Managing Director Telephone number : 022-3071 9100 Email ID : investors@fdcindia.com

2. Principle-wise (as per NVGs) BR Policy / policies

Principle –wise Index

P1- Business Ethics
 P2-Product Responsibility
 P3-Well being of Employees
 P4-Stakeholders Engagement
 P5-Human Rights
 P6-Environment
 P7-Public Advocacy
 P8-Corporate Social Responsibility Policy
 P9-Customer Relations

a. Details of Compliance (Reply in Y / N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	Not applicable	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y		Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Refer Note1	Refer Note1	Refer Note1	Refer Note1	Refer Note1	Refer Note1		Refer Note1	Refer Note1
4.	Has the policy being approved by the Board? If yes, has it been signed by the MD / owner / CEO / appropriate Board Director?	Y (Signed by MD)	Y (Signed by MD)	Y (Signed by MD)	Y (Signed by MD)	Y (Signed by MD)	Y (Signed by MD)		Y (Signed by MD)	Y (Signed by MD)
5.	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y		Y	Y
6.	Indicate the link for the policy to be viewed online?	www.fdcindia.com	Available on the intranet of the Company	www.fdcindia.com	www.fdcindia.com	Available on the intranet of the Company	www.fdcindia.com		www.fdcindia.com	Available on the intranet of the Company
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y		Y	Y
8.	Does the company have in-house structure to implement the policy/policies ?	Y	Y	Y	Y	Y	Y		Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y		Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y		Y	Y

Note 1: All the policies are broadly based on the National Voluntary Guidelines on social, environmental and economical responsibilities of business issued by the Ministry of Corporate Affairs, Government of India.

b. If answer to the question at serial number 1 against any principle, is “No”, please explain why: Not Applicable

3. Governance related to BR:

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6months, Annually, More than 1 year:

Annually

b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Business Responsibility Report is a part of the Annual Report 2016-2017 and can be accessed on the website of the Company i.e. www.fdcindia.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 (Business Ethics)

- 1. Does the Policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

Yes, the Policy relating to ethics, bribery and corruption covers not only the Company but extends to its Subsidiaries, Joint Venture and various Stakeholders dealing with the Company. The Company has various policies such as Code of Conduct, Whistle Blower and Sexual Harassment. These policies are available on the website of the Company i.e. www.fdcindia.com.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so:**

The Company has not received any significant complaints from the Stakeholders in the last financial year.

The details relating to shareholders complaints are given under Corporate Governance Report of the Annual Report for 2016-2017.

Principle 2 (Product Responsibility)

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

- (a) Electral (ORS) for treatment of Diarrhea
- (b) Ziglim & Zipio, an Anti-Diabetes Drug
- (c) Zifi & Zathrin, an Antibiotic Drug

- 2. For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):**

- a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

The Company manufactures and distributes its wide range of generics, formulations, active pharmaceutical at its internationally accredited manufacturing plants.

There are no specific standards to ascertain reduction achieved at product level, since consumption per unit depends on the product mix.

- b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

There is no broad based impact on energy and water conservation by consumers due to the Company's products.

- 3. Does the Company have procedures in place for sustainable sourcing (including transportation)?**

- a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so:**

The Company has in place, a Standard Operating Procedure for appointing Vendors. Materials are procured both locally and internationally from approved Vendors. The Company regularly conducts audits for these Vendors. The Company has enduring business relationship with the Vendors and receives their constant support.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding the place of work?

- a. If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

The Company continues to procure goods and avail services from the local and small vendors, with preferences to those located around its manufacturing plants. The Company provides support to the vendors, whenever required, in developing quality products.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so:

The Company has a mechanism to recycle the process solvents and allow the wastes to recycle at authorised offsite. Every Plant has its own Effluent Treatment Plan, in order to ensure that the discharge of waste and solvents is within the limits stipulated by the respective pollution control boards. About 20-30% of the waste water generated in the Plants is recovered, recycled and reused, thereby saving usage of fresh water. Treated waste water is used for sanitation purposes.

Principle 3 (Well being of Employees)

1. Please indicate the Total number of employees:

5,338 permanent employees as on March 31, 2017

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis:

1,342 as on March 31, 2017

3. Please indicate the number of permanent women employees:

240 as on March 31, 2017

4. Please indicate the number of permanent employees with disabilities:

3 as on March 31, 2017

5. Do you have an employee association that is recognized by management?

The Company's plants and offices are situated at multiple locations, thus there are unions and association of employees at the respective locations.

6. What percentage of your permanent employees are members of this recognized employee association?

Around 5% of the permanent employees are members of recognised employee associations.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year: None

8. What percentage of your under mentioned employees were given safety and skill upgradation training in the last year?

- a. **Permanent Employees-** More than 90% of the operating personnel are trained at regular intervals on safety and first aid.
- b. **Permanent Women Employees-** Around 90% of the permanent women employees are trained at regular intervals on safety and first aid. The Company does not make any discrimination while imparting training to the women employees.
- c. **Casual/Temporary/Contractual Employees-** Around 90% of the Casual/Temporary/Contractual Employees in operating functions are trained.

- d Employees with Disabilities** – The Company does not make any discrimination while imparting training to differently abled employees vis-a-vis their fellow employees.

Principle 4 (Stakeholders Engagement)

1. Has the Company mapped its internal and external stakeholders?

Yes, the Company has mapped its Stakeholders, internal and external, who directly or indirectly influence our business operations.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so:

Yes, Special initiatives are undertaken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. These initiatives include creation of infrastructural facilities in the local communities for the weaker sections and promotion of education and health amongst the social and backward groups of Society.

Principle 5 (Human Rights)

1. Does the Policy of the Company on human rights cover only the Company or extend to the Group /Joint Ventures / Suppliers / Contractors / NGOs / Others?

Yes, the Policy on human rights covers not only the Company but extends to its Subsidiaries, Joint Venture and various Stakeholders dealing with the Company. The Company's policy on Code of Conduct and human resource practices cover most of these aspects.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the year under review, the Company did not receive any complaint pertaining to human rights.

Principle 6 (Environment)

1. Does the Policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures /Suppliers / Contractors / NGOs / Others?

This Policy covers only the Company. The Subsidiary Companies are independent companies located outside India and are guided by their own policies and laws of the countries where they are located.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc. Y/N? If yes, please give hyperlink for webpage etc.:

Conservation and optimisation of natural resources has always been a priority for the Company. The Environment Policy of the Company is available on the website of the Company at www.fdcindia.com. Efforts are also made to conserve water resources and eliminate over utilization of resources.

3. Does the Company identify and assess potential environmental risks?

The Company identifies and assesses the risks internally and necessary steps are undertaken at regularly intervals to minimise the risks. The Company's manufacturing facilities are internationally accredited by reputed agencies.

- 4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed:**

The Company has installed agro-fuel fired boilers at various Plants. The Company monitors the stack emissions on quarterly basis and the same is being reported annually to the Pollution Control Board. The Company has also invested in Solar Projects at various locations for reduction in emissions.

- 5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N? If yes, please give hyperlink for web page etc.:**

The Company has undertaken various energy efficient initiatives at different locations which are given under Annexure D to Directors' Report.

- 6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes

- 7. Number of Show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year:**

There were no show cause/legal notices pending as at the end of the financial year.

Principle 7 (Public Advocacy)

- 1. Is your Company a member of any trade and chamber or association? If yes, Name only those major ones that your business deals with:**

The Company is a member of various trade bodies, chambers and associations inter-alia:

- (a) Indian Drug Manufacturers' Association (IDMA)
- (b) Bombay Chamber of Commerce and Industry (BCCI)
- (c) Federation of Pharma Entrepreneurs (FOPE)
- (d) Pharmaceutical Export Promotion Council of India (PHARMEXCIL)

- 2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No? if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others):**

The Company continues to participate in various forums to address the various issues pertaining to public health. The Company also makes continuous efforts to provide affordable treatment to the marginalised and economical weaker sections of the Society.

Principle 8 (Corporate Social Responsibility Policy)

- 1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof:**

The Company has been contributing towards the rural development, education, nutritional programme, sanitation & hygiene, rehabilitation programme and other socio-economic activities, under its corporate social responsibility activities, which has benefitted the society to some extent. The CSR Policy is available on the website of the Company i.e. www.fdcindia.com and the Annual Report on CSR activities, as required under Section 135 of the Companies Act, 2013, is given under Annexure G to the Directors' Report.

Your Company continues to engage with various communities, expert organisations and the Government, for taking up various activities, under its CSR Policy.

2. Are the programs/projects undertaken through in-house team/own foundation / external NGO / government structures / any other organization?

The CSR programs are undertaken by the Company directly or indirectly through recognized public charitable trusts, Non-Governmental Organisations and projects in partnership with Government.

3. Have you done any impact assessment of your initiative?

The impact assessment of the CSR initiatives is done at regular intervals and feedback and progress of the CSR projects are obtained from the concerned organizations and agencies.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

During the year the Company has spent Rs. 421.89 lakhs towards community development programmes namely towards education, nutritional programme, sanitation & hygiene and rehabilitation programme.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so:

The Company's representatives visit the Project sites at regular intervals and feedback is obtained to improve the projects undertaken, if required. The details of these CSR activities is given under Annexure G to the Directors' Report.

Principle 9 (Customer Relations)

1. What percentage of customer complaints/consumer cases are pending as on the end of the financial year?

There are no pending complaints as on March 31,2017. The complaints are timely handled as per the internal Standard Operating Practices and responded to the Customers.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information):

The Company follows the applicable Laws, Rules and Regulations with respect to labelling and displaying of product information.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on the end of the financial year? If so, provide details thereof, in about 50 words or so:

No

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

The Company regularly carries out consumer surveys at doctor level.

ANNEXURE D TO DIRECTORS REPORT**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, for the year ended March 31, 2017.

A) CONSERVATION OF ENERGY**(i) Steps taken or impact on conservation of energy:**

- Maintained the unity power factor at all locations.
- Energy efficient screw chiller installed at Baddi Plant.
- New equipments selected at various locations to minimize the energy/ operational cost with more productivity.

(ii) Steps taken by the Company for utilising alternate sources of energy:

- Evaluated & ordered the 50KVA roof top solar system for Bhiwandi warehouse with a payback of less than 5 (Five) years.
- Evaluated a 530KVA rooftop solar system at Waluj plant and the Installation of the same is under process.

(iii) Capital investment on energy conservation equipments: Rs. 162.44 lakhs**(ii) Benefits derived:**

- Reduction in Cost
- Preservative free oral suspension

(iii) Information regarding imported technology (imported during the last 3 (Three) years reckoned from the beginning of the financial year)- None**(iv) Expenditure incurred on Research and Development.**

	(Rupees in lakhs)	
	2016-2017	2015-2016
a. *Capital	260.35	468.72
b. Recurring	2,543.08	2,715.95
c. Total	2,803.43	3,184.67
d. Total R&D expenditure as a percentage of total turnover *Including C.W.I.P.	2.68%	3.19%

B) TECHNOLOGY ABSORPTION**Research and Development (R&D):****(i) Efforts made towards technology absorption:**

- Synthesis of new chemical entities and lead compounds.
- Preservative free oral suspension.
- Development of Generic APIs and their intermediates

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of foreign exchange earnings and outgo are given in the Notes to the accounts.

For and on behalf of the Board

Place : Mumbai
Date : May 26, 2017

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ANNEXURE E TO DIRECTORS REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
FDC Limited (CIN: L24239MH1940PLC003176)
Aurangabad

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by FDC Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **There were no further issue of securities during the year under review.**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **There were no ESOPs issued during the year under review.**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **There were no debts raised during the year under review.**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **There were no proposals for delisting of its Equity shares during the year under review.**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **There were no Buy Back of its Equity shares during the year under review.**
- (vi) Other laws applicable specifically to the Company as per management representation letter namely:
 Drugs and Cosmetics Act, 1940, The Pharmacy Act, 1948, The Narcotic Drugs and Psychotropic Substances Act, 1985, The Trademarks Act, 1999, The Indian Copy Right Act, 1957, The Patents Act, 1970, Food and Drug Administration licensing terms and conditions and Food Safety and Standards Act, 2006.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India and made effective from 1st July 2015.
- (ii) The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited pursuant to Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations 2015 (effective from 1st December 2015).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this Report.

For **SANJAY DHOLAKIA & ASSOCIATES**

SANJAY R DHOLAKIA
Practising Company Secretary
Proprietor
Membership No. 2655 /CP No. 1798

Place : Mumbai
 Date : May 26, 2017

ANNEXURE A

To,
The Members,
FDC Limited (CIN: L24239MH1940PLC003176)
Aurangabad

My report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **SANJAY DHOLAKIA & ASSOCIATES**

SANJAY R DHOLAKIA
Practising Company Secretary
Proprietor
Membership No. 2655 /CP No. 1798

Place : Mumbai
 Date : May 26, 2017

ANNEXURE F TO DIRECTORS REPORT**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED MARCH 31, 2017**

[Pursuant to Section 92(3) of the Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014]

A. REGISTRATION AND OTHER DETAILS:

CIN:	L24239MH1940PLC003176
Registration Date:	September 23, 1940
Name of the Company:	FDC Limited
Category / Sub-Category of the Company:	Public Company, Company having Share Capital
Address of the Registered office and contact details:	B-8, MIDC Industrial Estate, Waluj- 431 136, District Aurangabad, Maharashtra. Tel: 0240- 2554407; Fax : 0240-2554299; Website: www.fdcindia.com; Email ID: investors@fdcindia.com
Whether listed company:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	Sharex Dynamic (India) Pvt.Ltd. Unit no.1, Luthra Ind.Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400072 Tel:022- 2851 5606/ 5644/ 6338 ;Fax: 022-2851 2885 Website:http:www.sharexindia.com; E-mail: sharexindia@vsnl.com

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company is given below:

Sr. No.	Name and Description of main products / services	NIC Code of the Product	% to total turnover of the company
1.	Pharmaceuticals	21002	100%

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	FDC International Ltd, Unit No. 6, Fulcrum 1, Solent Business Park, Solent Way, Whiteley,Fareham, Hampshire- PO15 7FE	Not Applicable	Subsidiary	100%	2(87)
2.	FDC Inc., 315, Lowell Avenue, Hamilton, NJ 08619	Not Applicable	Subsidiary	100%	2(87)

D. SHAREHOLDING PATTERN
i) Category wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2016				No. of Shares held at the end of the year 31-03-2017				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1). INDIAN									
(a). Individual	122,504,656	-	122,504,656	68.89	95,614,530	-	95,614,530	53.77	-15.12
(b). Central Govt./ State Govt (s)	-	-	-	-	-	-	-	-	-
(c). Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(d). Bodies Corporate	-	-	-	-	-	-	-	-	-
(e). Any Other	-	-	-	-	-	-	-	-	-
(i) Trust	-	-	-	-	26,890,126	-	26,890,126	15.12	15.12
Sub-total (A) (1)	122,504,656	-	122,504,656	68.89	122,504,656	-	122,504,656	68.89	-
(2). FOREIGN									
(a). Individuals (Non Resident/ Foreign)	-	-	-	-	-	-	-	-	-
(b). Government	-	-	-	-	-	-	-	-	-
(c). Institutions	-	-	-	-	-	-	-	-	-
(d). Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(e). Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	122,504,656	-	122,504,656	68.89	122,504,656	-	122,504,656	68.89	-
B. PUBLIC SHAREHOLDING									
(1). INSTITUTIONS									
(a). Mutual Funds	6,806,915	10,000	6,816,915	3.83	5,553,304	10,000	5,563,304	3.13	-0.70
(b). Banks / FI	17,064	-	17,064	0.01	14,972	-	14,972	0.01	-
(c). Central Govt.	-	-	-	-	-	-	-	-	-
(d). State Govt.	5,612	-	5,612	-	968,190	-	968,190	0.54	0.54
(e). Venture Capital Funds	60	-	60	-	-	-	-	-	-
(f). Insurance Companies	1,038,031	-	1,038,031	0.58	-	-	-	-	-0.58
(g). FIs	16,745,137	-	16,745,137	9.42	18,272,473	-	18,272,473	10.27	0.86
(h). Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i). Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	24,612,819	10,000	24,622,819	13.84	24,808,939	10,000	24,818,939	13.95	0.11
(2). NON-INSTITUTIONS									
(a). BODIES CORP.									
(i). Indian	4,274,913	16,002	4,290,915	2.41	3,975,138	16,002	3,991,140	2.24	-0.17
(ii). Overseas	-	-	-	-	-	-	-	-	-
(b). Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	11,363,197	2,853,113	14,216,310	7.99	11,783,627	2,758,113	14,541,740	8.18	0.18
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	10,215,993	-	10,215,993	5.75	10,203,108	-	10,203,108	5.74	-0.01
(c). Other (specify)									
Non Resident Indians	1,843,398	-	1,843,398	1.04	1,632,760	-	1,632,760	0.92	-0.12
Overseas Corporate Bodies	65,648	-	65,648	0.04	-	-	-	-	-0.04
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	73,345	-	73,345	0.04	140,741	-	140,741	0.08	0.04
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	27,836,494	2,869,115	30,705,609	17.27	27,735,374	2,774,115	30,509,489	17.16	-0.11
Total Public Shareholding (B)=(B)(1)+(B)(2)	52,449,313	2,879,115	55,328,428	31.11	52,544,313	2,784,115	55,328,428	31.11	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	174,953,969	2,879,115	177,833,084	100.00	175,048,969	2,784,115	177,833,084	100.00	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 01-04-2016			Shareholding at the end of the year 31-03-2017			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Mrs. Meera Ramdas Chandavarkar	34,189,260	19.23	-	34,189,260	19.23	-	-
2	Mrs. Sandhya Mohan Chandavarkar	19,355,730	10.88	-	19,355,730	10.88	-	-
3	Mr. Mohan Anand Chandavarkar	19,020,258	10.70	-	19,020,258	10.70	-	-
4	Mr. Ashok Anand Chandavarkar	15,988,193	8.99	-	-	-	-	-8.99
5	Mrs. Mangala Ashok Chandavarkar	10,901,933	6.13	-	-	-	-	-6.13
6	Mr. Ameya Ashok Chandavarkar	10,720,580	6.03	-	10,720,580	6.03	-	-
7	Ms. Nomita Ramdas Chandavarkar	5,682,940	3.20	-	5,682,940	3.20	-	-
8	Mr. Nandan Mohan Chandavarkar	5,445,762	3.06	-	5,445,762	3.06	-	-
9	Mrs. Aditi C. Bhanot	1,200,000	0.67	-	1,200,000	0.67	-	-
10	Leo Advisors Private Limited	-	-	-	16,134,016	9.07	-	9.07
11	Virgo Advisors Private Limited	-	-	-	10,756,110	6.05	-	6.05
	TOTAL	122,504,656	68.89	-	122,504,656	68.89	-	-

(iii) Change in Promoters Shareholding

Sr. No.	Shareholders Name	Shareholding			Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of Shares	% of total Shares of the Company	Date			No. of Shares	% of total Shares of the Company
1	Mr. Ashok Anand Chandavarkar	15,988,193	8.99	01.04.2016	145,823	Off Market Transfer of Shares from Immediate Relative i.e. Spouse	16,134,016	9.07
				07.09.2016				
				28.03.2017	-16,134,016	Inter-se transfer of Shares by way of a block deal on the stock exchange	-	-
	Closing Balance	-	-	31.03.2017				
2	Mrs. Mangala Ashok Chandavarkar	10,901,933	6.13	01.04.2016	-145,823	Off Market Transfer of Shares to Immediate Relative i.e. Spouse	10,756,110	6.05
				07.09.2016				
				28.03.2017	-10,756,110	Inter-se transfer of Shares by way of a block deal on the stock exchange	-	-
	Closing Balance	-	-	31.03.2017				
3	Leo Advisors Private Limited	-	-	01.04.2016	16,134,016	Inter-se transfer of Shares by way of a block deal on the stock exchange	16,134,016	9.07
				28.03.2017				
		16,134,016	9.07	31.03.2017				
	Closing Balance	16,134,016	9.07	31.03.2017				
4	Virgo Advisors Private Limited	-	-	01.04.2016	10,756,110	Inter-se transfer of Shares by way of a block deal on the stock exchange	10,756,110	6.05
				28.03.2017				
		10,756,110	6.05	31.03.2017				
	Closing Balance	10,756,110	6.05	31.03.2017				

(iv) Shareholding Pattern of Top 10 (Ten) Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Shareholders Name	No. of Shares	% of total Shares of the Company	Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
							No. of Shares	% of total Shares of the Company
1(i)	Reliance Capital Trustee Co. Ltd. A/c. Reliance Small Cap Fund	1,117,400	0.63	01-04-2016				
				26-08-2016	200,000	Purchase	1,317,400	0.74
				02-09-2016	1,515,214	Purchase	2,832,614	1.59
				18-11-2016	4,200	Purchase	2,836,814	1.60
				17-03-2017	20,000	Purchase	2,856,814	1.61
	Closing Balance	2,856,814	1.61	31-03-2017				
1(ii)	Reliance Capital Trustee Co. Ltd. A/c. Reliance Pharma Fund	2,869,258	1.61	01-04-2016				
				08-04-2016	48,280	Purchase	2,917,538	1.64
				22-07-2016	-20,572	Sale	2,896,966	1.63
				29-07-2016	-581,752	Sale	2,315,214	1.30
				05-08-2016	-300,000	Sale	2,015,214	1.13
				12-08-2016	-300,000	Sale	1,715,214	0.96
				26-08-2016	-200,000	Sale	1,515,214	0.85
				02-09-2016	-1,515,214	Sale	-	-
				31-03-2017				
	Closing Balance	-	-	31-03-2017				
2	Pinebridge Investments GF Mauritius Limited	3,709,139	2.09	01-04-2016				
				10-06-2016	7,035	Purchase	3,716,174	2.09
				17-06-2016	90,994	Purchase	3,807,168	2.14
				30-06-2016	7,039	Purchase	3,814,207	2.14
				29-07-2016	85,264	Purchase	3,899,471	2.19
				05-08-2016	300,000	Purchase	4,199,471	2.36
				10-02-2017	61,473	Purchase	4,260,944	2.40
				17-02-2017	86,595	Purchase	4,347,539	2.44
				24-02-2017	737,835	Purchase	5,085,374	2.86
				03-03-2017	500,000	Purchase	5,585,374	3.14
				10-03-2017	705,000	Purchase	6,290,374	3.54
				17-03-2017	832,154	Purchase	7,122,528	4.01
				31-03-2017				
	Closing Balance	7,122,528	4.01	31-03-2017				
3	Fidelity Puritan Trust- Fidelity Low-priced Stock Fund	3,500,000	1.97	01-04-2016				
				11-11-2016	-38,197	Sale	3,461,803	1.95
				18-11-2016	-27,654	Sale	3,434,149	1.93
				25-11-2016	-33,761	Sale	3,400,388	1.91
				02-12-2016	-24,685	Sale	3,375,703	1.90
				09-12-2016	-38,906	Sale	3,336,797	1.88
				16-12-2016	-36,797	Sale	3,300,000	1.86
				31-03-2017				
	Closing Balance	3,300,000	1.86	31-03-2017				
4	Pari Washington Company Pvt. Ltd. (Refer Note)	2,363,901	1.33	01-04-2016				
				11-11-2016	-69,020	Sale	2,294,881	1.29
				18-11-2016	-12,592	Sale	2,282,289	1.28
				02-12-2016	-203,475	Sale	2,078,814	1.17
				09-12-2016	-126,265	Sale	1,952,549	1.10
				16-12-2016	-148,592	Sale	1,803,957	1.01
				23-12-2016	-9,778	Sale	1,794,179	1.01
				30-12-2016	-17,915	Sale	1,776,264	1.00
				06-01-2017	-85,335	Sale	1,690,929	0.95
				13-01-2017	-280,396	Sale	1,410,533	0.79
				20-01-2017	-68,003	Sale	1,342,530	0.75
				27-01-2017	-167,897	Sale	1,174,633	0.66
				03-02-2017	-24,485	Sale	1,150,148	0.65
				24-02-2017	-349,784	Sale	800,364	0.45
				10-03-2017	-524,676	Sale	275,688	0.16
				17-03-2017	-275,688	Sale	-	-
				31-03-2017				
	Closing Balance	-	-	31-03-2017				

Sr. No.	Shareholders Name	No. of Shares	% of total Shares of the Company	Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
							No. of Shares	% of total Shares of the Company
5	UTI- Childrens Career Balanced Plan	2,321,849	1.31	01-04-2016				
				03-06-2016	-31,849	Sale	2,290,000	1.29
				24-03-2017	-50,000	Sale	2,240,000	1.26
	Closing Balance	2,240,000	1.26	31-03-2017				
6	Somerset Emerging Markets Small Cap Fund LLC (Refer Note)	1,957,490	1.10	01-04-2016				
				22-04-2016	-3,253	Sale	1,954,237	1.10
				29-04-2016	-6,951	Sale	1,947,286	1.10
				06-05-2016	-27,926	Sale	1,919,360	1.08
				13-05-2016	-13,238	Sale	1,906,122	1.07
				20-05-2016	-29,402	Sale	1,876,720	1.06
				27-05-2016	-3,320	Sale	1,873,400	1.05
				03-06-2016	-16,400	Sale	1,857,000	1.04
				17-06-2016	-42,800	Sale	1,814,200	1.02
				24-06-2016	-21,805	Sale	1,792,395	1.01
				30-06-2016	-24,289	Sale	1,768,106	0.99
				01-07-2016	-33,756	Sale	1,734,350	0.98
				08-07-2016	-83,563	Sale	1,650,787	0.93
				15-07-2016	-19,474	Sale	1,631,313	0.92
				22-07-2016	-34,319	Sale	1,596,994	0.90
				29-07-2016	-63,732	Sale	1,533,262	0.86
				05-08-2016	-16,489	Sale	1,516,773	0.85
				19-08-2016	-27,683	Sale	1,489,090	0.84
				26-08-2016	-127,739	Sale	1,361,351	0.77
				02-09-2016	-52,434	Sale	1,308,917	0.74
				09-09-2016	-67,918	Sale	1,240,999	0.70
				03-03-2017	-6,538	Sale	1,234,461	0.69
				10-03-2017	-125,970	Sale	1,108,491	0.62
				17-03-2017	-258,617	Sale	849,874	0.48
				24-03-2017	-5,183	Sale	844,691	0.47
	Closing Balance	795,372	0.45	31-03-2017	-49,319	Sale	795,372	0.45
7	Enam Financial Consultants Pvt. Ltd.	1,800,000	1.01	01-04-2016				
	Closing Balance	1,800,000	1.01	31-03-2017				
8	Mr. Sanat Suresh Nileshwar (Refer Note)	1,200,000	0.67	01-04-2016				
				26-08-2016	-800,000	Sale	400,000	0.22
	Closing Balance	400,000	0.22	31-03-2017				
9	Mr. Vivek Sanjeevrao Chandavarkar	1,118,500	0.63	01-04-2016				
	Closing Balance	1,118,500	0.63	31-03-2017				
10	Tata Investment Corporation Limited	998,574	0.56	01-04-2016				
				17-03-2017	-24,278	Sale	974,296	0.55
	Closing Balance	974,296	0.55	31-03-2017				
11	Mrs. Mira Kalbag	980,000	0.55	01-04-2016				
	Closing Balance	980,000	0.55	31-03-2017				
12	Mrs. Jayashree Vivek Chandavarkar	959,000	0.54	01-04-2016				
	Closing Balance	959,000	0.54	31-03-2017				
13	General Insurance Corporation of India	850,000	0.48	01-04-2016				
	Closing Balance	850,000	0.48	31-03-2017				

Note: Ceased to be in Top 10 (Ten) Shareholders as on March 31, 2017. The same are reflected above, since the Shareholders were among the Top 10 (Ten) Shareholders as on April 01, 2016.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholders Name	No. of Shares	% of total Shares of the Company	Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
							No. of Shares	% of total Shares of the Company
A	DIRECTORS							
1	Mr. Mohan A. Chandavarkar	19,020,258	10.70	01.04.2016				
	Closing Balance	19,020,258	10.70	31.03.2017				
2	Mr. Nandan M. Chandavarkar	5,445,762	3.06	01.04.2016				
	Closing Balance	5,445,762	3.06	31.03.2017				
3	Mr. Ashok A. Chandavarkar	15,988,193	8.99	01.04.2016				
				07.09.2016	145,823	Off Market Transfer of Shares from Immediate Relative i.e. Spouse	16,134,016	9.07
				28.03.2017	-16,134,016	Inter-se transfer of Shares by way of a block deal on the stock exchange	-	-
	Closing Balance	-	-	31.03.2017				
4	Mr. Ameya A. Chandavarkar	10,720,580	6.03	01.04.2016				
	Closing Balance	10,720,580	6.03	31.03.2017				
5	Ms. Nomita R. Chandavarkar	5,682,940	3.20	01.04.2016				
	Closing Balance	5,682,940	3.20	31.03.2017				
6	CA. Girish C. Shredalal	10,000	0.01	01.04.2016				
	Closing Balance	10,000	0.01	31.03.2017				
7	Dr. Rahim H. Muljiani	4,000	0.00	01.04.2016				
	Closing Balance	4,000	0.00	31.03.2017				
8	Dr. Satish S. Ugrankar	401,990	0.23	01.04.2016				
	Closing Balance	401,990	0.23	31.03.2017				
9	CA. Vinod G. Yennemadi	13,975	0.01	01.04.2016				
	Closing Balance	13,975	0.01	31.03.2017				
10	CA. Swati S. Mayekar	-	-	01.04.2016				
	Closing Balance	-	-	31.03.2017				
11	CA. Uday Kumar Gurkar	-	-	01.04.2016				
	Closing Balance	-	-	31.03.2017				
B								
1	Mr. Sanjay B. Jain	-	-	01.04.2016				
	Closing Balance	-	-	31.03.2017				
2	Ms. Varsharani Katre	-	-	01.04.2016				
	Closing Balance	-	-	31.03.2017				

E. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment : NIL

F. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Wholetime Directors and/or Manager:**

(Rupees in lakhs)

Sr. No.	Particulars of Remuneration	Mr. Mohan A. Chandavarkar	Mr. Nandan M. Chandavarkar	Mr. Ashok A. Chandavarkar	Mr. Ameya A. Chandavarkar	Ms. Nomita R. Chandavarkar	Total Amount
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	87.68	74.22	47.62	47.43	25.67	282.63
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.89	2.22	0.73	0.69	-	6.53
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission	109.86	87.89	87.89	65.92	32.96	384.50
	- as % of profit						
	- others						
5	Others	-	-	-	-	-	-
	Total (A)	200.43	164.33	136.24	114.04	58.63	673.66
Ceiling as per the Act: Rs. 2,197.17 Lakhs being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013							

B. Remuneration to other Directors:

(Rupees in lakhs)

Sr. No.	Particulars of Remuneration	CA. Girish C. Shredalal	Dr. Rahim H. Muljiani	Dr. Satish S. Ugrankar	CA. Vinod G. Yennemadi	CA. Swati S. Mayekar	CA. Uday Kumar Gurkar	Total Amount
1	Fee for attending Board/ Committee meetings	0.60	1.40	0.60	1.40	1.40	0.60	6.00
2	Commission	16.48	2.00	2.00	2.00	2.00	2.00	26.48
3	Others	-	-	-	-	-	-	-
	Total (B)	17.08	3.40	2.60	3.40	3.40	2.60	32.48
	Total Managerial Remuneration (A) +(B)							706.14
Overall ceiling as per the Act: Rs. 2,416.89 Lakhs being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013								

Note : The Company does not have Non Executive Directors other than Independent Directors.**C. Remuneration to Key Managerial Personnel Other than Managing Director/ Manager/ Wholetime Directors**

(Rupees in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Chief Financial Officer	Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	56.20	19.80	76.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit			
	- others			
5	Others	-	-	-
	Total	56.20	19.80	76.00

G. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

ANNEXURE G TO DIRECTORS REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2016-2017

1. A brief outline of the Company's CSR policy, including an overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programs

Your Company as a socially responsible citizen has been contributing towards the rural development, education, nutritional programme, sanitation & hygiene, rehabilitation programme and other socio-economic activities, under its corporate social responsibility activities, which has benefitted the society to some extent. Your Company has also focused on environmental related activities such as distribution of cloth bags and aiding help in water crisis management in Maharashtra, under its ambit of CSR.

Your Company continues to engage with various communities, expert organisations and the Government, for taking up various activities, under its CSR Policy.

The CSR Policy of the Company is available on the Company's website i.e. http://www.fdcindia.com/admin/images/Corporate_Social_Responsibility_Policy.pdf

2. The Composition of the CSR Committee:

- a. Mr. Mohan A. Chandavarkar - Managing Director (Chairman of the Committee)
- b. Mr. Ashok A. Chandavarkar - Wholetime Director
- c. CA. Vinod G. Yennemadi - Independent Director
- d. Ms. Nomita R. Chandavarkar - Wholetime Director

3. Average net profit of the Company for last 3 (Three) financial years: Rs. 20,171.66 Lakhs

4. Prescribed CSR Expenditure (2 (Two) percent of the amount stated at item no. 3 above): Rs. 403.33 Lakhs

5. Details of CSR spent during the financial year 2016-2017:

- a. Total amount to be spent in the financial year: Rs.403.33 Lakhs
- b. Amount unspent, if any: NIL
- c. Manner in which the amount spent during the financial year is detailed below:

(Rupees in lakhs)

(1) Sr. No.	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Locations District/ States	(5) Amount outlay (budget) Project or Programs wise	(6) Amount spent on the projects or programs	(7) Cumulative expenditure upto the reporting period	(8) Amount spent: Direct or through implementing agency*
1.	Rural Electrification Project	Socio-Economic Activities	Shirali, Karnataka	20.50	10.25	10.25	Through Parijnan Foundation
2.	Relief of freight charges for water supply project initiated by Central Railways.	Socio-Economic Activities	Latur, Maharashtra	20.00	20.00	20.00	Through Bombay Chamber of Commerce and Industry
3.	Education and Nutritional programme	Socio-Economic Activities	Bangalore	100.00	100.00	100.00	Through Hulkul Muniswamappa Munivenkatamma Charitable Trust
4.	Medical Care through SUPPORT (Society undertaking Poor People's Onus for Rehabilitation)	Socio-Economic Activities	Mumbai, Maharashtra	12.50	12.50	12.50	Directly by the Company

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Locations District/ States	Amount outlay (budget) Project or Programs wise	Amount spent on the projects or programs	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
5.	Environment awareness through supply of cloth bags	Socio-Economic Activities	Mumbai, Maharashtra	1.75	1.75	1.75	Through Utkarsh Star Mitra Mandal (N.G.O.)
6.	Building Toilets, Sanitation Project etc.	Socio-Economic Activities	Maharashtra	7.50	7.50	7.50	Through FICCI Ladies Organisation, Mumbai
7.	FDC Comprehensive Rural Development Project	Socio-Economic Activities	Sinnar, Nashik, Maharashtra	68.63	64.39	64.39	Through Maharashtra Institute of technology Transfer for Rural Areas (MITTRA)
8.	Scientific Research Project on Indigenous Breed Conservation	Rural Development	Gujarat , Rajasthan, UP and Punjab	200.00	200.00	200.00	Through BAIF Development Research Foundation
9.	Nutritional Program at Late Digambarrao Padvi Ashram Shala, Ambiste	Socio-Economic Activities	Palghar, Maharashtra	25.00	4.00	04.00	Directly by the Company
10.	Distribution of Gas stoves	Rural Development	Baddi, Himachal Pradesh	1.50	1.50	1.50	Through Labour Officer, Baddi
11.	Construction of Toilets at Anandashram High School	Socio-Economic Activities	Mangalore	12.00	-	-	Through Saraswat Education Society
	Total			469.38	421.89	421.89	

6. In case the Company has failed to spend the 2 (Two) percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report - None
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

The CSR Committee of the Board confirms that it has implemented and monitored the CSR activities, CSR Policy in accordance in compliance with the provisions of Section 135 of the Companies Act, 2013.

For and on behalf of the Board

Place : Mumbai
Date : May 26, 2017

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company's philosophy of Corporate Governance is to carry out its activities and operations in a true and fair manner to achieve transparency, accountability and business prosperity. The Company's Code of Conduct, its Risk Management Policy and its well-structured internal control systems, which are subjected to regular assessment of its effectiveness, reinforces accountability and integrity of reporting and ensures fairness in dealing with the Company's stakeholders and enhancing the Shareholder's value.

2. BOARD OF DIRECTORS

(A). Composition and category of Directors

The Board of Directors of the Company is headed by an Executive Chairman and consist of the following Directors as on March 31, 2017, as indicated below:

Name of the Director	Category
Mr. Mohan A. Chandavarkar Mr. Nandan M. Chandavarkar Mr. Ashok A. Chandavarkar Mr. Ameya A. Chandavarkar Ms. Nomita R. Chandavarkar	Promoters and Executive Directors
CA. Girish C. Sharedalal Dr. Satish S. Ugrankar Dr. Rahim H. Muljiani CA. Vinod G. Yennemadi CA. Swati S. Mayekar CA. Uday Kumar Gurkar	Independent and Non-Executive Directors

(B). Board Meetings held during the financial year ended March 31, 2017

Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
May 26, 2016	11	11
August 12, 2016	11	11
November 09, 2016	11	11
February 03, 2017	11	11

The gap between any 2 (Two) meetings did not exceed 120 (One Hundred Twenty) days.

(C). Attendance of Directors at the Board Meetings and at the last Annual General Meeting (AGM) of the Company

Name of the Director	Attendance at the Board Meetings held on				Attendance at the last AGM held on September 17, 2016
	May 26, 2016	August 12, 2016	November 09, 2016	February 03, 2017	
Mr. Mohan A. Chandavarkar	Present	Present	Present	Present	Present
Mr. Nandan M. Chandavarkar	Present	Present	Present	Present	Present
Mr. Ashok A. Chandavarkar	Present	Present	Present	Present	Present
Mr. Ameya A. Chandavarkar	Present	Present	Present	Present	Present
Ms. Nomita R. Chandavarkar	Present	Present	Present	Present	Absent
CA. Girish C. Sharedalal	Present	Present	Present	Present	Present
Dr. Satish S. Ugrankar	Present	Present	Present	Present	Present
Dr. Rahim H. Muljiani	Present	Present	Present	Present	Present
CA. Vinod G. Yennemadi	Present	Present	Present	Present	Present
CA. Swati S. Mayekar	Present	Present	Present	Present	Present
CA. Uday Kumar Gurkar	Present	Present	Present	Present	Present

(D). Membership / Chairmanship of Directors in other Boards and committees thereof

Name of the Director	*Number of Directorship(s) held in other Indian public limited companies	**Other Committees position	
		Member	Chairman
Mr. Mohan A. Chandavarkar	-	-	-
Mr. Nandan M. Chandavarkar	-	-	-
Mr. Ashok A. Chandavarkar	-	-	-
Mr. Ameya A. Chandavarkar	-	-	-
Ms. Nomita R. Chandavarkar	-	-	-
CA. Girish C. Sharedalal	-	-	-
Dr. Satish S. Ugrankar	1	1	-
Dr. Rahim H. Muljiani	-	-	-
CA. Vinod G. Yennemadi	-	-	-
CA. Swati S. Mayekar	1	2	-
CA. Uday Kumar Gurkar	-	-	-

*excludes Directorships held in Private Limited Companies, Foreign companies and Companies registered under Section 8 of the Companies Act, 2013.

**committees considered are Audit Committee and Stakeholders' Relationship Committee.

(E). Separate meeting of Independent Directors

During the year, a separate meeting of the Independent Directors of the Company, without the attendance of Non-Independent Directors and members of the management, was held on February 03, 2017.

The Independent Directors reviewed and assessed the performance of the Non-Independent Directors, including the Chairman and Managing Director. They concluded that the Board as a whole, and the flow of information between the Company's Management and the Board in terms of quality, quantity and timeliness, is satisfactory.

All the Independent Directors attended the said meeting.

(F). Details of shareholding of Non Executive Directors in the Company

Name of the Director	Number of shares
CA. Girish C. Sharedalal	10,000
Dr. Satish S. Ugrankar	401,990
Dr. Rahim H. Muljiani	4,000
CA. Vinod G. Yennemadi	13,975
CA. Swati S. Mayekar	-
CA. Uday Kumar Gurkar	-

(G). Directors appointed/ resigned during the year ended March 31, 2017

At the Annual General Meeting of the Company held on September 17, 2016, CA. Uday Kumar Gurkar was appointed as an Non-Executive and Independent Director of the Company in terms of Section 149 of Companies Act, 2013, to hold office for a period of 5 (Five) years with effect from April 01, 2016.

CA. Girish C. Sharedalal has resigned as a Director of the Company with effect from April 01, 2017. The Board of Directors wishes to place on record its appreciation for the valuable guidance received from him, from time to time.

(H). Notes on directors seeking appointment/re-appointment

The details of directors seeking appointment/re-appointment has been aptly covered in the accompanying Notice of the Annual General Meeting and the same may be treated as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(I). Code of Conduct

The Company has in place, a Policy on the Code of Conduct which is applicable to the Members of the Board and Senior Management Personnel of the Company.

The said Policy lays down the standard of conduct which is expected to be followed by the Directors and the Senior Management Personnel in their business dealings and in particular on matters relating to integrity in the workplace, in business practices and in dealing with the Stakeholders. It also lays down the duties of Independent Directors towards the Company. The Directors and the Senior Management Personnel of the Company are expected to abide by this Code as well as other applicable Company policies or guidelines.

The Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them, during the year ended March 31, 2017. A Certificate duly signed by the Managing Director, on the compliance with the Code of Conduct is provided as **Annexure A** to this report.

The said Policy is available on the website of the company i.e. http://www.fdcindia.com/admin/images/Code_of_Conduct_of_FDC_Limited.pdf

(J). Prevention of Insider Trading

The Company has in place a Policy on the Code of Conduct for Prevention of Insider Trading with a view to regulate the trading in securities by the Promoters, Directors and the Designated Employees of the Company.

The said Policy requires pre-clearance of transactions by the Company, for dealing in the shares of the Company and prohibits the purchase or sale of shares by the Promoters, Directors and the Designated Employees, while in possession of unpublished price sensitive information of and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the said Code of Conduct. The Promoters, Directors and the Designated Employees have affirmed compliance with the Company's Code of Conduct for Prevention of Insider Trading.

The said Policy is available on the website of the Company i.e. http://www.fdcindia.com/admin/images/CODE_OF_CONDUCT_FOR_PREVENTION_OF_INSIDER_TRADING.pdf

(K). Board Training and Induction/ Independent Directors Familiarization Programmes

At the time of their appointment, a formal letter of appointment is issued to Directors, which inter alia explains the role, duties and responsibilities expected to them as Director of the Company.

The Managing Director gives a brief insight on the operations of the Company, its various divisions, governance and internal control processes and other relevant information pertaining to the Company's business. Further, the Company Secretary also explains in detail the various compliances required by the Director under the Code of Conduct of the Company, Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant Act, Rules and Regulations.

The Company has a familiarization programme for Independent Directors with regard to their roles, responsibilities, the business model of the Company etc. The familiarization programme alongwith details of the same imparted to the Independent Directors during the year are available on the website of the Company, i.e. http://www.fdcindia.com/admin/images/Details_of_Familiarisation_Programmes_during_2016-2017.pdf

The above initiative facilitates the Director in performing his duties diligently and trains him to fulfill his duties as a Director of the Company effectively.

(L). Inter-se relationship amongst the Directors

Mr. Mohan A. Chandavarkar, Chairman and Managing Director, Mr. Nandan M. Chandavarkar, Joint Managing Director, Mr. Ashok A. Chandavarkar, Mr. Ameya A. Chandavarkar and Ms. Nomita R. Chandavarkar, Wholtime Directors are related to each other.

None of the Non-Executive Directors have relationship inter-se, with any of the Directors of the Company.

(M). Board Agenda

Meetings are governed by a structured Agenda. The Board Members, in consultation with the Chairman, may take up any matter for consideration of the Board. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions.

Apart from the items that are required to be placed before the Board for its approval, the information as enumerated in Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are also placed before the Board for its consideration and approval.

(N). Performance Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance, evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees, based on the evaluation parameters formulated by the Nomination and Remuneration Committee. The performance evaluation of the Independent Directors and the Committees was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors, who also reviewed the flow of information between the Company's Management and the Board in terms of quality, quantity and timeliness. The Directors expressed their satisfaction with the evaluation process.

3. COMMITTEES OF THE BOARD

(A). AUDIT COMMITTEE

(i). Brief description of terms of reference

The powers, role and terms of reference of this Committee cover the matters specified in Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee, comprising of financially literate members, is responsible for the 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.

Some of the important functions performed by the Committee are as follows:

Financial reporting and other related processes

- Oversight of the Company's financial reporting process and the financial information submitted to

Stock Exchanges, Regulatory Authorities or to the Public.

- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon, Audited Annual financial statements and Auditors' Report thereon, before submission to the Board for approval.
- Review the Management Discussion & Analysis of financial and operational performance.
- Review the investments made by the Company.
- Discuss with the Statutory Auditors its opinion about the quality and appropriateness of the Company's accounting policies with reference to the Generally Accepted Accounting Principles in India (INDAS).

Internal Financial Controls and Governance Processes

- Review the adequacy and effectiveness of the Company's system and internal controls.
- Review and discuss with the Management, the Company's major financial risk exposures and the steps taken by the Management to monitor and control such exposure.
- To oversee and review the functioning of a vigil mechanism.

Audit & Other duties

- Review the scope of the Annual audit plan and the Internal audit with a view to ensure adequate coverage.
- Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and Cost Auditors.
- Recommend to the Board the remuneration of the Statutory Auditors and Cost Auditors.
- Approve such additional services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Act and the payment of such services.
- Reviewing the annual Cost Audit Report submitted by the Cost Auditor.
- To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length basis and to review and approve such transactions subject to the approval of the Board.

(ii). Composition of the Committee

The Committee comprises of 3 (Three) Independent and Non-Executive Directors and 1 (One) Executive Director. The Company Secretary acts as the

Secretary to the Committee. The CFO is the permanent invitee to the Committee meeting. The Internal Auditor and the concerned partners/ authorised representatives of Statutory Auditors are regular invitees of the Committee meetings.

CA. Swati S. Mayekar is the Chairperson of the Committee. Dr. Rahim H. Muljani, CA. Vinod G. Yennemadi and Mr. Mohan A. Chandavarkar are the other members of the committee.

CA. Swati S. Mayekar and CA. Vinod G. Yennemadi are Chartered Accountants by profession and have considerable accounting and financial management expertise. Dr. Rahim H. Muljani and Mr. Mohan A. Chandavarkar are financially literate.

(iii). Committee meetings held during the year

Dates on which the Committee Meetings were held	Total Strength of the Committee	No. of Directors Present
May 26, 2016	4	4
August 12, 2016	4	4
November 09, 2016	4	4
February 03, 2017	4	4

(iv). Attendance of Directors at the Committee meetings

Name of the Director	Attendance at the Committee Meetings held on			
	May 26, 2016	August 12, 2016	November 09, 2016	February 03, 2017
CA. Swati S. Mayekar	Present	Present	Present	Present
Dr. Rahim H. Muljani	Present	Present	Present	Present
CA. Vinod G. Yennemadi	Present	Present	Present	Present
Mr. Mohan A. Chandavarkar	Present	Present	Present	Present

(B). NOMINATION AND REMUNERATION COMMITTEE

(i). Brief description of terms of reference

The powers, role and terms of reference of this Committee cover the matters specified in Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Some of the functions of the Committee are as follows:

- Identifying and selection of candidates for appointment as Directors/ Independent Directors based on certain laid down criteria.
- Identifying potential individuals for appointment as Key Managerial Personnel
- Formulate and review from time to time, the Policy for selection and appointment of Directors, Key Managerial Personnel and Members of the Executive Committee and their remuneration.

- Reviewing the performance of the Board of Directors, Key Managerial Personnel and Members of the Executive Directors based on certain criteria as approved by the Board. While reviewing the overall remuneration of the Board, the Committee ensures that the remuneration is reasonable and adequate enough to retain the best managerial talent and meets appropriate performance benchmarks set out by the Company.

The Committee identifies and recommends the appointment of persons as Directors/ Independent Directors based on certain criteria laid down in the Nomination and Remuneration Policy, as determined and formulated by the Board. The Committee also reviews the appointments and remuneration, including the commission based on the net profits of the Company for the Chairman and Managing Director and other Executive Directors.

(ii). Composition of the Committee

The Committee comprises of 4 (Four) Independent and Non-Executive Directors. The said committee functions under the chairmanship of CA Vinod G. Yennemadi. Dr. Rahim H. Muljani, Dr. Satish S. Ugrankar and CA. Swati S. Mayekar are the other members of the Committee. The Company Secretary acts as the Secretary to the Committee.

(iii). Committee meeting held during the year

Dates on which the Committee Meetings were held	Total Strength of the Committee	No. of Directors Present
-	-	-

(iv). Attendance of Directors at the Committee meetings

Name of the Director	Attendance at the Committee Meetings held during the year
CA.Vinod G. Yennemadi	-
Dr. Rahim H. Muljani	-
Dr. Satish S. Ugrankar	-
CA.Swati S. Mayekar	-

(v). Performance evaluation criteria for Independent Directors

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation; the Directors who are subject to evaluation had not participated.

(C). REMUNERATION OF DIRECTORS

- There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company, which has a potential conflict with the interests of the Company at large.
- The Remuneration Policy for the Board of Directors and Senior Management Personnel, as recommended by the Nomination and Remuneration Committee and is approved by the Board. 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, 2013. The Commission paid to the Directors is in accordance with the overall ceiling imposed by the Companies Act, 2013 and applicable statutes, if any. The remuneration paid to the Senior Management Personnel is in accordance with the industry norms and practices. The Nomination and Remuneration Policy is also uploaded on the Website of the Company i.e. http://fdcindia.com/admin/images/Nomination_&_Remuneration_Policy.pdf

(iii). Details of remuneration paid to Wholetime Directors for the year under review:

Name of the Director	Salaries (Rs.)	Perquisites (Rs.)	Benefits (Rs.)	Commission (Rs.)	Total
Mr. Mohan A. Chandavarkar	75,04,800	2,89,123	12,63,600	1,09,85,851	2,00,43,374
Mr. Nandan M. Chandavarkar	63,52,800	2,21,559	10,69,200	87,88,680	1,64,32,239
Mr. Ashok A. Chandavarkar	40,77,120	73,280	6,85,179	87,88,680	1,36,24,259
Mr. Ameya A. Chandavarkar	40,60,800	68,586	6,82,425	65,91,510	1,14,03,321
Ms. Nomita R. Chandavarkar	21,12,800	2,96,667	1,57,200	32,95,755	58,62,422

The remuneration of the Whole time Directors is paid in terms of Schedule V of the Companies Act, 2013 and is duly approved by the Shareholders.

(iv). Details of service contracts, notice period and severance fees of the Executive Directors:

The appointment of Executive Directors is by virtue of their employment with the Company as management employees and therefore, their terms of employment are governed by the applicable policies at the relevant point in time.

The Details of service contracts of the Executive Directors are as follows:

Name of the Director	Date of contract	Term of Contract
Mr. Mohan A. Chandavarkar	April 01, 2014	For a period of 5 years commencing from April 01, 2014
Mr. Ashok A. Chandavarkar	February 29, 2016	For a period of 5 years commencing from February 29, 2016
Mr. Nandan M. Chandavarkar	March 01, 2014	For a period of 5 years commencing from March 01, 2014
Mr. Ameya A. Chandavarkar	November 01, 2014	For a period of 5 years commencing from November 01, 2014
Ms. Nomita R. Chandavarkar	June 02, 2014	For a period of 5 years commencing from June 02, 2014

Services of the Executive Directors may be terminated by either party, giving the other party 90 (Ninety) days notice or the Company paying 90 (Ninety) days salary in lieu thereof. There is no separate provision for payment of severance fees.

(v). Details of remuneration payable to Non-Executive Directors for the year under review:

Name of the Director	Commission (Rs.)	Board Meeting Sitting fees(Rs.)	Audit Committee Meeting fees(Rs.)	Total (Rs.)
CA. Girish C. Sharedalal	16,47,878	60,000	Not Applicable	17,07,878
Dr.Satish S. Ugrankar	2,00,000	60,000	Not Applicable	2,60,000
Dr.Rahim H. Muljiani	2,00,000	60,000	80,000	3,40,000
CA.Vinod G. Yennemadi	2,00,000	60,000	80,000	3,40,000
CA.Swati S. Mayekar	2,00,000	60,000	80,000	3,40,000
CA. Uday Kumar Gurkar	2,00,000	60,000	Not Applicable	2,60,000
Total	26,47,878	360,000	240,000	32,47,878

(vi). Stock Option Scheme

The Company does not have any stock option scheme.

(D). STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee oversees, inter-alia, redressal of shareholder and investor grievances

(i). Composition of the Committee

The Committee comprises of 1 (One) Independent and Non-Executive Director and 2 (Two) Executive Directors. The Committee functions under the Chairmanship of Dr. Rahim H. Muljiani, a Non-Executive and Independent Director. Mr. Mohan A. Chandavarkar and Mr. Ashok A. Chandavarkar, Executive Directors are the other members of the committee. The Company Secretary acts as the Secretary to the Committee.

(ii). Name and designation of the Compliance Officer

Ms. Varsharani Katre is the Company Secretary and the Compliance Officer of the Company.

(iii). Committee meetings held during the year

Dates on which the Committee Meetings were held	Total Strength of the Committee	No. of Directors Present
July 08, 2016	3	3
October 14, 2016	3	3
January 02, 2017	3	3

(iv). Number of complaints received and resolved

During the year under review, the Company had received 10 (Ten) complaints from the shareholders.

There were no shareholder grievances that remained unattended/ pending for more than 30 (Thirty) days. The complaints were resolved to the satisfaction of the shareholders and there were no grievances/ complaints pending as on 31st March, 2017.

The Committee specifically looks into redressing of shareholders/investor complaints in matters such as non-receipt of declared dividend, non-receipt of annual report, etc.

There were no applications for share transfers pending as on 31st March, 2017. 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.

(E). CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Committee oversees Corporate Social Responsibility(CSR) activities to be undertaken by the Company under the Companies Act, 2013, monitoring the CSR Policy of the Company, other business related matters referred by the Board or the Chairman, as and when deemed necessary, for the consideration and recommendation of the Committee.

(i). Brief description of terms of reference

The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprise of reviewing the CSR Policy and provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

(ii). Composition of the Committee

The Committee comprises of 3 (Three) Executive Directors and 1 (One) Independent and Non-Executive Director. The said committee functions under the chairmanship of Mr. Mohan A. Chandavarkar. Mr. Ashok A. Chandavarkar, CA. Vinod G. Yennemadi and Ms. Nomita R. Chandavarkar are the other members of the committee. The Company Secretary acts as a Secretary to the Committee.

(iii). Committee meetings held during the year

Dates on which the Committee Meetings were held	Total Strength of the Committee	No. of Directors Present
May 26, 2016	4	4
August 12, 2016	4	4
September 27, 2016	4	4
November 09, 2016	4	4
December 30, 2016	4	4
February 03, 2017	4	4

(iv). Attendance of Directors at the Committee meetings

Name of the Director	Attendance at the Committee Meetings held on					
	May 26, 2016	August 12, 2016	September 27, 2016	November 09, 2016	December 30, 2016	February 03, 2017
Mr. Mohan A. Chandavarkar	Present	Present	Present	Present	Present	Present
Mr. Ashok A. Chandavarkar	Present	Present	Present	Present	Present	Present
CA. Vinod G. Yennemadi	Present	Present	Present	Present	Present	Present
Ms. Nomita R. Chandavarkar	Present	Present	Present	Present	Present	Present

(F). RISK MANAGEMENT COMMITTEE

The functions of the Committee comprises of overseeing the Risk Management Policy of the Company, reviewing the various risks and defining the framework for identifying, assessing and monitoring the risk.

(i). Composition of the Committee

The Committee comprises of 1 (One) Independent and Non-Executive Director, 1 (One) Executive Director and 1 (One) Senior Management Personnel. CA. Swati S. Mayekar, an Independent and Non-Executive Director is the Chairperson of the Committee. Mr. Ameya A. Chandavarkar, Executive Director and Mr. Dilip V. Karnik, President- Technical & Operations are the other members of the committee. The Company Secretary acts as a Secretary to the Committee.

(ii). Committee meetings held during the year

Dates on which the Committee Meetings were held	Total Strength of the Committee	No. of Directors Present
January 13, 2017	3	3

(iii). Attendance of Directors / Members at the Committee meetings

Name of the Director/ Member	Attendance at the Committee Meeting held on January 13, 2017
CA. Swati S. Mayekar	Present
Mr. Ameya A. Chandavarkar	Present
Mr. Dilip V. Karnik	Present

4. CEO/ CFO CERTIFICATION

Mr. Mohan A. Chandavarkar, Managing Director & Mr. Sanjay B. Jain, Chief Financial Officer, has issued necessary certification to the Board in terms of Part B of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015 and the same was taken on record by the Board at its meeting held on May 26, 2017. A copy of this certificate is provided as **Annexure B** to this report.

5. GENERAL BODY MEETINGS**(A). Location and time of the last three Annual General Meetings held:**

Financial year	Location	Date	Time	No. of special resolutions passed
2013-14	WelcomHotel Rama International R-3, Chikalthana Aurangabad 431 210 Maharashtra	August 09, 2014	10.00 a.m.	1 (One) Re-appointment of Managing Director for a period of 5(Five) years
2014-15	WelcomHotel Rama International R-3, Chikalthana Aurangabad 431 210 Maharashtra	September 30, 2015	10.00 a.m.	None
2015-16	WelcomHotel Rama International R-3, Chikalthana Aurangabad 431 210 Maharashtra	September 17, 2016	10.00 a.m.	1 (One) Re-appointment of Wholetime Director for a period of 5(Five) years

(B). None of the businesses proposed to be transacted in the ensuing Annual General Meeting requires to be passed as a special resolution through Postal Ballot.**6. MEANS OF COMMUNICATION**

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

- (i). Business Standard (English) (All Editions) (National)
- (ii). Sakal (Marathi) (All Editions)

The financial results are also displayed on the Company's website, i.e. www.fdcindia.com. The Company also informs by way of intimation to BSE and NSE all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members.

A separate dedicated section under 'Investors' on the Company's website gives information on unclaimed dividends, quarterly compliance reports/ communications with the Stock Exchanges and other relevant information of interest to the investors / public.

Further, in the 'News' section, all correspondences with the Stock Exchanges on the day to day business affairs of the Company and Presentation on Quarterly/Annual accounts of the Company are available on the website of the Company i.e. <http://www.fdcindia.com/news.php>

7. GENERAL SHAREHOLDER INFORMATION

(A). Annual General Meeting

Date : August 19, 2017
Time : 10.00 a.m.
Venue : WelcomHotel
Rama International
R-3, Chikalthana
Aurangabad 431 210
Maharashtra

(B). Financial Year

The Company's financial year begins on April 01 and ends on March 31, every year.

(C). Financial Calendar (tentative)

Particulars	Date
Unaudited results of the first quarter ending June 30, 2017	August 05, 2017
Unaudited results of the second quarter and half year ending September 30, 2017	November 10, 2017
Unaudited results of the third quarter and nine months ending December 31, 2017	February 03, 2018
Audited results for the year ending March 31, 2018	May 25, 2018

(D). Dividend Payments

Final dividend of Rs. 2.25/- per equity share has been recommended by the Board of Directors, subject to the approval of the shareholders at the 77th Annual General Meeting, is proposed to be paid latest by September 18, 2017.

(E). Dates of book closure

August 10, 2017 to August 19, 2017 (both days inclusive)

(F). Name and address of Stock Exchanges where the shares of the Company are listed and Stock Code

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400 001
Stock Code: 531599

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (East), Mumbai- 400 051
Stock Code: FDC EQ

The ISIN Number of the Company on both the National Security Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') is INE258B01022.

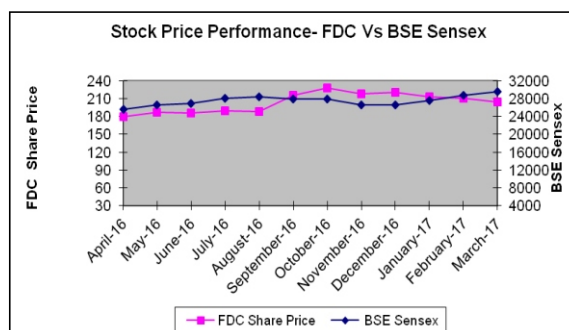
The Company has paid the Annual Listing Fees to both the Stock Exchanges for the Financial Year 2017-2018.

(G). Market Price Data in respect of the Company's shares on BSE Limited and National Stock Exchange of India Limited, monthly high and low during the Financial Year 2016-2017

Month & Year	BSE		NSE	
	High	Low	High	Low
April, 2016	200.70	175.00	191.90	172.75
May, 2016	192.20	175.50	192.20	176.00
June, 2016	189.90	165.50	189.95	165.00
July, 2016	200.00	182.00	199.00	181.60
August, 2016	194.00	180.00	193.60	180.10
September, 2016	237.00	186.10	237.80	186.05
October, 2016	231.40	214.00	232.00	213.80
November, 2016	240.00	201.00	244.00	196.00
December, 2016	231.75	200.00	232.00	202.05
January, 2017	226.10	212.40	226.05	212.00
February, 2017	233.45	204.40	235.00	203.30
March, 2017	215.85	201.35	216.00	201.70

(Source: BSE website/NSE trade statistics)

(H). Share Performance of the Company in comparison to broad based indices of BSE- Sensex



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

(I). Registrars and Share Transfer Agent

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 Share Transfer Committee inter-alia oversees the transfer of shares, transmission of shares, issue of duplicate share certificates, etc. The formalities for transfer of shares in the physical form are completed and the share certificates are dispatched to the Transferee within 15 (Fifteen) days of receipt of transfer documents, provided the documents are complete and the shares under transfer are not under dispute.

The Company also obtains from a Company Secretary in Practice, a half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40 (9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and a copy of the certificate is filed with the Stock Exchanges.

(K). Shareholding Pattern as on March 31, 2017

Sr. No.	Category	No. of Shareholders	No. of Shares	% of Share holding
A.	Promoters & Promoters Group	9	12,25,04,656	68.89
B.	Public			
(i)	Institutional Investors			
	Mutual Funds & UTI	6	55,63,304	3.13
	Foreign Institutional Investors	76	1,82,72,473	10.27
	Financial Institutions/ Banks	2	25,131	0.01
	Insurance Companies	2	9,58,031	0.54
(ii)	Non Institutional Investors			
	Indian Public	24,699	2,47,44,848	13.92
	Private Corporate Bodies	299	39,91,140	2.24
	NRI/OCBs	461	16,32,760	0.92
	Clearing Members	97	1,40,741	0.08
	Grand Total	25,651	17,78,33,084	100.00

(L). Distribution of Shareholding as on March 31, 2017

Equity shares of face value of Re.1 each	Shareholders		Equity shares	
	Number	% to Total	Number	% to Total
Upto 5,000	25,092	97.82	1,00,63,582	5.66
5,001 to 10,000	313	1.22	23,54,208	1.32
10,001 to 20,000	99	0.39	14,19,024	0.80
20,001 to 30,000	27	0.11	6,58,847	0.37
30,001 to 40,000	19	0.07	6,95,890	0.39
40,001 to 50,000	8	0.03	3,72,970	0.21
50,001 to 1,00,000	24	0.09	17,04,036	0.96
Above 1,00,001	69	0.27	16,05,64,527	90.29
Total	25,651	100.00	17,78,33,084	100.00

(M). 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, 2017, 17,50,48,969 equity shares aggregating to 98.43% of the total number of fully paid equity shares having face value of Re.1 each are held by the shareholders in the dematerialised form.

(N). Outstanding Global Depository Receipts (GDRs)/ American Depository Receipts (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.

(O). Commodity price risk or foreign exchange risk and hedging activities

During the financial year 2016-2017, the Company has not entered into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign exchange exposures are disclosed in Note No. 34 to the Annual Accounts.

(P). Plant locations

As mentioned on the cover page of the Annual Report.

(Q). 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 7(l) above. Shareholders holding shares in the demat form should address their correspondence to their respective depository participants with whom they have their accounts.

8. The information required under the Management Discussion and Analysis Report has been aptly covered under the Directors' Report.

9. OTHER DISCLOSURES

(A). During the year, the Company has not entered into any transaction of a 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. Transactions with related parties are disclosed in Note No. 41 to the Annual Accounts. The Policy on dealing with related party transaction has been disclosed on the website of the company i.e. http://www.fdcindia.com/admin/images/Policy_on_Related_Party_Transactions.pdf

(B). The Company is listed on the stock exchanges namely, BSE Limited and National Stock Exchange of India, Limited, Mumbai. During the past 3 (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.

- (C). In compliance with applicable laws and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is committed to adopting procedures to receive and address any concern or complaint regarding questionable accounting or auditing matters, disclosure matters, reporting of fraudulent financial information to the shareholders, or any other company matters involving fraud, employee misconduct, violation of law, theft, dishonesty, inappropriate behavior /conduct, illegality or health and safety and environmental issues which cannot be resolved through normal management channels. The Company has a whistle blower committee in place. The Chairperson of the Audit Committee has an access to the meetings of the Committee.

The Company has in place, a Whistle Blower Policy, which aims at assisting the Directors, Employees, Customers and/or Third party intermediaries and Shareholders to use the procedures set out in this Policy to submit confidential and/or anonymous complaints.

The Whistle Blower Policy is also uploaded on the website of the Company i.e. http://www.fdcindia.com/admin/images/Whistler_Blower_Policy.pdf

- (D). The Policy for determining 'material' subsidiaries has been disclosed on the website of the Company i.e. http://www.fdcindia.com/admin/images/Policy_on_Material_Subsidaries.pdf
10. The Company is in compliance with all requirements as given in the above Paragraphs (2) to (9) of the Corporate Governance Report as mandated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
11. The Company has complied with all mandatory requirements specified in Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable, with regard to corporate governance.
12. **The status on the compliances with the non-mandatory provisions as specified in Part E of**

Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:

(A). The Board

The Chairman of the Company is Executive Chairman.

(B). Shareholder Rights

The Company's half yearly results are published in leading English and Marathi daily newspapers in all editions. The results are also posted on the website of the Company i.e. www.fdcindia.com and hence, are not dispatched to the shareholders of the Company.

(C). Modified opinion(s) in audit report

There are no modified opinion(s) contained in the Audit Report.

(D). Separate Posts of Chairman and CEO/Managing Director

The Posts of Chairman and Managing Director are not separate.

(E). Reporting of Internal Auditors

The Internal Auditors of the Company report directly to the Audit Committee.

13. Reconciliation of Share Capital

A Qualified Company Secretary carried out the share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

For and on behalf of the Board

Place: Mumbai
Date : May 26, 2017

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ANNEXURE A**DECLARATION ON CODE OF CONDUCT**

This is to confirm that the Company has laid down a Code of Conduct for all its Board Members and Senior Management personnel of the Company. The code of conduct has also been posted on the website of the Company i.e. www.fdcindia.com. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2017, as envisaged in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: Mumbai
Date : May 26, 2017

For and on behalf of the Board

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

ANNEXURE B**CEO/ CFO CERTIFICATION**

To,
The Board of Directors
FDC Limited

We, Mohan A. Chandavarkar, Managing Director and Sanjay B. Jain, Chief Financial Officer, of FDC Limited ("the Company") certify that:

1. We have reviewed the financial statements and cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief, we state that:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - a. significant changes, if any, in internal control over financial reporting during the year;
 - b. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Date : May 26, 2017

MOHAN A. CHANDAVARKAR
Managing Director

SANJAY B. JAIN
Chief Financial Officer

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members of
FDC Limited
142-148, S.V. Road,
Jogeshwari (West),
Mumbai – 400 102.

1. The accompanying Corporate Governance Report prepared by FDC Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2017. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
 - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Directors Register as on March 31, 2017 and verified that atleast one women director was on the Board during the year;

- iv. Obtained and read the minutes of the following committee meetings held from April 1, 2016 to March 31, 2017:
 - (a) Board of Directors meeting;
 - (b) Audit committee;
 - (c) Nomination and remuneration committee;
 - (d) Stakeholders Relationship Committee;
 - (e) Corporate Social Responsibility Committee; and
 - (f) Risk management committee.
- v. Obtained necessary representations and declarations from directors of the Company including the independent directors; and
- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

- 8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable as at March 31, 2017, referred to in paragraph 1 above.

Other matters and Restriction on Use

- 9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
- 10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to Corporate Governance Report accompanied with by a report thereon from the statutory auditors and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For SRBC & COLLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Vijay Maniar

Partner

Membership Number: 36738

Place : Mumbai

Date : May 26, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of FDC Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of FDC Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS 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 the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS 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, of the state of affairs of the Company as at 31st March 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and 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 it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on 31st March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 38 to the standalone Ind AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 48 to the standalone Ind AS financial statements;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company - Refer Note 19 to the standalone Ind AS financial statements;
- iv. The Company has provided requisite disclosures in Note 47 to these standalone Ind AS financial statements as to the holding of Specified Bank Notes on 8th November 2016 and 30th December 2016 as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For SRBC & COLLP

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

per Vijay Maniar

Partner

Membership No: 36738

Place : Mumbai

Date : May 26, 2017

Annexure 1 - Statement on matters specified in paragraphs 3 and 4 of the Companies (Auditor's report) Order, 2016

(I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties, other than self-constructed buildings, included in property, plant and equipment are held in the name of the Company except for one immovable property consisting of Freehold Land (acquired on account of amalgamation) with a carrying value of Rs. 817.49 lakhs as at 31st March 2017 for which the Company is in the process of registering the title deeds in its name.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) 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 148(1) of the Act, related to the manufacture of Formulations and Bulk drugs and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of Statute (Nature of Dues)	Period to which the amount relates	Forum where dispute is pending	Amount (Rs. in lakhs)
Gujarat Sales Tax Act / Uttar Pradesh Sales Tax Act / West Bengal Sales Tax Act / Maharashtra Sales Tax Act (Tax / Penalty / Interest)	A.Y. 2002-03, 2003-04, 2010-11	Sales Tax Appellate Tribunal	265.18
	A.Y. 2010-11	Joint Commissioner (Appeals)	16.25
	A.Y. 2002-03, 2003, 2006-07	Revisional Board - Commercial Tax	19.10
	(I) Total		300.53
Central Excise Act / Service Tax (Duty / Penalty / Interest)	April 2000 – Dec 2001, Nov 2002 – June 2003, Dec 2003 – Oct 2004, April 2005 – Sep 2006, April 2007 – March 2008	Custom Excise & Service tax Appellate Tribunal	168.20
	April 2005 - Sep 2005	Assistant Commissioner of Service Tax	40.20
	April 2009 – Mar 2010	Commissioner of Appeal Central Excise	11.81
	(II) Total		220.21
	A.Y. 2009-10	Income Tax Appellate Tribunal	8.65
Income Tax Act, 1961 (Tax / Interest)	A.Y. 2010-11 and 2012-13	Commissioner of Income tax (Appeals)	749.82
	(III) Total		758.47
Total (I + II + III)			1,279.21

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to bank, or Government. The Company did not have any outstanding dues in respect of a financial institution or debentures during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the

officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to information and explanation given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For SRBC & COLLP

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

per Vijay Maniar

Partner

Membership No: 36738

Place : Mumbai

Date : May 26, 2017

Annexure 2 - To the Independent Auditor's Report of even date on the standalone Ind AS financial statements of FDC Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of FDC Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on

Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

per Vijay Maniar

Partner

Membership No.: 36738

Place : Mumbai

Date : May 26, 2017

BALANCE SHEET AS AT 31ST MARCH 2017

PARTICULARS	Note No.	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
I. ASSETS				
1. Non-current assets				
(a) Property, plant and equipment	2	66,762.81	66,954.15	38,754.69
(b) Capital work-in-progress	2	336.27	1,738.02	2,872.52
(c) Other Intangible assets	2	686.70	135.25	220.28
(d) Intangible assets under development	2	295.94	254.40	7.67
(e) Financial assets				
(i) Investments	3	5,481.99	3,976.39	22,310.68
(ii) Loans	4	15.89	22.34	21.76
(iii) Other financial assets	5	552.53	451.25	450.82
(f) Income tax assets (net)		-	-	196.02
(g) Other non-current assets	6	451.22	320.53	202.98
Total Non-current assets		74,583.35	73,852.33	65,037.42
2. Current assets				
(a) Inventories	7	13,622.29	13,023.81	12,152.67
(b) Financial assets				
(i) Investments	8	43,652.70	28,540.53	29,110.83
(ii) Trade receivables	9	7,746.03	6,402.56	6,041.21
(iii) Cash and cash equivalents	10	2,161.47	1,173.60	1,057.57
(iv) Bank balances other than (iii) above	11	136.56	176.72	119.31
(v) Loans	12	334.79	254.66	277.06
(vi) Other financial assets	13	69.84	206.27	1,213.72
(c) Other current assets	14	2,573.43	2,226.37	1,637.41
Total Current assets		70,297.11	52,004.52	51,609.78
TOTAL ASSETS		144,880.46	125,856.85	116,647.20
II. EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	15	1,786.19	1,786.19	1,786.19
(b) Other equity		124,585.88	105,866.59	98,675.17
Total Equity		126,372.07	107,652.78	100,461.36
LIABILITIES				
1. Non-Current liabilities				
(a) Financial liabilities				
(i) Borrowings	16	69.48	78.63	89.79
(b) Provisions	21	36.00	50.00	55.74
(c) Deferred tax liabilities (net)	17	1,736.97	1,864.14	2,277.89
Total Non-current liabilities		1,842.45	1,992.77	2,423.42
2. Current liabilities				
(a) Financial liabilities				
(i) Trade payables	18	7,743.35	8,229.70	8,629.92
(ii) Other financial liabilities	19	5,343.47	4,586.76	3,290.02
(b) Other current liabilities	20	685.28	371.08	339.16
(c) Provisions	21	2,484.60	2,035.70	1,503.32
(d) Current tax liabilities (net)	22	409.24	988.06	-
Total Current liabilities		16,665.94	16,211.30	13,762.42
TOTAL EQUITY AND LIABILITIES		144,880.46	125,856.85	116,647.20
Significant accounting policies	1.3			
The accompanying notes are an integral part of the financial statements	2 to 49			

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per VIJAY MANIAR

Partner

Membership No. 36738

Place : Mumbai

Date : May 26, 2017

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR

Chairman and Managing Director

SANJAY JAIN

Chief Financial Officer

Place : Mumbai

Date : May 26, 2017

ASHOK A. CHANDAVARKAR

Director

VARSHARANI KATRE

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

PARTICULARS		Note No.	2016-2017 Rupees in lakhs	2015-2016 Rupees in lakhs
I.	Revenue from operations	23	104,602.34	100,989.33
II.	Other income	24	4,964.51	3,997.54
III.	Total Income (I+II)		109,566.85	104,986.87
IV.	Expenses			
	Cost of materials consumed	25	26,752.95	27,319.53
	Purchase of stock-in-trade		7,153.32	8,816.80
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(233.08)	(650.16)
	Excise duty		3,711.33	2,307.85
	Employee benefits expense	27	18,993.44	17,452.65
	Finance costs	28	140.71	139.68
	Depreciation and amortization expense	29	3,452.33	3,361.14
	Other expenses	30	24,029.09	23,045.71
	Total Expenses		84,000.09	81,793.20
V.	Profit before exceptional item and tax (III-IV)		25,566.76	23,193.67
VI.	Exceptional item	43	588.41	-
VII.	Profit before tax (V-VI)		24,978.35	23,193.67
VIII.	Tax Expense:	22		
	(1) Current tax		6,800.00	6,717.20
	(2) Deferred tax		(334.41)	(413.75)
	(3) Tax adjustments for earlier years - current tax		(193.98)	-
	Total tax expense		6,271.61	6,303.45
IX.	Profit for the year (VII-VIII)		18,706.74	16,890.22
X.	Other Comprehensive Income	32		
	A (i) Items that will not be reclassified to profit or loss		2.36	(84.34)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		10.19	17.20
	Other Comprehensive Income for the year (net of tax)		12.55	(67.14)
XI.	Total Comprehensive Income for the year (net of tax) (IX+X)		18,719.29	16,823.08
XII.	Earning per equity Share	31		
	Par value Re.1 per share (Previous year Re.1 per share)			
	(1) Basic (Rs.)		10.52	9.50
	(2) Diluted (Rs.)		10.52	9.50

Significant accounting policies

1.3

The accompanying notes are an integral part of the financial statements

2 to 49

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per **VIJAY MANIAR**

Partner

Membership No. 36738

Place : Mumbai

Date : May 26, 2017

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR

Chairman and Managing Director

SANJAY JAIN

Chief Financial Officer

Place : Mumbai

Date : May 26, 2017

ASHOK A. CHANDAVARKAR

Director

VARSHARANI KATRE

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	2016-2017 Rupees in lakhs	2015-2016 Rupees in lakhs
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before exceptional item and tax	25,566.76	23,193.67
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	3,452.33	3,361.14
Interest expenses	98.96	101.09
Interest income	(314.66)	(559.30)
Net gain on disposal of property, plant and equipment	(104.99)	(156.03)
Dividend income	(750.03)	(797.89)
Net gain on sale of investments	(539.97)	(806.87)
Fair value gain on financial instruments	(3,060.70)	(1,225.96)
Unrealised foreign exchange gain on restatement	65.57	75.50
Allowances for doubtful debts and advances	47.66	32.30
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	24,460.93	23,217.65
Working capital adjustments:		
Increase in inventories	(598.48)	(871.14)
Increase in trade receivables	(1,471.86)	(430.63)
Increase in financial assets	(59.92)	(63.86)
Increase in other assets	(367.71)	(551.92)
Increase in provision	415.64	494.15
Increase in trade and other payables	201.84	847.99
CASH GENERATED FROM OPERATIONS	22,580.44	22,642.24
Income tax paid (net)	(6,977.60)	(5,533.12)
CASH FLOW BEFORE EXCEPTIONAL ITEM	15,602.84	17,109.12
Exceptional item paid (Refer Note No. 43)	(297.47)	-
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	15,305.37	17,109.12
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,610.22)	(30,992.24)
Proceeds from sale of property, plant and equipment	152.94	405.88
Purchase of financial instruments	(50,176.67)	(48,421.93)
Proceeds from sale of financial instruments	37,319.11	69,980.93
Inter-corporate deposits given/renewed	(25.00)	(25.00)
Repayment/Renewal of inter corporate deposit given	25.00	25.00
(Increase)/Decrease in fixed and margin deposits	(8.66)	0.28
Loan given to Joint Venture	(75.22)	-
Dividend income	750.03	797.89
Interest received	293.31	953.54
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)	(14,355.38)	(7,275.65)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Repayment of sales tax deferral loan	(11.16)	(17.28)
Dividend (including dividend distribution tax)	-	(9,631.66)
Amount deposited in bank accounts towards unpaid dividend	46.58	(41.71)
Interest paid	-	(7.26)
NET CASH FLOW FROM/(USED) IN FINANCING ACTIVITIES (C)	(35.42)	(9,697.91)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	985.41	135.56
Net foreign exchange differences on cash and cash equivalents	2.46	(19.53)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (Refer Note No. 10)	1,173.60	1,057.57
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Refer Note No. 10)	2,161.47	1,173.60

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 comprises of the following Balance Sheet items.

Particulars	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs
Balances with banks:		
On current accounts	2,145.44	1,160.06
Cash on hand	16.03	13.54
	2,161.47	1,173.60

2. The Cash Flow Statement have been prepared under the Indirect method as set out in Indian Accounting Standard (INDAS)-7 Statement of Cash Flows.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per VIJAY MANIAR

Partner

Membership No. 36738

Place : Mumbai

Date : May 26, 2017

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR

Chairman and Managing Director

SANJAY JAIN

Chief Financial Officer

Place : Mumbai

Date : May 26, 2017

ASHOK A. CHANDAVARKAR

Director

VARSHARANI KATRE

Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2017

(A) Equity share capital

Particulars	No. in lakhs	Rs. in lakhs
Balances as at 1st April 2015	1,786.19	1,786.19
Changes during the year	-	-
Balances as at 31st March 2016	1,786.19	1,786.19
Changes during the year	-	-
Balances as at 31st March 2017	1,786.19	1,786.19

(B) Other equity

Rupees in lakhs

Particulars	Reserves and Surplus			Other Comprehensive Income	Total Equity
	Retained Earnings	General Reserves	Securities Premium Account	Equity Instruments through OCI	
Balances as at 1st April 2016	61,906.36	43,887.94	72.90	(0.61)	105,866.59
Profit for the year	18,706.74	-	-	-	18,706.74
Other Comprehensive Income/ (Loss) for the year (Note no.32)	(19.26)	-	-	31.81	12.55
Total Comprehensive Income for the year	18,687.48	-	-	31.81	18,719.29
Balances as at 31st March 2017	80,593.84	43,887.94	72.90	31.20	124,585.88

Rupees in lakhs

Particulars	Reserves and Surplus			Other Comprehensive Income	Total Equity
	Retained Earnings	General Reserves	Securities Premium Account	Equity Instruments through OCI	
Balances as at 1st April 2015	59,680.29	38,887.94	72.90	34.04	98,675.17
Profit for the year	16,890.22	-	-	-	16,890.22
Other Comprehensive Income/ (Loss) for the year (Note no.32)	(32.49)	-	-	(34.65)	(67.14)
Total Comprehensive Income for the year	16,857.73	-	-	(34.65)	16,823.08
Transfer from retained earnings	(5,000.00)	5,000.00	-	-	-
Dividends (including dividend distribution tax)	(9,631.66)	-	-	-	(9,631.66)
Balances as at 31st March 2016	61,906.36	43,887.94	72.90	(0.61)	105,866.59

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per VIJAY MANIAR

Partner

Membership No. 36738

Place : Mumbai

Date : May 26, 2017

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

SANJAY JAIN
Chief Financial Officer

ASHOK A. CHANDAVARKAR
Director

VARSHARANI KATRE
Company Secretary

Place : Mumbai

Date : May 26, 2017

1. COMPANY OVERVIEW, SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS.

1.1 CORPORATE INFORMATION

FDC Limited (the Company) is a public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at Waluj, Dist. Aurangabad, Maharashtra.

The Company is principally engaged in the business of Pharmaceuticals.

The financial statements were authorised for issue in accordance with a resolution of the board of directors on May 26, 2017.

1.2 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31st March 2017 are the first the Company has prepared in accordance with Ind AS.

These financial statements are prepared on accrual basis under the historical cost convention, except for certain financial assets and liabilities which are measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are prepared in INR and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise stated.

1.3 SIGNIFICANT ACCOUNTING POLICIES

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has identified twelve months as its operating cycle for the purpose of current / non-current classification of assets and liabilities.

b. 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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The recovery of excise duty flows to the Company on its own account since it is a liability of the manufacturer irrespective of whether the goods are sold or not. Accordingly revenue is stated inclusive of excise duty.

However, sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products

Revenue from the sale of products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from sale of products is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and cash discounts.

Profit share revenues

The Company has certain marketing arrangements based on the profit sharing model whereby Company sells its products to the business partner on price agreed upon agreement and is also entitled for profit share over and above its sale price. Revenue from the sale of goods to the partner is recognized upon delivery of products to them and additional amount representing the profit share component is recognized as revenue in the period which corresponds to the ultimate sales of the products made by business partners only when the collectability of the profit share becomes probable and a reliable measurement of the profit share is available.

Sales returns

The Company accounts for sales returns by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns towards expiry, breakages and damages. The estimate of sales returns is determined primarily by the Company's historical experience of sales returns trends with respect to the shelf life of various products.

Interest income

For all debt instruments measured either at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Other income

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

c. PROPERTY, PLANT & EQUIPMENT

The items of property, plant and equipment including Capital-work in-progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at regular intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised statement of profit or loss as incurred. In respect of additions to /deletions from the plant, property & equipment, depreciation is provided on pro-rata reference to the month of addition/deletion of the assets.

Subsequent expenditure related to an item of plant, property & equipments is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit or loss.

Depreciation method and estimated useful lives

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipments over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Estimated useful life of the assets are as follows:

Nature of Tangible Assets	Useful Life (No. of Years)
Plant & Machinery	7.5 to 15
Building	30 to 60
Laboratory Testing Machines	10
Office Equipments	5 to 10
Furniture, Fixtures & Fittings	10
Computers & Peripherals	3 to 6
Vehicles	6
Electrical Installations	10
Leasehold Land	Amortised over the period of lease ranging from 30 to 99

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

Impairment of assets

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 assets fair value less costs of disposal 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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

After recognition of impairment loss, the depreciation charge for the asset is adjusted in future periods to allocate the assets 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.

d. INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite life at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the amount of the asset and are recognised in the statement of profit or loss when the asset is de-recognised.

A summary of the policies applied to the Company's intangible assets is as follows:

Nature of Intangible Assets	Useful Life (No. of Years)	Amortisation method used
Software & Trademarks	5 to 10	Amortised on straight-line basis.

e. FINANCIAL INSTRUMENTS

A Financial instrument is any contract that gives rise to a financial assets of one entity and a financial liabilities or equity instrument of another entity.

Financial assets**Initial recognition and measurement**

All financial assets are recognized initially at fair value. Further, in the case of financial assets not recorded at fair value through profit and loss, transactions cost that are attributable to the acquisition of the financial assets are also recognised.

Subsequent measurement

For purpose of subsequent measurements, financial assets are classified in following categories:

(a) Debt instruments at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of EIR. The EIR amortisation is included in other income in the profit and loss.

(b) Debt instruments at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements is recognised in the OCI. However, the Company recognises any interest income or impairment losses in profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the OCI to profit and loss.

(c) Debt instruments at fair value through profit and loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. Debt instruments included within FVTPL category are measured at fair value with all changes recognised in the P&L.

(d) Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. All fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. The Company has made such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

* The rights to receive cash flows from the asset have expired, or

* The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'passthrough' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- (b) Financial assets that are equity instruments and are measured as at FVTOCI
- (c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivable and Other Receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost, contractual revenue receivables:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Equity instruments measured at FVTOCI:

Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 financial instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and borrowings including bank overdrafts.

Subsequent measurement

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instruments. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

f. FAIR VALUE MEASUREMENT

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

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 of 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.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

h. FOREIGN CURRENCY TRANSLATION/ TRANSACTIONS

The financial statements are presented in Indian Rupees (INR) which is company's functional and presentation currency.

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 difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

i. 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 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 is recognised as income in equal amounts over the expected useful life of the related asset.

j. EMPLOYEE BENEFITS**Defined contribution plans**

The 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.

Defined benefit plans

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.

Remeasurement of the net defined liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest income) are recognised in other comprehensive income. Remeasurements are not reclassified to profit and loss in subsequent periods. Net interest and other expenses related to defined benefit plans are recognised in profit and loss.

Other employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. The Company has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method at the end of financial year.

k. RESEARCH AND DEVELOPMENT

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate technical and commercial feasibility of making the asset available for use.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

I. LEASE ACCOUNTING

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

m. 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.

n. TAXATION**Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which unused tax credits and unused tax losses can be recognised. At each balance sheet date, the Company reassesses unrecognised deferred tax assets and are recognised to the extent that it is probable that future taxable profit will be available for their realisation.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Minimum Alternate tax (MAT)

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and adjusted when the Company will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the authority is included as part of receivables or payables in the balance sheet.

o. PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

p. CONTINGENT LIABILITY AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of benefits is probable, contingent asset are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

q. SEGMENT REPORTING

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocate the resources based on an analysis of various performance indicators by business segments.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

r. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

s. CASH DIVIDEND TO EQUITY HOLDERS

The Company recognises a liability to make cash distribution to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the company. As per the law, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

1.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect reported amounts of revenue, expenses, assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements and the results 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.

Sales returns

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. However, the Company needs to accept goods returned from its customers towards expiry, breakages and damages. Accordingly, the Company has made provision based on the historical sales return trends with respect to the shelf life of various products.

Impairment of financial assets

The Company recognises loss allowances on financial assets using expected credit loss model which is equal to the 12 months expected credit losses or full time expected credit losses.

The Company follows 'Simplified approach' for recognition of loss allowance on trade receivables under which Company does not track changes in credit risk. Rather, it recognises loss allowance based on lifetime expected credit losses at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair value of financial assets and liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements includes considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. The assessment of probability involves estimation of a number of factors including future taxable income.

Provisions against obsolete and slow - moving inventories

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. The Company estimates the net realisable value for such inventories based on the latest invoice prices and current market conditions. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date.

The provision against obsolete and slow-moving inventories requires the use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact on the carrying value of inventories and the write-down of inventories recognised in the periods in which such estimates have been changed.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

2. Property, plant and equipment and Other Intangible Assets

PARTICULARS	GROSS CARRYING VALUE			DEPRECIATION / AMORTISATION			NET CARRYING VALUE	
	As At 31st March 2016	Additions	Deletions / Adjustments	As at 31st March 2017	For the year	Deletions / Adjustments	As at 31st March 2017	As At 31st March 2016
TANGIBLE ASSETS								
Leasehold land	333.26	-	-	333.26	8.04	-	317.47	325.22
Leasehold Improvements	3.99	-	-	3.99	0.22	-	3.70	3.77
Freehold land* \$	41,993.87	-	449.09	41,544.78	-	-	41,544.78	41,993.87
Buildings**	13,891.54	27.48	1,099.26	12,819.76	433.88	11.01	11,976.68	13,471.33
Plant and machinery	5,869.52	2,182.66	73.63	7,978.55	1,241.72	23.68	2,428.46	4,659.10
Laboratory testing machines	1,938.09	207.08	16.40	2,128.77	305.62	5.23	634.60	1,603.88
Electrical installations	843.77	32.27	2.57	873.47	175.99	1.20	355.59	662.97
Furniture, fixtures and fittings	1,451.85	106.80	0.38	1,558.27	277.24	0.27	604.55	1,124.27
Office equipments	1,470.94	184.74	1.54	1,654.14	379.00	0.77	929.32	1,124.35
Vehicles	309.55	-	1.06	308.49	74.25	1.06	172.79	247.04
R&D ASSETS								
Tangible								
Freehold land	-	-	(449.09)	449.09	-	-	449.09	-
Buildings	34.78	-	(1,085.46)	1,120.24	15.67	(10.49)	35.44	25.50
Equipments	1,935.14	411.55	(41.08)	2,387.77	371.91	(6.61)	692.90	1,620.76
Furniture and fixtures	123.26	19.78	7.65	135.39	32.65	1.88	61.94	92.09
Total of Tangible Assets (A)	70,199.56	3,172.36	75.95	73,295.97	3,315.75	28.00	66,762.81	66,954.15
Previous Year	38,754.69	31,711.92	267.05	70,199.56	3,270.19	24.78	66,954.15	
INTANGIBLE ASSETS								
Marketing Rights / Trademarks	59.39	-	-	59.39	44.05	-	11.86	15.34
Software	166.81	688.03	-	854.84	46.90	-	674.84	119.91
Total of Intangible Assets (B)	226.20	688.03	-	914.23	136.58	-	686.70	135.25
Previous Year	220.28	13.50	7.58	226.20	90.95	-	135.25	
Total (A+B)	70,425.76	3,860.39	75.95	74,210.20	3,452.33	28.00	67,449.51	67,089.40
Previous year	38,974.97	31,725.42	274.63	70,425.76	3,361.14	24.78	67,089.40	
Capital work in progress - Tangible							336.27	1,738.02
Capital work in progress - Intangible							295.94	254.40

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

*** Building of Rs.3,289.99 lakhs (previous year-Rs.3,289.99 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

\$ Freehold land includes land acquired on Amalgamation with a carrying value of Rs.817.49 lakhs for which the Company is in the process of registering the title deeds in its name.

2. Property, plant and equipment and Other Intangible Assets

Rupees in lakhs

PARTICULARS	GROSS CARRYING VALUE			DEPRECIATION / AMORTISATION			NET CARRYING VALUE
	As At 1st April 2015	Additions	Deletions / Adjustments	As At 31st March 2016	For the year	Deletions / Adjustments	As At 31st March 2016
TANGIBLE ASSETS							
Leasehold land	337.25	-	3.99	333.26	8.04	-	325.22
Leasehold Improvements	-	-	(3.99)	3.99	0.22	-	3.77
Freehold land* \$	14,503.85	27,490.02	-	41,993.87	-	-	41,993.87
Buildings**	13,257.83	837.13	203.42	13,891.54	421.24	1.03	13,471.33
Plant and machinery	4,834.38	1,035.23	0.09	5,869.52	1,208.37	(2.05)	4,659.10
Laboratory testing machines	1,317.04	612.48	(8.57)	1,938.09	337.62	3.41	1,603.88
Electrical installations	603.40	242.13	1.76	843.77	181.32	0.52	662.97
Furniture, fixtures and fittings	1,207.54	261.26	16.95	1,451.85	328.40	0.82	1,124.27
Office equipments	784.98	691.64	5.68	1,470.94	348.76	2.17	1,124.35
Vehicles	158.94	150.61	-	309.55	62.51	-	247.04
R&D ASSETS							
Tangible							
Buildings	34.78	-	-	34.78	9.28	-	25.50
Equipments	1,621.46	360.28	46.60	1,935.14	333.21	18.83	1,620.76
Furniture and fixtures	93.24	31.14	1.12	123.26	31.22	0.05	92.09
Total of Tangible Assets (A)	38,754.69	31,711.92	267.05	70,199.56	3,270.19	24.78	66,954.15
INTANGIBLE ASSETS							
Marketing Rights / Trademarks	45.89	13.50	-	59.39	44.05	-	15.34
Software	174.39	-	7.58	166.81	46.90	-	119.91
Total of Intangible Assets (B)	220.28	13.50	7.58	226.20	90.95	-	135.25
Total (A+B)	38,974.97	31,725.42	274.63	70,425.76	3,361.14	24.78	67,089.40
Capital work in progress - Tangible							1,738.02
Capital work in progress - Intangible							254.40

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

*** Building of Rs.3,289.99 lakhs (previous year-Rs.3,289.99 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

\$ Freehold land includes land acquired on Amalgamation with a carrying value of Rs.817.49 lakhs for which the Company is in the process of registering the title deeds in its name.

3. Investments

	Non-Current		
	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
UNQUOTED			
Investments stated at cost			
Investments in fully paid-up equity instruments in subsidiaries			
374,085 (31st March 2016-374,085, 1st April 2015 -374,085) Equity Shares of FDC International, UK of GBP 0.01 each (Rs. 75.24)	0.00	0.00	0.00
500 (31st March 2016-500, 1st April 2015 -500) Equity Shares of FDC Inc., of USD 100 each	22.00	22.00	22.00
	22.00	22.00	22.00
Investments in fully paid-up equity instruments in joint venture entity			
159,250 (31st March 2016- 159,250, 1st April 2015 - 159,250) Equity Shares of Fair Deal Corporation Pharmaceutical SA (Pty) Ltd., of ZAR 1 each	11.30	11.30	11.30
	11.30	11.30	11.30
Investments stated at amortised cost			
Investment in Government Securities (Refer note below)			
National Savings Certificates	0.07	0.07	0.07
35 (31st March 2016- 35, 1st April 2015 - 35) Govt. of India G.P. Notes - face value of Rs. 2,000	0.02	0.02	0.02
	0.09	0.09	0.09
Investments stated at fair value through Other comprehensive income			
Investments in fully paid-up equity instruments	0.63	0.63	0.63
(A)	34.02	34.02	34.02
Investments stated at fair value through profit and loss			
Investments in mutual funds	3,591.08	3,276.55	3,765.11
Investments in fully paid-up non-convertible debentures	-	516.56	259.79
Investments in fully paid -up preference instruments	-	-	1,532.60
(B)	3,591.08	3,793.11	5,557.50
Sub Total (C)=(A+B)	3,625.10	3,827.13	5,591.52
QUOTED			
Investments stated at amortised cost			
Investments in fully paid-up Bonds (D)	1,675.84	-	16,585.95
Investments stated at fair value through other comprehensive income			
Investments in fully paid-up equity instruments (E)	181.05	149.26	133.21
Sub Total (F)=(D+E)	1,856.89	149.26	16,719.16
Total = (C+F)	5,481.99	3,976.39	22,310.68
Aggregate book value of quoted investments	1,856.89	149.26	16,719.16
Aggregate market value of quoted investments	1,856.89	149.26	16,719.16
Aggregate value of unquoted investments	3,625.10	3,827.13	5,591.52
Aggregate amount of impairment in value of investments	-	-	-

Note: National Savings Certificates of the value of Rs. 0.04 lakhs (31st March 2016 - Rs.0.04 lakhs, 1st April 2015-Rs.0.04 lakhs) and Government of India G.P.notes of the value of Rs.0.02 lakhs (31st March 2016-Rs.0.02 lakhs, 1st April 2015-Rs.0.02 lakhs) have been lodged with the Excise authorities. National Savings Certificates of Rs.0.03 lakhs (31st March 2016-Rs.0.03 lakhs, 1st April 2015-Rs.0.03 lakhs) have been lodged with Sales Tax authorities.

List of significant investments in Subsidiaries and Joint Venture

Name and Country of Incorporation	% of equity interest		
	31st March 2017	31st March 2016	1st April 2015
a. Subsidiaries			
FDC International Ltd., UK	100%	100%	100%
FDC Inc., USA	100%	100%	100%
b. Joint Venture			
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd., South Africa	49%	49%	49%

4. Loans

	Non-Current		
	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Unsecured considered good			
Loans/advances to employees	15.89	22.34	21.76
	<u>15.89</u>	<u>22.34</u>	<u>21.76</u>

5. Others financial assets

	Non-Current		
	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Unsecured considered good			
Security deposit	537.56	438.52	422.11
Margin money deposits	14.97	12.73	28.71
	<u>552.53</u>	<u>451.25</u>	<u>450.82</u>

6. Other non-current assets

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Unsecured considered good			
Capital advances	406.06	296.02	141.43
Prepaid expenses	45.16	24.51	61.55
	<u>451.22</u>	<u>320.53</u>	<u>202.98</u>

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

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Raw materials [Including stock in transit Rs.23.04 lakhs (Previous year - Rs.25.82 lakhs)]	3,448.25	3,157.61	3,401.02
Packing materials [Including stock in transit Rs.16.57 lakhs (Previous year - Rs. 34.32 lakhs)]	1,181.21	1,106.45	642.06
Work-in-progress	1,471.33	1,628.30	1,578.07
Finished goods / Stock-in-trade [Including stock in transit Rs. Nil (Previous year - Rs. 98.71 lakhs)]	7,521.50	7,131.45	6,531.52
	<u>13,622.29</u>	<u>13,023.81</u>	<u>12,152.67</u>

During the year ended 31st March,2017, Rs.730.13 lakhs (31st March 2016 : Rs.341.28 lakhs ,1st April 2015 : Rs.188.96 lakhs) was recognised as write down to inventories.

8. Investments

	Current		
	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
UNQUOTED			
Investments stated at fair value through profit and loss			
Investments in mutual funds	43,088.93	28,254.60	29,110.83
Investments in fully paid up non-convertible debentures	563.77	285.93	-
	<u>43,652.70</u>	<u>28,540.53</u>	<u>29,110.83</u>
Aggregate book value of quoted investments	-	-	-
Aggregate market value of quoted investments	-	-	-
Aggregate value of unquoted investments	43,652.70	28,540.53	29,110.83
Aggregate amount of impairment in value of investments	-	-	-

9. Trade receivables

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Unsecured, considered good	7,746.03	6,402.56	6,041.21
Doubtful	111.27	63.61	46.23
(A)	<u>7,857.30</u>	<u>6,466.17</u>	<u>6,087.44</u>
Less : Allowance for doubtful debts	(B) 111.27	63.61	46.23
(A-B)	<u>7,746.03</u>	<u>6,402.56</u>	<u>6,041.21</u>

Note: There are no trade or other receivables which are due from directors or other officers of the Company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

For terms and conditions relating to related party receivables, refer note no. 41

Trade receivables are non-interest bearing and are generally on terms of 8 to 120 days.

10. Cash and cash equivalents

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Balances with banks:			
On current accounts	2,145.44	1,160.06	1,043.36
Cash on hand	16.03	13.54	14.21
	<u>2,161.47</u>	<u>1,173.60</u>	<u>1,057.57</u>

11. Other bank balances

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Margin money deposits*	23.98	17.56	1.86
On unpaid dividend account	112.58	159.16	117.45
	<u>136.56</u>	<u>176.72</u>	<u>119.31</u>

*Margin money deposits are given as security against bank guarantee.

12. Loans

Unsecured considered good

Loans to related parties (Refer note no. 41)

Inter corporate deposits

Loans/advances to employees

	Current	
31st March 2017	31st March 2016	1st April 2015
Rupees in lakhs	Rupees in lakhs	Rupees in lakhs
243.65	160.90	187.15
25.00	25.00	25.00
66.14	68.76	64.91
334.79	254.66	277.06

13. Other financial assets

Unsecured considered good

Security deposit

Receivable towards mutual funds redemptions

Interest accrued on investments & others

Insurance claim receivables

	Current	
31st March 2017	31st March 2016	1st April 2015
Rupees in lakhs	Rupees in lakhs	Rupees in lakhs
20.58	22.16	7.61
-	127.73	783.96
49.26	27.91	422.15
-	28.47	-
69.84	206.27	1,213.72

14. Other current assets

Unsecured considered good

Advances recoverable in cash or kind

Prepaid expenses

Balances with statutory/government authorities

Unsecured considered doubtful

Advances recoverable in cash or kind

Balances with statutory/government authorities

Less: Allowance for doubtful advances

31st March 2017	31st March 2016	1st April 2015
Rupees in lakhs	Rupees in lakhs	Rupees in lakhs
683.76	461.17	198.41
505.31	473.41	347.68
1,384.36	1,291.79	1,091.32
-	-	9.05
25.69	25.69	23.12
2,599.12	2,252.06	1,669.58
25.69	25.69	32.17
2,573.43	2,226.37	1,637.41

Break up of financial assets carried at amortised cost

	Non-Current			Current		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs
Investments (note 3)	1,675.93	0.09	16,586.04	-	-	-
Loans (note 4 & note 12)	15.89	22.34	21.76	334.79	254.66	277.06
Trade receivable (note 9)	-	-	-	7,746.03	6,402.56	6,041.21
Cash and cash equivalents (note 10)	-	-	-	2,161.47	1,173.60	1,057.57
Other bank balances (note 11)	-	-	-	136.56	176.72	119.31
Other financial assets (note 5 & note 13)	552.53	451.25	450.82	69.84	206.27	1,213.72
Total financial assets carried at amortised cost	2,244.35	473.68	17,058.62	10,448.69	8,213.81	8,708.87

15. Share capital

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Authorised shares			
29,42,00,000 Equity shares of Re.1 each (29,42,00,000 and 25,00,00,000 equity shares of Re.1 each as at 31st March 2016 and 01st April 2015 respectively)	2,942.00	2,942.00	2,500.00
3,000 8% Non - Cumulative Redeemable Preference shares of Rs. 100 each (3,000 Preference shares of Rs.100 each as at 31st March 2016 and Nil as at 01st April 2015)	3.00	3.00	-
	2,945.00	2,945.00	2,500.00
Issued Shares			
18,09,78,084 Equity shares of Re.1 each, fully paid-up (18,09,78,084 Equity shares of Re.1 each as at 31st March 2016 and 01st April 2015 respectively)	1,809.78	1,809.78	1,809.78
	1,809.78	1,809.78	1,809.78
Subscribed and Paid-up shares			
17,78,33,084 Equity shares of Re. 1 each, fully paid-up (17,78,33,084 Equity shares of Re.1 each as at 31st March 2016 and 01st April 2015 respectively)	1,778.33	1,778.33	1,778.33
Add: 31,45,000 (31,45,000 as at 31st March 2016 and 01st April 2015 respectively) Equity shares forfeited	7.86	7.86	7.86
Total	1,786.19	1,786.19	1,786.19

Notes :

a. Reconciliation of numbers of the shares outstanding at the beginning and at the end of the year

	31st March 2017		31st March 2016	
	No. In lakhs	Rupees in lakhs	No. In lakhs	Rupees in lakhs
At the beginning of the period	1,778.33	1,778.33	1,778.33	1,778.33
Less: Share capital cancelled on amalgamation	-	-	553.85	553.85
Add: Share capital issued pursuant to amalgamation	-	-	553.85	553.85
Outstanding at the end of the period	1,778.33	1,778.33	1,778.33	1,778.33

b. Terms/rights attached to equity shares

The Company has 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 Final 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 2017, the amount of per share dividend proposed as distribution to equity shareholders is Rs.2.25 (Previous year - Nil).

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, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	31st March 2017 No. in lakhs	31st March 2016 No. in lakhs	1st April 2015 No. in lakhs
Equity shares bought back by the Company	50.87	67.37	84.46

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

	31st March 2017		31st March 2016		1st April 2015	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Equity shares of Re.1 each fully paid						
Meera Ramdas Chandavarkar	34,189,260	19.23	34,189,260	19.23	20,425,260	11.49
Sandhya Mohan Chandavarkar	19,355,730	10.88	19,355,730	10.88	9,843,480	5.54
Mohan Anand Chandavarkar	19,020,258	10.70	19,020,258	10.70	10,565,770	5.94
Transgene Trading and Investment Company Private Limited*	-	-	-	-	19,024,500	10.70
Suditpa Trading and Investment Company Private Limited*	-	-	-	-	18,352,000	10.32
Soven Trading and Investment Company Private Limited*	-	-	-	-	18,00,8500	10.13
Leo Advisors Private Limited	16,134,016	9.07	-	-	-	-
Virgo Advisors Private Limited	10,756,110	6.05	-	-	-	-
Ameya Ashok Chandavarkar	10,720,580	6.03	10,720,580	6.03	4,717,746	2.65
Ashok Anand Chandavarkar	-	-	15,988,193	8.99	9,985,360	5.62
Mangala Ashok Chandavarkar	-	-	10,901,933	6.13	4,899,100	2.75

*These shares were cancelled and new shares were issued to the shareholders of the respective companies pursuant to the Scheme of Amalgamation.

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.

16. Borrowings

	Non-Current		
	31st March 2017 No. in lakhs	31st March 2016 No. in lakhs	1st April 2015 No. in lakhs
Deferred sales tax loans (unsecured) (Refer note below)	78.63	89.79	107.07
Less: Amount disclosed under "other financial liabilities" (Refer note no.19)	9.15	11.16	17.28
	69.48	78.63	89.79

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 9-13 years commencing after a period of 10-12 years from the year of availment of deferred sales tax loan.

17. Deferred tax liabilities (net)

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Deferred tax liability			
Depreciation	2,528.02	2,552.36	2,671.52
Less: Deferred tax asset			
Provision for doubtful debts/advances	47.40	30.90	27.51
Provision for diminution in value of investments	-	72.11	7.05
Liabilities disallowed under section 43B of IT Act, 1961	596.82	562.99	344.31
Expenses debited in statement of profit & loss but allowed for tax purpose in the following year	146.83	22.22	14.76
	791.05	688.22	393.63
Net deferred tax liability	1,736.97	1,864.14	2,277.89

18. Trade payables

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Trade payables (Refer note (a) below)	7,743.35	8,229.70	8,629.92
	7,743.35	8,229.70	8,629.92

Note:

- (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) Terms and conditions of the above trade payables:
Trade payables are non interest bearing and are normally settled on 90-360 days terms.

19. Other financial liabilities

	Current		
	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Other financial liabilities carried at amortised Cost			
Current maturities of long-term borrowings (Refer note no.16)	9.15	11.16	17.28
Unpaid dividend (Refer note below)	112.59	159.16	117.45
Sundry deposits	1,145.59	1,083.02	1,064.17
Employee related liabilities	3,135.90	2,757.97	1,590.42
Due to directors	410.99	402.38	341.06
Others payables (includes disputed liabilities, trade advances, etc.)	529.25	173.07	159.64
	5,343.47	4,586.76	3,290.02

Note:- There are no amounts due and outstanding to be credited to Investor Education and Protection Fund. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection fund.

20. Other current liabilities

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Advance from customers	212.53	51.37	112.97
Statutory liabilities	472.75	319.71	226.19
	685.28	371.08	339.16

21. Provisions

	Gratuity benefits	Leave benefits	Sales returns	Total
Balance as on 1st April 2016	139.97	767.73	1,178.00	2,085.70
Provision made during the year	193.20	298.35	1,619.83	2,111.38
Provision utilised during the year	(170.00)	(198.65)	(1,307.83)	(1,676.48)
Balance as on 31st March 2017	163.17	867.43	1,490.00	2,520.60
Current	163.17	867.43	1,454.00	2,484.60
Non-current	-	-	36.00	36.00

	Gratuity benefits	Leave benefits	Sales returns	Wealth tax	Total
Balance as on 1st April 2015	236.76	594.26	720.00	8.04	1,559.06
Provision made during the year	193.21	312.47	1,673.67	-	2,179.35
Provision utilised during the year	(290.00)	(139.00)	(1,215.67)	(8.04)	(1,652.71)
Balance as on 31st March 2016	139.97	767.73	1,178.00	-	2,085.70
Current	139.97	767.73	1,128.00	-	2,035.70
Non-current	-	-	50.00	-	50.00

22. Current tax liabilities

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Tax payable (Net of advance tax)	409.24	988.06	-
	409.24	988.06	-

Income tax expense recognised in Statement of Profit and Loss

	2016 - 2017 Rupees in lakhs	2015 - 2016 Rupees in lakhs
Current tax		
Current tax on profits for the year	6,800.00	6,717.20
Current tax on adjustments for earlier years	(193.98)	-
Deferred tax	(334.41)	(413.75)
	6,271.61	6,303.45

Income tax (expense)/ benefit recognised in Other Comprehensive Income

	2016 - 2017 Rupees in lakhs	2015 - 2016 Rupees in lakhs
Remeasurement gains/ losses on defined benefit plans	10.19	17.20
	10.19	17.20

Income tax expense reconciliation

	2016 - 2017 Rupees in lakhs	2015 - 2016 Rupees in lakhs
Profit before tax	24,978.35	23,193.67
Applicable tax rate	34.608%	34.608%
Tax as per applicable tax rate	8,644.51	8,026.87
Current tax on adjustments for earlier years	(193.98)	-
Income not considered for tax purpose	(1,059.25)	(424.28)
Tax exempt income	(257.09)	(340.36)
Tax incentives	(735.62)	(1,544.26)
Additional allowances for capital gain	(175.25)	(272.89)
Expense not allowed for tax purpose	-	749.73
Others	48.29	108.64
Income tax expenses charged to the statement of profit and loss	6,271.61	6,303.45

Deferred tax expense/ (income) recognised in Statement of Profit and Loss

	2016 - 2017 Rupees in lakhs	2015 - 2016 Rupees in lakhs
Increase/ (decrease) in Deferred tax liability		
Depreciation	(24.34)	(119.16)
	(24.34)	(119.16)
Less: Increase/ (decrease) in Deferred tax asset		
Provision for doubtful debts/ advances	16.50	3.39
Provision for diminution in value of investments	(72.11)	65.06
Liabilities disallowed under Section 43B of the IT Act, 1961	33.83	218.68
Expenses debited in statement of profit & loss but allowed for tax purpose in the following year	124.61	7.46
Provisions for employee benefits	207.24	-
	310.07	294.59
Net deferred tax expenses / (income) recognised in Statement of Profit and Loss	(334.41)	(413.75)

Unrecognised deferred tax assets relate primarily to unabsorbed long term capital losses which expire 8 years after the year in which they originate as per Income Tax Act, 1961. These unexpired losses will expire based on the year of origination as follows:

	Unabsorbed Capital Losses Rupees in lakhs
31st March 2020	485.41
31st March 2023	834.91
	1,320.32

Break-up of financial liabilities carried at amortised cost

	Non-Current			Current		
	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Borrowings (Note No.16)	69.48	78.63	89.79	9.15	11.16	17.28
Trade payables (Note No.18)	-	-	-	7,743.35	8,229.70	8,629.92
Other financial liabilities (Note No.19)	-	-	-	5,334.32	4,575.60	3,272.74
Total financial liabilities carried at amortised cost	69.48	78.63	89.79	13,086.62	12,816.46	11,919.94

23. Revenue from operations

	2016 - 2017 Rupees in lakhs	2015 - 2016 Rupees in lakhs
Sale of products (including excise duty)	103,889.09	100,304.80
Other operating revenue	713.25	684.53
	104,602.34	100,989.33
Other operating revenue		
Export incentive	490.86	511.61
Other miscellaneous receipts	222.39	172.92
[Net of expenses directly attributable to such income Rs.0.97 lakhs (previous year - Rs.3.42 lakhs)]		
	713.25	684.53

24. Other income

	2016 - 2017 Rupees in lakhs	2015 - 2016 Rupees in lakhs
Interest income on		
Current investments	97.73	3.25
Non-current investments	-	463.70
Others (Refer note below)	216.93	92.35
Dividend income on		
Current investments	750.03	463.35
Non-current investments	-	334.54
Net gain on sale of investments	539.97	806.87
Fair value gain on financial instruments at fair value through profit or loss	3,060.70	1,225.96
Net exchange gain on foreign currency transactions	71.69	311.51
Net gain on disposal of property, plant and equipment	104.99	156.03
Other non operating income (Includes rental income, miscellaneous provisions written back)	122.47	139.98
	4,964.51	3,997.54

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

25. Cost of materials consumed

	2016 - 2017 Rupees in lakhs	2015 - 2016 Rupees in lakhs
Inventory at the beginning of the year	4,264.06	4,043.08
Add: Purchases	27,118.35	27,540.51
	31,382.41	31,583.59
Less: Inventory at the end of the year	4,629.46	4,264.06
	26,752.95	27,319.53

26. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	2016 - 2017 Rupees in lakhs	2015 - 2016 Rupees in lakhs	Increase Rupees in lakhs
Inventory at the end of the year			
Finished goods / Stock-in-trade	7,521.50	7,131.45	(390.05)
Work-in-progress	1,471.33	1,628.30	156.97
	8,992.83	8,759.75	(233.08)
Inventory at the beginning of the year			
Finished goods / Stock-in-trade	7,131.45	6,531.52	
Work-in-progress	1,628.30	1,578.07	
	8,759.75	8,109.59	
	(233.08)	(650.16)	

27. Employee benefits expense

	2016 - 2017 Rupees in lakhs	2015 - 2016 Rupees in lakhs
Salaries, wages and bonus	17,180.59	15,755.27
Contribution to provident and other fund (Refer note no.39)	1,352.55	1,232.43
Staff welfare expenses	460.30	464.95
	18,993.44	17,452.65

28. Finance costs

	2016-2017 Rupees in lakhs	2015-2016 Rupees in lakhs
Interest	98.96	101.09
Bank charges	41.75	38.59
	140.71	139.68

29. Depreciation and amortization expenses

	2016-17 Rupees in lakhs	2015-16 Rupees in lakhs
Depreciation on Tangible assets	3,315.75	3,270.19
Amortization of Intangible assets	136.58	90.95
	3,452.33	3,361.14

30. Other expenses

	2016-2017 Rupees in lakhs	2015-2016 Rupees in lakhs
Processing charges	947.16	801.04
Power, fuel and water charges	2,152.33	2,311.52
Repairs and maintenance	1,960.19	2,038.16
Stores and spares	1,062.55	799.41
Pharma miscellaneous expenses	1,209.95	1,219.87
Rent (Refer note no.42)	52.76	40.42
Rates and taxes	73.56	420.46
Insurance	187.43	167.81
Travelling and conveyance	4,281.29	4,104.58
Communication expenses	195.84	171.34
Carriage, freight and forwarding	2,326.32	2,146.16
Advertisement and sales promotion	1,066.53	695.96
Publicity expenses	2,254.14	2,166.34
Increase/ (decrease) in excise duty on finished products	136.52	20.94
Sales tax/ value added tax	108.14	74.54
Commission	680.92	689.77
Auditors' remuneration (Including service tax):		
As Audit fee	42.46	36.35
For other services	5.39	4.28
Out of pocket expenses	2.57	1.70
Directors sitting fees	6.30	8.24
Allowances for doubtful debts and advances (net)	47.66	32.30
Donation	0.89	0.94
CSR Expenditure (Refer note no.45)	421.89	64.08
Miscellaneous expenses	4,806.30	5,029.50
	24,029.09	23,045.71

31. Earning per share (EPS)

	2016-2017	2015-2016
Profit for the year (Rupees in lakhs)	18,706.74	16,890.22
Weighted average number of shares	177,833,084	177,833,084
Nominal value per share (Rupees)	1.00	1.00
Earning per share-Basic (Rupees)	10.52	9.50
- Diluted (Rupees)	10.52	9.50

32. Components of Other Comprehensive Income**During the year ended 31st March 2017**

Remeasurement gains / (losses) on defined benefit plans
Gain/(Loss) on FVTOCI financial assets (net)

Retained Earnings	FVTOCI reserve	Total
(19.26)	-	(19.26)
-	31.81	31.81
(19.26)	31.81	12.55

During the year ended 31st March 2016

Remeasurement gains / (losses) on defined benefit plans
Gain/(Loss) on FVTOCI financial assets (net)

Retained Earnings	FVTOCI reserve	Total
(32.49)	-	(32.49)
-	(34.65)	(34.65)
(32.49)	(34.65)	(67.14)

33. Dividend distribution made and proposed**The following dividends on equity shares were declared and paid by the Company during the year.**

Interim dividend for the year ended 31st March 2017 - Rs. Nil per equity share
(31st March 2016 - Rs. 2.25 per equity share)

Tax on interim dividend

Final dividend for the year ended 31st March 2016 - Rs. Nil per equity share
(31st March 2015 - Rs. 2.25 per equity share)

Tax on final dividend

31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs
-	4,001.30
-	814.56
-	4,001.24
-	814.56
-	9,631.66
4,001.24	-
814.56	-
4,815.80	-

The following dividends on equity shares are proposed by the Company.

Proposed dividend for the year ended 31st March 2017 - Rs.2.25 per equity share
(31st March 2016- NIL per equity share)

Tax on proposed dividend

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including tax thereon) as at 31st March 2017.

34. Financial Risk Management Objectives and Policies

Risk Management is an integral part of the Company's plans and operations. While the Company has a proven ability to successfully take on challenges, the efforts are to become even more proactive in recognizing and managing risks, through an organized framework. The Company recognizes risk management as an integral component of good corporate governance and fundamental in achieving its strategic and operational objectives.

The Company, through its Board of Directors, has constituted a Risk Management Committee, consisting of majority of Board members. The Board has defined the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the Risk Management plan, to the Committee, and such other functions as it may deem fit.

Market risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include deposits, FVTOCI investments and derivative financial instruments.

The Company has designed risk management frame work to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

Interest rate risk :

Interest rate risk is the loss of fair value of future earnings of financial instruments because of changes in market interest rates. Investment committee manages and constantly reviewing the interest rate movements in the market in order to optimise the company's interest income. The Company's exposures to interest rate risk is not significant.

Foreign currency risk :

Foreign currency risk is the loss of fair value of future earnings of a financial instruments because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in USD rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in USD rate	Effect on profit before tax (Rs. in lakhs)	Effect on Equity (Rs. in lakhs)
31st March 2017	+1%	31.22	20.41
	-1%	(31.22)	(20.41)
31st March 2016	+1%	18.61	12.17
	-1%	(18.61)	(12.17)

Credit risk :

Credit risk is the risk of possible default by the counter party resulting in a financial loss. The Company manages its credit risk through various internal policies and procedure set forth for effective control over credit exposure. Major credit risk at the reporting date is from trade receivables. Trade receivables are managed by way of setting various parameters like credit limit, evaluation of financial condition before supply, supply terms, industry trends, ageing analysis.

Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments.

Particulars	31st March 2017			31st March 2016			1st April 2015		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Trade payables	7,743.35	-	7,743.35	8,229.70	-	8,229.70	8,629.92	-	8,629.92
Borrowings	9.15	69.48	78.63	11.16	78.63	89.79	17.28	89.79	107.07
Other financial liabilities	5,334.32	-	5,334.32	4,575.60	-	4,575.60	3,272.74	-	3,272.74

Rupees in lakhs

35. Financial Instruments

Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

The carrying value and fair value of financial instruments by categories as at Balance sheet date were as follows:

Particulars	Carrying Value			Fair Value		
	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Finance assets :						
FVTOCI financial investments	181.68	149.89	133.84	181.68	149.89	133.84
FVTPL financial investments	47,243.78	32,333.64	34,668.33	47,243.78	32,333.64	34,668.33
Total	47,425.46	32,483.53	34,802.17	47,425.46	32,483.53	34,802.17

The management assessed that cash and cash equivalents, trade receivables, loans, trade payables, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of quoted equity instruments are derived from quoted market prices in active markets.

Reconciliation of fair value measurement of equity shares classified as FVTOCI assets:

	Total Rupees in lakhs
As at 1st April 2015	34.04
Re-measurement recognised in OCI	(34.65)
As at 31st March 2016	(0.61)
Re-measurement recognised in OCI	31.81
As at 31st March 2017	31.20

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly unobservable.

The following table represents the fair value hierarchy of financial assets and liabilities as on 31st March 2017:

Financial assets :	As on 31st March 2017	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
Investments				
Mutual Funds	46,680.01	46,680.01	-	-
Non-convertible debentures	563.77	-	-	563.77
Quoted equity instruments	181.05	181.05	-	-
Unquoted equity instruments	0.63	-	-	0.63
Total	47,425.46	46,861.06	-	564.40
Financial liabilities:				
Borrowings	69.48	-	-	69.48
Total	69.48	-	-	69.48

Rupees in lakhs

The following table represents the fair value hierarchy of financial assets and liabilities as on 31st March 2016:

Rupees in lakhs

Financial assets :	As on 31st March 2016	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
Investments				
Mutual Funds	31,531.15	31,531.15	-	-
Non-convertible debentures	802.49	-	-	802.49
Quoted Equity Instruments	149.26	149.26	-	-
Unquoted Equity Instruments	0.63	-	-	0.63
Total	32,483.53	31,680.41	-	803.12
Financial liabilities:				
Borrowings	78.63	-	-	78.63
Total	78.63	-	-	78.63

The following table represents the fair value hierarchy of financial assets and liabilities as on 1st April 2015:

Rupees in lakhs

Financial assets :	As on 1st April 2015	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
Investments				
Mutual Funds	32,875.94	32,875.94	-	-
Non-convertible debentures	259.79	-	-	259.79
Quoted equity instruments	133.21	133.21	-	-
Unquoted equity instruments	0.63	-	-	0.63
Unquoted preference instruments	1,532.60	-	-	1,532.60
Total	34,802.17	33,009.15	-	1,793.02
Financial liabilities:				
Borrowings	89.79	-	-	89.79
Total	89.79	-	-	89.79

There have been no transfer between Level 1 and Level 2 during the period .

36. Capital Management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31st March 2017 and 31st March 2016.

The Company maintains a strong capital base and the primary objective of the Company's capital management is to maximise the shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents. Based on this, the Company is a debt free Company and would like to remain debt free.

The Company does not have any interest bearing loans and borrowings in the current year as well as previous year.

37. First time adoption of IND AS

These Financial Statements have been prepared for the year ended 31st March 2017 in accordance with IND AS together with comparative period data for the year ended 31st March 2016. The Company has followed the guidance prescribed in IND AS 101- First Time adoption of Indian Accounting Standard, with 1st April 2015 as the transition date. As required, separate disclosures have been made for the transition to IND AS from IGAAP with detailed explanatory notes. The Company has opted few exemption on first time adoption of IND AS in accordance with INDAS 101 which are set out below.

Exemption availed on first time adoption of INDAS 101

IND AS 101 allows first -time adopters certain exemptions from the retrospective application of certain requirement under INDAS.

- Previous GAAP carrying values as deemed cost at the transition date for all its property, plant and equipment and intangible assets
- Designated quoted equity instruments held at 1st April 2015 as fair value through other comprehensive income
- Investments in subsidiaries and joint venture entity at deemed cost i.e. previous GAAP carrying amount as at 1st April 2015

Estimates

The estimates at 1st April 2015 and at 31st March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April 2015, the date of transition to Ind AS and as of 31st March 2016.

Reconciliation of equity as on 1st April 2015 (date of transition to Ind AS)

Rupees in lakhs

SR. NO.	PARTICULARS	Note No.	Indian GAAP	Amalgamation adjustments (Refer note I)	Adjustments	Ind AS
I. ASSETS						
1 Non-current assets						
(a) Property, plant and equipment			37,916.85	837.84	-	38,754.69
(b) Capital work-in-progress			2,872.52	-	-	2,872.52
(c) Other intangible assets			220.28	-	-	220.28
(d) Intangible assets under development			7.67	-	-	7.67
(e) Financial assets						
(i) Investments	B		22,311.58	(606.16)	605.26	22,310.68
(ii) Loans			21.76	-	-	21.76
(iii) Other financial assets	B		493.58	0.17	(42.93)	450.82
(f) Income tax assets (net)			91.16	104.86	-	196.02
(g) Other non-current assets			202.98	-	-	202.98
Total Non-current assets			64,138.38	336.71	562.33	65,037.42
2 Current assets						
(a) Inventories			12,152.67	-	-	12,152.67
(b) Financial assets						
(i) Investments	B		27,248.89	281.81	1,580.13	29,110.83
(ii) Trade receivables	D		6,069.51	-	(28.30)	6,041.21
(iii) Cash and cash equivalents			1,047.07	10.50	-	1,057.57
(iv) Bank balances other than (iii) above			119.31	-	-	119.31
(v) Loans			318.48	(41.42)	-	277.06
(vi) Other financial assets	B		1,224.40	(0.03)	(10.65)	1,213.72
(c) Other current assets			1,636.99	0.42	-	1,637.41
Total Current assets			49,817.32	251.28	1,541.18	51,609.78
TOTAL ASSETS			113,955.70	587.99	2,103.51	116,647.20
II. EQUITY AND LIABILITIES						
1 EQUITY						
(a) Equity share capital			1,786.19	-	-	1,786.19
(b) Other equity	G		91,172.33	573.74	6,929.10	98,675.17
Total equity			92,958.52	573.74	6,929.10	100,461.36
LIABILITIES						
2 Non-Current Liabilities						
(a) Financial liabilities						
(i) Borrowings			89.79	-	-	89.79
(b) Provisions			55.74	-	-	55.74
(c) Deferred tax liabilities (net)	F		2,278.21	9.47	(9.79)	2,277.89
Total Non-current liabilities			2,423.74	9.47	(9.79)	2,423.42
3 Current liabilities						
(a) Financial liabilities						
(i) Trade payables			8,626.40	3.52	-	8,629.92
(ii) Other financial liabilities			3,289.77	0.25	-	3,290.02
(b) Other current liabilities			338.15	1.01	-	339.16
(c) Provisions	E		6,319.12	-	(4,815.80)	1,503.32
Total Current liabilities			18,573.44	4.78	(4,815.80)	13,762.42
TOTAL EQUITY AND LIABILITIES			113,955.70	587.99	2,103.51	116,647.20

Reconciliation of equity as on 31st March 2016

Rupees in lakhs

SR. NO.	PARTICULARS	Note No.	Indian GAAP	Adjustments	Ind AS
I. ASSETS					
1 Non-current assets					
(a) Property, plant and equipment			66,954.15	-	66,954.15
(b) Capital work-in-progress			1,738.02	-	1,738.02
(c) Other intangible assets			135.25	-	135.25
(d) Intangible assets under development			254.40	-	254.40
(e) Financial assets					
(i) Investments	B		3,534.42	441.97	3,976.39
(ii) Loans			22.34	-	22.34
(iii) Other financial assets			451.25	-	451.25
(f) Other non-current assets			320.53	-	320.53
Total Non-current assets			73,410.36	441.97	73,852.33
2 Current assets					
(a) Inventories			13,023.81	-	13,023.81
(b) Financial assets					
(i) Investments	B		25,704.10	2,836.43	28,540.53
(ii) Trade receivables	D		6,428.08	(25.52)	6,402.56
(iii) Cash and cash equivalents			1,173.60	-	1,173.60
(iv) Bank balances other than (iii) above			176.72	-	176.72
(v) Loans			254.66	-	254.66
(vi) Other financial assets	B		213.00	(6.73)	206.27
(c) Other current assets			2,226.37	-	2,226.37
Total Current assets			49,200.34	2,804.18	52,004.52
TOTAL ASSETS			122,610.70	3,246.15	125,856.85
II. EQUITY AND LIABILITIES					
EQUITY					
(a) Equity share capital			1,786.19	-	1,786.19
(b) Other equity	G		102,611.61	3,254.98	105,866.59
Total equity			104,397.80	3,254.98	107,652.78
LIABILITIES					
1 Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings			78.63	-	78.63
(b) Provisions			50.00	-	50.00
(c) Deferred tax liabilities (net)	F		1,872.97	(8.83)	1,864.14
Total Non-current liabilities			2,001.60	(8.83)	1,992.77
2 Current liabilities					
(a) Financial liabilities					
(i) Trade payables			8,229.70	-	8,229.70
(ii) Other financial liabilities			4,586.76	-	4,586.76
(b) Other current liabilities			371.08	-	371.08
(c) Provisions			2,035.70	-	2,035.70
(d) Current tax liabilities (net)			988.06	-	988.06
Total Current liabilities			16,211.30	-	16,211.30
TOTAL EQUITY AND LIABILITIES			122,610.70	3,246.15	125,856.85

Reconciliation of Profit and Loss for the year ended 31st March 2016

Rupees in lakhs

SR. NO.	PARTICULARS	Note No.	Indian GAAP	Adjustments	Ind AS
I.	Revenue from operations	A	99,744.36	1,244.97	100,989.33
II.	Other income	B	3,251.09	746.45	3,997.54
III.	Total Income (I+II)		102,995.45	1,991.42	104,986.87
IV.	Expenses				
	Cost of materials consumed		27,319.53	-	27,319.53
	Purchase of stock-in-trade		8,816.80	-	8,816.80
	Changes in inventories of finished goods, work-in-progress and stock-in-trade		(650.16)	-	(650.16)
	Excise duty	A	-	2,307.85	2,307.85
	Employee benefits expense	C	17,502.34	(49.69)	17,452.65
	Finance costs		139.68	-	139.68
	Depreciation and amortization expense		3,361.14	-	3,361.14
	Other expenses	A,B	24,539.43	(1,493.72)	23,045.71
	Total Expenses		81,028.76	764.44	81,793.20
V.	Profit before Tax (III-IV)		21,966.69	1,226.98	23,193.67
VI.	Tax Expense:				
	(1) Current tax	H	6,700.00	17.20	6,717.20
	(2) Deferred tax	F	(414.71)	0.96	(413.75)
	Total tax expense		6,285.29	18.16	6,303.45
VII.	Profit for the year (V-VI)		15,681.40	1,208.82	16,890.22
VIII.	Other Comprehensive Income				
	A (i) Items that will not be reclassified to profit or loss		-	(84.34)	(84.34)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	17.20	17.20
	Other Comprehensive Income for the year (net of tax)		-	(67.14)	(67.14)
IX.	Total Comprehensive income for the year (Net of tax) (VII+VIII)		15,681.40	1,141.68	16,823.08

Notes:

A **Revenue from operation and Excise duty**

Under Indian GAAP, excise duty on sale of products was presented net basis whereas as per Ind AS, same needs to be presented on gross basis. Hence, excise duty on sale of products has been separately presented on the face of statement of profit and loss account. Thus, sale of products under Ind AS as increased by Rs. 2,212.94 lakhs and corresponding increase in expenses. Under Indian GAAP, incentive paid to distributors of Rs.952.93 lakhs and cash discounts of Rs.15.04 lakhs was recognised as part of Other Expenses whereas as required under Ind AS same shall be adjusted against the revenue.

B **Investments**

(i) Mutual Funds and non-convertible debentures

Under Indian GAAP, the Company recognised long-term and short term investments in mutual funds and non-convertible debentures at cost less provision for diminution in the value of investments. Under Ind AS, the Company has designated such investments as fair value through profit or loss (FVTPL). On the transition date, an increase of Rs. 2,097.77 lakhs between the instruments' fair value and Indian GAAP carrying amount has been recognised in retained earnings.

(ii) Equity Shares

Under Indian GAAP, the Company recognised long-term investments in equity shares at cost less provision for diminution in the value of investments. Under Ind AS, the Company has designated such investments as fair value through other comprehensive income (FVTOCI). On the transition date, an increase of Rs. 34.04 lakhs between the

instruments' fair value and Indian GAAP carrying amount has been recognised in Other Comprehensive Income. Further for the year ended March 31, 2016 decrease in fair value of Rs. 34.65 lakhs has been recorded in Other Comprehensive Income.

C Employee benefits expense

Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses and the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Actuarial loss of Rs. 49.69 lakhs as at March 31, 2016 is recognised in OCI net of deferred tax.

D Trade receivables

Under Indian GAAP, the Company had recognised specific amount towards impairment of trade receivables on the basis of incurred losses model. Under Ind AS, impairment allowance has been recognised based on expected loss model (ECL). Accordingly, additional allowance for impairment amounting to Rs. 28.30 lakhs has been recognised with the corresponding adjustment to retained earnings.

E Provisions

Under Indian GAAP, proposed dividends including dividend distribution tax are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Company (usually when approved by shareholders in a general meeting) or paid. Accordingly, proposed dividends and the related tax have increased the retained earnings by Rs. 4,815.80 lakhs, at the transition date.

F Deferred tax liabilities (net)

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

In addition, the various transitional adjustments has led to temporary differences. Accordingly, the Company has accounted for deferred tax on such differences in retained earnings at the transition date, thereby reducing deferred tax liabilities by Rs. 9.79 lakhs and increasing retained earnings by the same amount.

G Other equity

Adjustments to retained earnings and other comprehensive income has been made in accordance with Ind AS, for the above mentioned line items.

H Current tax

Tax component on actuarial gains and losses which was transferred to other comprehensive income under Ind AS.

I Amalgamation adjustments

Pursuant to the scheme of amalgamation (Scheme), the Hon'ble High Court of Judicature at Bombay, vide its order dated September 04, 2015, had approved the Scheme amalgamation of Anand Synthochem Limited, Soven Trading and Investment Private Limited, Sudipta Trading and Investment Private Limited and Transgene Trading and Investment Private Limited (collectively known as Transferor Companies) with the Company. The appointed date of the Scheme was 1st September 2014. The Scheme has become effective on 04th September 2015, pursuant to its filing with registrar of Companies.

The Company has given effect for the said scheme in its books of accounts in accordance with the Scheme and in compliance with Accounting Standard 14 "Accounting for Amalgamations" under the "Pooling of Interest" method. Accordingly, the balance sheet as at 1st April, 2015 includes the impact of assets and liabilities taken over of transferor companies after giving effect to elimination of inter company transactions and balances.

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

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Contingent Liabilities			
a. <u>Disputed tax matters</u>			
Income tax (appealed by tax authorities)	-	10.29	10.29
Income tax (appealed by the Company)	1,198.71	1,045.06	251.08
Excise duty (appealed by excise authorities)	-	-	2.23
Excise duty (appealed by the Company)	220.21	277.60	265.24
Sales Tax (appealed by the Company)	146.76	240.31	231.04
b. In respect of guarantees given by banks	284.12	262.04	166.79
c. Letter of credit issued by bankers	119.24	296.00	219.00
d. Estimated amount of duty payable on export obligation against outstanding advance licences	22.70	17.61	17.41
e. During the year 2013-14, the Company had received notices of demand (including interest) from the National Pharmaceutical Pricing Authority, Government of India on account of alleged overcharging in respect of certain formulations under the Drug (Prices Control) Order, 1995. The Company filed a writ petition before the Hon'ble Supreme Court of India for stay of the demand and other matters. The Hon'ble Supreme Court then passed order restraining the Government from taking any coercive action against the Company. The said writ petition was disposed of in July 2016 with a liberty to the writ petitioners to approach the appropriate High Courts for relief, challenging the impugned demand notice issued by Union of India. The Company has filed a writ petition with Delhi High Court in August 2016 for which the Company has deposited 50% of overcharged amount with NPPA. The Company has also simultaneously filed revision petition with NPPA, hence, no provision is considered necessary in respect of the amount majorly being the interest component.	472.40	1,025.36	936.12
Commitments			
Estimated amount of capital contracts remaining to be executed and not provided for (net of advances paid)	358.88	376.78	192.42

Note:

The Company's pending litigations comprise of proceedings pending with Income Tax, Excise, Sales Tax Authorities and National Pharmaceutical Pricing Authority of India. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its consolidated financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made a provision of Rs. 2,250.00 lakhs as at 31st March 2017 (31st March 2016-Rs. 1,457.12 lakhs; 1st April 2015-Rs. 728.45 lakhs).

39. The Disclosure of Employee benefits:

As per Ind AS 19-"Employee Benefits", the disclosures as required by 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. 27) as under:

	2016-2017 Rupees in lakhs	2015-2016 Rupees in lakhs
Employer's Contribution to Provident Fund	362.70	328.85
Employer's Contribution to Pension Scheme	469.15	452.97
Employer's Contribution to Superannuation Fund	59.48	55.35

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 lakhs

	Gratuity	
	Funded Plan	
	31st March 2017	31st March 2016
I. Change in Benefit Obligation		
Liability at the beginning of the year	1,442.40	1,208.31
Interest Cost	107.89	95.82
Current Service Cost	153.28	124.75
Benefit Paid	(119.18)	(109.18)
Actuarial (gain)/ loss arising from changes in financial assumptions	44.63	21.68
Actuarial (gain)/ loss arising from changes in experience adjustments	(8.43)	101.02
Liability at the end of the year	1,620.59	1,442.40
II. Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	1,302.43	971.55
Return on Plan Assets	97.42	77.04
Contributions	170.00	290.00
Benefit Paid	(119.18)	(109.18)
Actuarial gain/ (loss) on Plan Assets	6.75	73.02
Fair Value of Plan Assets at the end of the year	1,457.42	1,302.43
III. Amount recognised in the Balance Sheet		
Liability at the end of the year	(1,620.59)	(1,442.40)
Fair Value of Plan Assets at the end of the year	1,457.42	1,302.43
Amount recognised in the Balance Sheet	(163.17)	(139.97)
IV. Net Interest Cost for Current Period		
Interest Cost	107.89	95.82
Interest Income	(97.42)	(77.04)
Net Interest Cost for Current Period	10.47	18.78
V. Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	153.28	124.75
Net Interest Cost for Current Period	10.47	18.78
Expense recognised	163.75	143.53
VI. Expenses recognised in the Other Comprehensive Income (OCI)		
Actuarial (gains)/losses on Obligation for the Period	36.20	122.70
Return on Plan Assets, excluding Interest Income	(6.75)	(73.02)
Net Expense recognised in the OCI	29.45	49.68
VII. Investment Details		
Government of India Assets	112.27	117.83
Corporate Bonds	570.14	496.27
State Government	621.21	517.61
Equity	136.87	136.87
Others	16.93	33.85
Total	1,457.42	1,302.43
VIII. Actuarial Assumptions		
Discount Rate Current	6.67%	7.48%
Rate of Return on Plan Assets Current	6.67%	7.48%
Employee Attrition rate	15% to 30%	15% to 30%
Salary Escalation Current	7.00%	7.00%

Rupees in lakhs

	Gratuity	
	Funded Plan	
	31st March 2017	31st March 2016
IX. Maturity Analysis of Projected Benefit Obligation: From the Fund		
Projected Benefits payable in future years from the date of reporting		
Within the next 12 months	356.18	320.19
Between 2 and 5 years	849.50	1021.43
Sum of Years 6 To 10 years	595.34	1081.54
X. Sensitivity Analysis for significant assumptions		
Benefit Obligation as at the end of the year	1,620.59	1,442.40
Increase / (decrease) in the Present Value of Benefits Obligations as at the end of the year :		
Effect of +1% Change in Rate of Discounting	(54.68)	(47.14)
Effect of -1% Change in Rate of Discounting	59.47	51.15
Effect of +1% Change in Rate of Salary Increase	58.70	50.89
Effect of -1% Change in Rate of Salary Increase	(55.01)	(47.77)
Effect of +1% Change in Rate of Employee Turnover	(6.08)	(3.47)
Effect of -1% Change in Rate of Employee Turnover	6.27	3.48

XI. Salary Escalation Rate

The estimates of future salary increase 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.

XII. Basis used to determine Rate of Return on Plan Assets

The 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.

XIII. The Company expects to contribute Rs. 163.17 lakhs to gratuity in next year (Previous year - Rs. 293.25 lakhs).

The liability for Leave Encashment as at the year end is Rs.773.63 lakhs (31st March 2016 - Rs. 677.31 lakhs; 1st April 2015- Rs. 522.18 lakhs) and provision for sick leave as at the year end is Rs.93.80 lakhs (31st March 2016 -Rs. 90.42 lakhs; 1st April 2015- Rs. 72.08 lakhs).

40. Segment Information:Primary segment information

The Company is engaged in pharmaceutical business which as per Ind AS 108 - "Operating Segments" 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 lakhs

Particulars		India	Others	Total
Segment Revenue	2016-2017 2015-2016	88,878.53 86,381.73	15,723.81 14,607.60	104,602.34 100,989.33
Carrying amount of Non Current Assets by location of assets	31st March 2017 31st March 2016 1st April 2015	68,532.94 69,400.51 42,012.25	0.00 1.84 45.89	68,532.94 69,402.35 42,058.14

Non Current Assets for this purpose consists of property, plant & equipment, intangible assets and Other non current assets

The Company does not have any customer, with whom revenue from transactions is more than 10% of Company's total revenue.

41. Related party disclosures, as required by Ind AS 24 - “Related Party Disclosures” are given below:

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

Subsidiary Companies

- FDC International Limited
- FDC Inc.

Joint Venture Entity

- Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.

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

Managerial Personnel

- Mr. Mohan A. Chandavarkar
- Mr. Ashok A. Chandavarkar
- Mr. Nandan M. Chandavarkar
- Mr. Ameya A. Chandavarkar
- Ms. Nomita R. Chandavarkar
- Dr. Rahim H. Muljani
- Dr. Satish S. Ugrankar
- Mr. Girish C. Shredalal
- Mr. Vinod G. Yennemadi
- Ms. Swati S. Mayekar
- Mr. Uday Kumar Gurkar (Appointed w.e.f. April 01,2016)
- Mr. Sanjay Jain
- Ms. Varsharani Katre

Relatives of Managerial Personnel

- Ms. Sandhya M. Chandavarkar, Wife of Mr. Mohan A. Chandavarkar
- Ms. Mangala A. Chandavarkar, Wife of Mr. Ashok A. Chandavarkar
- Ms. Meera R. Chandavarkar, Mother of Ms. Nomita R. Chandavarkar
- Ms. Aditi C. Bhanot, Daughter of Mr. Ashok A. Chandavarkar

Enterprises owned or significantly influenced by Managerial Personnel or their relatives:

- Akhil Farma Limited

Nature of transactions:

	2016-2017 Rupees in lakhs	2015-2016 Rupees in lakhs
1 Sale of goods		
FDC International Limited	821.75	822.71
2 Dividend Income		
FDC International Limited	-	187.38
3 Purchase of Trademarks		
Akhil Farma Limited	-	0.16
4 Reimbursement of expense receivable		
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	-	7.43
5 Reimbursement of expense payable		
FDC International Limited	2.72	5.10
6 Interest Income		
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	10.33	8.07
7 Sale of Asset		
Mr. Sanjay Jain	123.00	-
8 Managerial Remuneration*		
Mr. Mohan A. Chandavarkar	200.43	193.84
Mr. Ashok A. Chandavarkar	136.24	131.84
Mr. Nandan M. Chandavarkar	164.32	165.72
Mr. Ameya A. Chandavarkar	114.03	114.72
Ms. Nomita R. Chandavarkar	58.62	53.91
Dr. Rahim H. Muljiani	3.40	3.85
Dr. Satish S. Ugrankar	2.60	3.05
Mr. Girish C. Sheredalal	17.08	17.26
Mr. Vinod G. Yennemadi	3.40	3.85
Ms. Swati S. Mayekar	3.40	3.85
Mr. Uday Kumar Gurkar	2.60	-
Mr. Sanjay Jain	56.20	47.71
Ms. Varsharani Katre	19.80	16.55
	782.12	756.15
9 Loan granted		
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	75.22	-
10 Dividend on equity shares paid		
Mr. Mohan A. Chandavarkar	-	855.91
Mr. Ashok A. Chandavarkar	-	719.47
Mr. Nandan M. Chandavarkar	-	245.06
Mr. Ameya A. Chandavarkar	-	482.43
Ms. Nomita R. Chandavarkar	-	255.73
Dr. Rahim H. Muljiani	-	0.63
Dr. Satish S. Ugrankar	-	18.09
Mr. Girish C. Sheredalal	-	0.45
Mr. Vinod G. Yennemadi	-	0.31
Ms. Meera R. Chandavarkar	-	1,538.52
Ms. Sandhya M. Chandavarkar	-	871.01
Ms. Mangala A. Chandavarkar	-	490.59
Ms. Aditi C. Bhanot	-	54.00
	-	5,532.20

Note : * Including perquisites, contribution to Provident fund and other funds.

Outstanding amount of Related Parties:

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
1 <u>Outstanding Reimbursement of expense payable included in Trade Payables</u>			
FDC International Limited	2.72	5.10	-
2 <u>Outstanding Reimbursement of expense receivable included in Other Current Assets under advance recoverable in cash or kind</u>			
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	18.82	19.23	11.80
3 <u>Outstanding balances payable included in other financial liabilities</u>			
Mr. Mohan A. Chandavarkar	116.10	113.97	99.67
Mr. Ashok A. Chandavarkar	91.27	89.82	78.21
Mr. Nandan M. Chandavarkar	93.17	91.48	80.06
Mr. Ameya A. Chandavarkar	69.36	68.15	54.13
Ms. Nomita R. Chandavarkar	34.72	34.09	25.03
Dr. Rahim H. Muljiani	2.00	2.00	2.00
Dr. Satish S. Ugrankar	2.00	2.00	2.00
Mr. Girish C. Sheredalal	16.48	16.21	14.11
Mr. Vinod G. Yennemadi	2.00	2.00	2.00
Ms. Swati S. Mayekar	2.00	2.00	2.00
Mr. Uday Kumar Gurkar	2.00	-	-
Mr. Sanjay Jain	-	3.72	3.40
Ms. Varsharani Katre	-	1.37	0.98
	431.10	426.81	363.59
4 <u>Outstanding balances against loans granted included in Current portion of Financial assets - Loans</u>			
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	243.65	160.90	187.15
5 <u>Outstanding balances against interest on loans granted included in current portion of Other Financial assets</u>			
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	19.12	8.07	28.07
6 <u>Outstanding balances receivable against sales included in Trade Receivables</u>			
FDC International Limited	257.91	247.13	482.89

Terms and conditions of transactions with related parties

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March, 2016: Rs Nil; 1 April, 2015: Rs Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

42. Pursuant to Ind AS 17 - "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.30). Lease rent debited to statement of Profit & Loss is Rs.52.76 lakhs (Previous Year Rs.40.42 lakhs)

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. Future minimum rent payable under non cancellable operating lease are as follows :

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Within 1 year	548.44	-	-
After 1 year but not more than 5 years	2,106.00	-	-
More than 5 years	153.56	-	-

43. Exceptional Item

In the current year, pending legal case before the Hon'ble Supreme Court, relating to alleged overcharging, under the Drugs (Price Control) Order 1995, have been disposed of and the writ petition filed before the Hon'ble Supreme Court stands withdrawn. The Court has granted liberty to the Writ Petitioners to approach the appropriate High Courts for reliefs, challenging the impugned demand notice issued by Union of India.

The Company has approached Delhi High Court in this context. The Company has, out of abundant caution and based on a conservative and best estimate basis, made a provision of Rs. 588.41 lacs during the year ended 31st March, 2017. The Company has disclosed the same as exceptional item.

44. Revenue expenditure on research and development (including depreciation and amortisation) aggregating to Rs.2,543.08 lakhs (Previous year - Rs.2,715.95 lakhs) is included under relevant heads in the Statement of Profit and Loss.

45. Amount spent towards Corporate Social Responsibility Activities is as under

- a. Gross amount required to be spent by the company during the year is Rs.403.43 lakhs (Previous year - Rs.377.29 lakhs).
- b. Amount spent during the year on:

Rupees in lakhs			
Sr. No.	Particulars of Activity	2016-2017	2015-2016
(i)	Construction/ acquisition of any asset	-	-
(ii)	On purpose other than (i) above	421.89	64.08
	Total	421.89	64.08

46. Details of Loans, Inter Corporate Deposits and Investments as required under Section 186(4) of the Companies Act 2013:

Rupees in lakhs				
Particulars	31st March 2017		31st March 2016	
	Loan Given	Outstanding	Loan Given	Outstanding
Intercompany Deposit given and utilised for business operation by recipient				
- Oboi Laboratories Limited (repayable after 12 months with interest @ 11% p.a.)	25.00	25.00	25.00	25.00
Loan given to joint venture for working capital/ business operations				
- Fair Deal Corporation Pharmaceutical SA (Pty) Ltd. (repayable on demand)	75.22	243.65	-	160.90
Investments				
Details required under Section 186(4) have been disclosed in Note No. 3 and 8 of the consolidated financial statements				

47. Disclosure on Specified Bank Note:

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 is given below:

Particulars	SBNs	Other Denomination Notes	Total
Closing cash-in-hand on 8th November 2016	1,262,500	806,513	2,069,013
Add: Amount withdrawn from bank	-	3,707,000	3,707,000
Add: Permitted receipts	-	324,965	324,965
Less: Permitted payments	-	(2,854,996)	(2,854,996)
Less: Amount deposited in Banks	(1,262,500)	-	(1,262,500)
Closing cash-in-hand on 30th December 2016	-	1,983,482	1,983,482

48. The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

49. Standards issued but not yet effective:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7 "Statement of cash flows" and Ind AS 102 "Share based payment". The amendments are applicable to the Company from 1st April 2017.

Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

The Company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

As per our report of even date

For S R B C & CO LLP

Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per VIJAY MANIAR

Partner
Membership No. 36738
Place : Mumbai
Date : May 26, 2017

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

SANJAY JAIN
Chief Financial Officer

Place : Mumbai
Date : May 26, 2017

ASHOK A. CHANDAVARKAR
Director

VARSHARANI KATRE
Company Secretary

AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FDC LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of FDC Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of FDC Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its joint venture entity, comprising of the Consolidated Balance Sheet as at 31st March 2017, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including Other Comprehensive Income, Consolidated Cash Flows and Consolidated Statement of Changes In Equity of the Group including its joint venture entity in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint venture entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its joint venture entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the

Act. 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 consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS 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 the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, and joint venture entity, the aforesaid consolidated Ind AS 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 of the Consolidated State of Affairs of the Group and its joint venture entity as at 31st March 2017, their Consolidated Profit including Other Comprehensive Income, their Consolidated Cash Flows and Consolidated Statement of Changes in Equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint venture entity, as noted in the 'Other Matter' paragraph we report, to the extent applicable, that:

- (a) The other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2017 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company are disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company, its subsidiaries and its joint venture entity incorporated in India, since none of the subsidiaries and joint venture entity are incorporated in India, no separate report on internal financial controls over financial reporting of the Group is being issued;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture entity, as noted in the 'Other Matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its joint venture entity – Refer Note 39 to the consolidated Ind AS financial statements;
 - ii. The Group and its joint venture entity did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31st March 2017 – Refer Note 50 to the consolidated Ind AS financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31st March 2017 - Refer Note 19 to the consolidated Ind AS financial statements;
 - iv. The Holding Company has provided requisite disclosures in Note 49 to these consolidated Ind AS financial statements as to the holdings of Specified Bank Notes on 8th November 2016 and 30th December 2016 as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Holding Company and as produced to us by the Management of the Holding Company.

Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of two subsidiaries whose financial statements include total assets of Rs. 1,260.60 lakhs and net assets of Rs. 846.93 lakhs as at 31st March 2017 and total revenues of Rs. 1,318.58 lakhs and net cash inflows of Rs. 93.26 lakhs for the year ended on that date, before giving effect to elimination of intra-group transactions. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 5.81 lakhs for the year ended 31st March 2017, as considered in the consolidated Ind AS financial statements, in respect of one joint venture entity, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture entity, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture entity, is based solely on the report(s) of such other auditors.

These subsidiaries and joint venture entity are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their

respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries and joint venture entity located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint venture entity located outside

India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per Vijay Maniar

Partner

Membership No. 36738

Place: Mumbai

Date : May 26, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017

PARTICULARS	Note No.	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
I. ASSETS				
1. Non-current assets				
(a) Property, plant and equipment	2	67,118.63	67,380.70	39,078.85
(b) Capital work-in-progress	2	336.27	1,738.02	2,872.52
(c) Other Intangible assets	2	686.70	135.25	220.28
(d) Intangible assets under development	2	295.94	254.40	7.67
(e) Financial assets				
(i) Investments	3	5,448.69	3,943.09	22,277.38
(ii) Loans	4	15.89	22.34	21.76
(iii) Other financial assets	5	552.53	451.25	450.82
(f) Income tax assets (net)		-	-	140.90
(g) Other non-current assets	6	451.22	320.53	202.98
Total Non-current assets		74,905.87	74,245.58	65,273.16
2. Current assets				
(a) Inventories	7	13,716.34	13,090.81	12,317.34
(b) Financial assets				
(i) Investments	8	43,652.70	28,540.53	29,110.83
(ii) Trade receivables	9	7,606.20	6,193.53	6,021.50
(iii) Cash and cash equivalents	10	2,706.20	1,625.07	1,217.33
(iv) Bank balances other than (iii) above	11	136.56	176.72	119.31
(v) Loans	12	334.79	254.66	277.06
(vi) Other financial assets	13	69.84	206.27	1,213.72
(c) Other current assets	14	2,598.76	2,248.70	1,658.05
Total Current assets		70,821.39	52,336.29	51,935.14
TOTAL ASSETS		145,727.26	126,581.87	117,208.30
II. EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share capital	15	1,786.19	1,786.19	1,786.19
(b) Other Equity		125,233.54	106,460.69	99,175.64
Total Equity		127,019.73	108,246.88	100,961.83
LIABILITIES				
1. Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	16	69.48	78.63	89.79
(b) Provisions	21	36.00	50.00	55.74
(c) Deferred tax liabilities (net)	17	1,736.97	1,864.14	2,277.89
Total Non-current liabilities		1,842.45	1,992.77	2,423.42
2. Current liabilities				
(a) Financial liabilities				
(i) Trade payables	18	7,787.48	8,259.34	8,664.58
(ii) Other financial liabilities	19	5,343.97	4,587.61	3,290.27
(b) Other current liabilities	20	785.79	428.75	364.88
(c) Provisions	21	2,484.60	2,035.70	1,503.32
(d) Current tax liabilities (net)	22	463.24	1,030.82	-
Total Current liabilities		16,865.08	16,342.22	13,823.05
TOTAL EQUITY AND LIABILITIES		145,727.26	126,581.87	117,208.30

Significant accounting policies
The accompanying notes are an integral part of the financial statements

1.4

2 to 52

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

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

SANJAY JAIN
Chief Financial Officer

VARSHARANI KATRE
Company Secretary

Place: Mumbai
Date : May 26, 2017

Place: Mumbai
Date : May 26, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

PARTICULARS		Note No.	2016-2017 Rupees in lakhs	2015-2016 Rupees in lakhs
I.	Revenue from operations	23	105,097.95	101,740.02
II.	Other income	24	5,022.19	3,900.46
III.	Total Income (I + II)		110,120.14	105,640.48
IV.	Expenses:			
	Cost of materials consumed	25	26,752.95	27,319.53
	Purchases of stock-in-trade		7,276.23	9,005.77
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(260.13)	(552.49)
	Excise duty		3,711.33	2,307.85
	Employee benefits expense	27	19,107.72	17,575.81
	Finance costs	28	140.97	140.04
	Depreciation and amortisation expense	29	3,462.04	3,372.53
	Other expenses	30	24,163.68	23,209.86
	Total expenses		84,354.79	82,378.90
V.	Profit before Share of profit/ (loss) of joint venture, exceptional item and tax (III- IV)		25,765.35	23,261.58
VI.	Share of profit/ (loss) of joint venture (net of tax)		5.81	(46.73)
VII.	Profit before exceptional item and tax (V+VI)		25,771.16	23,214.85
VIII.	Exceptional item	45	588.41	-
IX.	Profit before tax (VII-VIII)		25,182.75	23,214.85
X.	Tax expense:			
	(1) Current tax		6,857.94	6,761.43
	(2) Deferred tax		(334.41)	(413.75)
	(3) Tax adjustments for earlier years - Current tax		(193.98)	-
	Total tax expense		6,329.55	6,347.68
XI.	Profit for the year (IX-X)		18,853.20	16,867.17
XII.	Other Comprehensive Income	32		
	A (i) Items that will not be reclassified to profit or loss		2.36	(84.34)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		10.19	17.20
	B (i) Items that will be reclassified to profit or loss		(92.90)	116.68
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Other Comprehensive Income for the year (net of tax)		(80.35)	49.54
XIII.	Total Comprehensive Income for the year (Net of taxes) (XI +XII)		18,772.85	16,916.71
XIV.	Earnings per equity share:	31		
	Par value Re. 1 per share (Previous year - Re. 1 per share)			
	(1) Basic (Rs.)		10.60	9.48
	(2) Diluted (Rs.)		10.60	9.48
Significant accounting policies		1.4		
The accompanying notes are an integral part of the financial statements		2 to 52		

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per VIJAY MANIAR
Partner
Membership No. 36738

Place: Mumbai
Date : May 26, 2017

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

SANJAY JAIN
Chief Financial Officer

Place: Mumbai
Date : May 26, 2017

ASHOK A. CHANDAVARKAR
Director

VARSHARANI KATRE
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

PARTICULARS	2016-2017 Rupees in lakhs	2015-2016 Rupees in lakhs
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before exceptional item and tax	25,771.16	23,214.85
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	3,462.04	3,372.53
Interest expense	98.96	101.09
Interest income	(314.66)	(559.30)
Net gain on disposal of property, plant and equipment	(104.99)	(155.93)
Dividend income	(750.03)	(610.51)
Net gain on sale of investments	(539.97)	(806.87)
Fair value gain on financial instruments	(3,060.70)	(1,225.96)
Share of (profit)/ loss of joint venture	(5.81)	46.73
Translation adjustment on consolidation	(27.57)	(1.60)
Unrealised foreign exchange loss on restatement	107.07	71.44
Allowances for doubtful debts and advances	47.66	32.30
Provision for expenses no longer required, written back	(50.22)	(18.65)
Provision for doubtful debts/ advances no longer required, written back	-	(0.24)
Provision for diminution in value of current investments sold, written back	-	(3.96)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	24,632.94	23,455.92
Working capital adjustments:		
Increase in inventories	(625.53)	(773.47)
Increase in trade receivables	(1,537.42)	(237.54)
Increase in financial assets	(59.92)	(63.86)
Increase in other assets	(480.75)	(708.20)
Increase in trade and other payables	309.04	852.38
Increase in provision	405.45	476.95
CASH GENERATED FROM OPERATIONS	22,643.81	23,002.18
Income tax paid (net)	(7,014.11)	(5,572.51)
CASH FLOW BEFORE EXCEPTIONAL ITEMS	15,629.70	17,429.67
Exceptional item paid (Refer Note No. 45)	(297.47)	-
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	15,332.23	17,429.67
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(2,500.66)	(30,838.17)
Proceeds from disposal of property, plant and equipment	152.94	405.86
Purchase of financial instruments	(50,176.67)	(48,417.97)
Proceeds from sale of financial instruments	37,319.11	69,980.93
Inter corporate deposits given/ renewed	(25.00)	(25.00)
Repayment/ Renewal of inter corporate deposit given	25.00	25.00
(Increase)/ Decrease in fixed and margin deposits	(8.66)	0.28
Loan given to joint venture	(75.22)	-
Dividend received	750.03	610.51
Interest received	294.05	953.54
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)	(14,245.08)	(7,305.02)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Repayment of sales tax deferred loan	(11.16)	(17.28)
Dividend paid (including dividend distribution tax)	-	(9,631.66)
Amount deposited in bank accounts towards unpaid dividend	46.58	(41.71)
Interest paid	1.98	(7.26)
NET CASH FLOW FROM/ (USED) IN FINANCING ACTIVITIES (C)	37.40	(9,697.91)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	1,124.55	426.74
Net foreign exchange differences on cash and cash equivalents	(43.42)	(19.00)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (Refer Note No. 10)	1,625.07	1,217.33
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Refer Note No. 10)	2,706.20	1,625.07

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017**Notes to the Consolidated Cash Flow Statement :**

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

PARTICULARS	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs
Balances with banks:		
On current accounts	2,690.02	1,611.35
Cash on hand	16.18	13.72
	2,706.20	1,625.07

2. The consolidated cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows.

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

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per VIJAY MANIAR
Partner
Membership No. 36738

Place: Mumbai
Date : May 26, 2017

For and on behalf of the Board of Directors

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

SANJAY JAIN
Chief Financial Officer

Place: Mumbai
Date : May 26, 2017

ASHOK A. CHANDAVARKAR
Director

VARSHARANI KATRE
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2017

(A) Equity share capital

Particulars	No. in lakhs	Rupees in lakhs
Balance as at 1st April 2015	1,786.19	1,786.19
Changes in during the year	-	-
Balance as at 31st March 2016	1,786.19	1,786.19
Changes in during the year	-	-
Balance as at 31st March 2017	1,786.19	1,786.19

(B) Other equity

Rupees in lakhs

Particulars	Reserves and Surplus			Other Comprehensive Income		Total Equity
	Retained Earnings	General Reserves	Securities Premium Account	Equity Instruments through OCI	Foreign Currency Translation Reserve	
Balances as at 1st April 2016	62,756.66	43,515.06	72.90	(0.61)	116.68	106,460.69
Profit for the year	18,853.20	-	-	-	-	18,853.20
Other Comprehensive Income/ (Loss) for the year (Refer Note No. 32)	(19.26)	-	-	31.81	(92.90)	(80.35)
Total Comprehensive Income for the year	18,833.94	-	-	31.81	(92.90)	18,772.85
Balances as at 31st March 2017	81,590.60	43,515.06	72.90	31.20	23.78	125,233.54

Rupees in lakhs

Particulars	Reserves and Surplus			Other Comprehensive Income		Total Equity
	Retained Earnings	General Reserves	Securities Premium Account	Equity Instruments through OCI	Foreign Currency Translation Reserve	
Balances as at 1st April 2015	60,553.64	38,515.06	72.90	34.04	-	99,175.64
Profit for the year	16,867.17	-	-	-	-	16,867.17
Other Comprehensive Income/ (Loss) for the year (Refer Note No. 32)	(32.49)	-	-	(34.65)	116.68	49.54
Total Comprehensive Income for the year	16,834.68	-	-	(34.65)	116.68	16,916.71
Transfer from Retained Earnings	(5,000.00)	5,000.00	-	-	-	-
Dividends (including dividend distribution tax)	(9,631.66)	-	-	-	-	(9,631.66)
Balances as at 31st March 2016	62,756.66	43,515.06	72.90	(0.61)	116.68	106,460.69

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

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

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

SANJAY JAIN
Chief Financial Officer

VARSHARANI KATRE
Company Secretary

Place: Mumbai
Date : May 26, 2017

Place: Mumbai
Date : May 26, 2017

1. COMPANY OVERVIEW, SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

1.1 CORPORATE INFORMATION

FDC Limited (the Company) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at Waluj, Dist. Aurangabad, Maharashtra.

The Company is principally engaged in the business of Pharmaceuticals.

The consolidated financial statements were authorised for issue in accordance with resolution of the Board of directors on 26th May 2017.

1.2 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods upto and including the year ended 31st March 2016, the Group prepared its consolidated financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31st March 2017 are the first the Group has prepared in accordance with Ind AS.

These financial statements are prepared on accrual basis under the historical cost convention, except for certain financial assets and liabilities which are measured at fair value. (Refer accounting policy on financial instruments)

The consolidated financial statements are prepared in INR and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise stated.

1.3 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of FDC Limited ("the Company" or the parent company) and all of its subsidiaries (together referred to as "the Group") and its joint venture entity. The subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The consolidated financial statements of the Group have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. 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 but only to the extent that there is no evidence of impairment.

The Group's interests in equity accounted investees comprise interests in joint venture entity. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The Group accounts for its share of interests in the joint venture entity using the equity method. The interest in joint venture is initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence or joint control ceases.

The financial statements of the parent and its subsidiaries have been consolidated using uniform accounting policies. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with Group's accounting policies. The financial statements of all subsidiaries and joint venture company are drawn upto the same date as the parent company.

1.4 SIGNIFICANT ACCOUNTING POLICIES

a. CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has identified twelve months as its operating cycle for the purpose of current/ non-current classification of assets and liabilities.

b. REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The recovery of excise duty flows to the Group on its own account since it is a liability of the manufacturer irrespective of whether the goods are sold or not. Accordingly, revenue is stated inclusive of excise duty.

However, sales tax/ value added tax (VAT) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products

Revenue from the sale of products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from sale of products is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and cash discounts.

Profit share revenues

The Group has certain marketing arrangements based on the profit sharing model whereby the Group sells its products to the business partner on price agreed and is also entitled for profit share over and above its sale price. Revenue from the sale of goods to the partner is recognised upon delivery of products to them and additional amount representing the profit share component is recognised as revenue in the period which corresponds to the ultimate sales of the products made by business partners only when the collectability of the profit share becomes probable and a reliable measurement of the profit share is available.

Sales returns

The Group accounts for sales return by recording an allowance for sales return concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Group's estimate of expected sales returns towards expiry, breakages and damages. The estimate of sales returns is determined primarily by the Group's historical experience of sales return trends with respect to the shelf life of various products.

Interest income

For all debt instruments measured either at amortised cost, interest income is recorded using effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Other Income

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

c. PROPERTY, PLANT AND EQUIPMENT

The items of Property, plant and equipment including Capital-work-in-progress are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price and any other attributable costs of bringing the assets to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at regular intervals, the Group depreciates them separately based on their specific useful lives. All other repairs and maintenance costs are recognised in the Statement of Profit and Loss as incurred. In respect of additions to/ deletions from the property, plant and equipment, depreciation is provided on pro-rata reference to the month of addition/ deletion of the assets.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation method and estimated useful lives**FDC Limited**

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Estimated useful life of the assets is as follows :

Nature of Tangible Assets	Useful Life (No. of Years)
Plant & Machinery	7.5 to 15
Building	30 to 60
Laboratory Testing Machines	10
Office Equipments	5 to 10
Furniture, Fixtures & Fittings	10
Computers & Peripherals	3 to 6
Vehicles	6
Electrical Installations	10
Leasehold Land	Amortised over the period of lease ranging from 30 to 99

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

Subsidiaries

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

Impairment of assets

The carrying amounts of assets are reviewed at each balances 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 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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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.

d. INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite life at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised.

FDC Limited

A summary of the policy applied to the Company's intangible assets is as follows:

Nature of Intangible Assets	Useful Life (No. of years)	Amortisation method used
Software & Trademarks	5 to 10	Amortised on straight-line basis

e. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets***Initial recognition and measurement***

All financial assets are recognised initially at fair value. Further, in case of financial assets not recorded at fair value through profit and loss, transactions costs that are attributable to the acquisition of the financial assets are also recognised.

Subsequent measurement

For purpose of subsequent measurements, financial assets are classified in following categories:

(a) Debt instruments at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of EIR. The EIR amortisation is included in Other Income in the Statement of Profit and Loss.

(b) Debt instruments at fair value through Other Comprehensive Income

A financial asset is subsequently measured at fair value through Other Comprehensive Income (OCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movement is recognised in the OCI. However, the Group recognises any interest income or impairment losses in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the OCI to Statement of Profit and Loss.

(c) Debt instruments at fair value through Profit and Loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. Debt instruments included within FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

(d) Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity instruments, the Group may make an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value. All fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. The Group has made such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The right to receive cash flow from the asset has expired, or
- The Group has transferred its right to receive cash flow from the asset or has assumed an obligation to pay the received cash flow in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

The continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- (b) Financial assets that are equity instruments and are measured as at FVTOCI
- (c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivables and Other Receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'Other Expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost, contractual revenue receivables:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Equity instruments measured at FVTOCI:

Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 financial instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and borrowings including bank overdrafts.

Subsequent measurement

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

f. FAIR VALUE MEASUREMENT

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

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 of 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.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

h. FOREIGN CURRENCY TRANSLATION/ TRANSACTIONS

The Group's consolidated financial statements are presented in Indian Rupees (INR) which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

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 difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expense in the year in which they arise.

Exchange differences arising out of settlement and restatement of foreign exchange monetary items are taken to the Statement of Profit and Loss. The exchange differences arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to translation difference.

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

- 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 arising on elimination of monetary intra-group balances and transactions are taken to the Consolidated Statement of Profit and Loss.
- The differences on translation including those arising on elimination of non-monetary intra-group balances and transactions are taken to Other Comprehensive Income (OCI).
- On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the Statement of Profit and Loss.
- On disposal or partial disposal of the foreign subsidiary, the foreign exchange differences recognised in OCI is reclassified to the Statement of Profit and Loss.

In accordance with IndAS 101, the Group has elected to deem foreign currency translation differences that arose prior to the date of transition to Ind AS, i.e., 1st April 2015, in respect of all foreign operations to be nil at the date of transition. From 1st April 2015 onwards, such exchange differences are recognised in OCI and accumulated in equity.

i. 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 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 is recognised as income in equal amounts over the expected useful life of the related asset.

j. EMPLOYEE BENEFITS**Defined contribution plans**

The Group'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 Group 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.

Defined benefit plans

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.

Remeasurement of net defined liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest income) are recognised in Other Comprehensive Income. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods. Net interest and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

Other employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. The Group has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method at the end of financial year.

k. RESEARCH AND DEVELOPMENT

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate technical and commercial feasibility of making the asset available for use.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

l. LEASE ACCOUNTING

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in Finance Costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

m. 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.

n. TAXATION**Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the relevant tax laws. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which unused tax credits and unused tax losses can be recognised. At each balance sheet date, the Group reassesses unrecognised deferred tax assets and are recognised to the extent that it is probable that future taxable profit will be available for their realisation.

Current and Deferred tax for the year

Current and deferred tax are recognised in the Statement of Profit and Loss, except, when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) is in the nature of unused tax credit which can be carried forward and adjusted when the Group will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the authority is included as part of receivables or payables in the Balance Sheet.

o. PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

p. CONTINGENT LIABILITIES AND ASSETS

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of benefits is probable, contingent asset is disclosed in the consolidated financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

q. SEGMENT REPORTING

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

r. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

s. CASH DIVIDEND TO EQUITY HOLDERS

The Group recognises liability to make cash distribution to equity holders of the parent company when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the law, distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

1.5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements in conformity with Ind AS 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 assets and liabilities as at the date of financial statements and the results 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.

Sales returns

Revenue from sale of products is recognised when significant risks and rewards of ownership are transferred to customers, which coincides with dispatch of goods to customers. However, the Group needs to accept goods returned from its customers towards expiry, breakages and damages. Accordingly, the Group has made provision based on the historical sales return trends with respect to the shelf life of various products.

Impairment of financial assets

The Group recognises loss allowances on financial assets using expected credit loss model which is equal to the 12 months expected credit losses or full-time expected credit losses.

The Group follows 'Simplified approach' for recognition of loss allowance on trade receivables under which Group does not track changes in credit risk. Rather, it recognises loss allowance based on lifetime expected credit losses at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

Defined benefit plans (Gratuity Benefits)

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair value of financial assets and liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. The assessment of probability involves estimation of a number of factors including future taxable income.

Provision against obsolete and slow-moving inventories

The Group reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. The Group estimates the net realisable value for such inventories based on the latest invoice prices and current market conditions. The Group carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Group reassesses the estimation on each balance sheet date.

The provision against obsolete and slow-moving inventories requires the use of judgements and estimates. Where the expectation is different from the original estimate, such difference will impact on the carrying value of inventories and the write-down of inventories recognised in the periods in which such estimates have been changed.

2. Property, plant and equipment & Other Intangible assets

* Freehold land of Rs. 640.66 lakhs (Previous year - Rs. 640.66 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.
 Building of Rs. 3,289.99 lakhs (Previous year - Rs. 3,289.99 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.
 Freehold land includes Rs. 817.49 lakhs for which registration in the name of the Company is under process.

2. Property, plant and equipment & Other Intangible assets

Rupees in lakhs

[illegible]

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

*** Building of Rs. 3,289.99 lakhs (Previous year - Rs. 3,289.99 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

\$ Freehold land includes Rs. 817.49 lakhs for which registration in the name of the Company is under process.

3. Investments

	Non-Current		
	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
UNQUOTED			
Investments stated at amortised cost			
Investments in Government Securities (Refer note below)			
National Savings Certificates	0.07	0.07	0.07
35 (31st March 2016 - 35, 1st April 2015 - 35) Govt. of India			
G.P. Notes - face value of Rs. 2,000	0.02	0.02	0.02
	0.09	0.09	0.09
Investments stated at fair value through other comprehensive income			
Investments in fully paid-up Equity Instruments	0.63	0.63	0.63
(A)	0.72	0.72	0.72
Investments stated at fair value through profit and loss			
Investments in units of Mutual Funds	3,591.08	3,276.55	3,765.11
Investments in fully paid-up Non Convertible Debentures	-	516.56	259.79
Investments in fully paid-up Preference Instruments	-	-	1,532.60
(B)	3,591.08	3,793.11	5,557.50
Sub-Total (C) = (A+B)	3,591.80	3,793.83	5,558.22
QUOTED			
Investments stated at amortised cost			
Investments in fully paid-up Bonds	1,675.84	-	16,585.95
(D)	1,675.84	-	16,585.95
Investments stated at fair value through other comprehensive income			
Investments in fully paid-up equity instruments	181.05	149.26	133.21
(E)	181.05	149.26	133.21
Sub-Total (F) = (D+E)	1,856.89	149.26	16,719.16
Total (C+F)	5,448.69	3,943.09	22,277.38
Aggregate book value of quoted investments	1,856.89	149.26	16,719.16
Aggregate market value of quoted investments	1,856.89	149.26	16,719.16
Aggregate value of unquoted investments	3,591.80	3,793.83	5,558.22
Aggregate amount of impairment in value of investments	-	-	-

Note: National Savings Certificates of the value of Rs. 0.04 lakhs (31st March 2016 – Rs. 0.04 lakhs, 1st April 2015 – Rs. 0.04 lakhs) and Government of India G.P. Notes of the value of Rs. 0.02 lakhs (31st March 2016 – Rs. 0.02 lakhs, 1st April 2015 – Rs. 0.02 lakhs) have been lodged with the Excise authorities. National Savings Certificates of Rs. 0.03 lakhs (31st March 2016 – Rs. 0.03 lakhs, 1st April 2015 – Rs. 0.03 lakhs) have been lodged with the Sales tax authorities.

4. Loans

	Non-Current		
	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Unsecured considered good			
Loans/ advances to employees	15.89	22.34	21.76
	15.89	22.34	21.76

5. Others financial assets

	Non-Current		
	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Unsecured considered good			
Security deposit	537.56	438.52	422.11
Margin money deposits	14.97	12.73	28.71
	552.53	451.25	450.82

6. Other non current assets

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Unsecured considered good			
Capital advances	406.06	296.02	141.43
Prepaid expenses	45.16	24.51	61.55
	451.22	320.53	202.98

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

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Raw materials [Including Stock-in-transit Rs.23.04 lakhs (Previous year - Rs.25.82 lakhs)]	3,448.25	3,157.61	3,401.02
Packing materials [Including Stock-in-transit Rs.16.57 lakhs (Previous year - Rs. 34.32 lakhs)]	1,181.21	1,106.45	642.06
Work-in-progress	1,471.33	1,628.30	1,578.07
Finished goods/ stock-in-trade [Including Stock-in-transit Rs. 98.66 lakhs (Previous year - Rs. 137.88 lakhs)]	7,615.55	7,198.45	6,696.19
	13,716.34	13,090.81	12,317.34

During the year ended 31st March 2017 Rs.730.13 lakhs (31st March 2016 - Rs.341.28 lakhs, 1st April, 2015 - Rs.188.96 lakhs) was recognised as write down to inventories.

8. Investments

		Current	
	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
UNQUOTED			
Investments stated at fair value through profit and loss			
Investments in Mutual Funds	43,088.93	28,254.60	29,110.83
Investments in fully paid-up Non Convertible Debentures	563.77	285.93	-
	43,652.70	28,540.53	29,110.83
Aggregate book value of quoted investments	-	-	-
Aggregate market value of quoted investments	-	-	-
Aggregate amount of unquoted investments	43,652.70	28,540.53	29,110.83
Aggregate amount of impairment in value of investments	-	-	-

9. Trade receivables

		31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Unsecured, considered good		7,606.20	6,193.53	6,021.50
Doubtful		111.27	63.61	46.23
	(A)	7,717.47	6,257.14	6,067.73
Less : Allowance for doubtful debts	(B)	111.27	63.61	46.23
	(A-B)	7,606.20	6,193.53	6,021.50

Note: There are no trade or other receivables which are due from directors or other officers of the Group either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member. For terms and conditions relating to related party receivables, refer Note No. 42. Trade receivables are non-interest bearing and are generally on terms of 8 to 120 days.

10. Cash and cash equivalents

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Balances with banks:			
On current accounts	2,690.02	1,611.35	1,202.95
Cash on hand	16.18	13.72	14.38
	2,706.20	1,625.07	1,217.33

11. Other bank balances

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Margin money deposits*	23.98	17.56	1.86
On unpaid dividend account	112.58	159.16	117.45
	136.56	176.72	119.31

*Margin money deposits are given as security against bank guarantee.

12. Loans

	Current	
	31st March 2017	31st March 2016
	Rupees in lakhs	Rupees in lakhs
		1st April 2015
		Rupees in lakhs
Unsecured considered good		
Loans to related parties (Refer Note No. 42)	243.65	160.90
Inter corporate deposits	25.00	25.00
Loans/ advances to employees	66.14	64.91
	334.79	277.06

13. Other financial assets

	Current	
	31st March 2017	31st March 2016
	Rupees in lakhs	Rupees in lakhs
		1st April 2015
		Rupees in lakhs
Unsecured, considered good		
Security deposits	20.58	22.16
Receivable towards mutual fund redemptions	-	127.73
Interest accrued on investments & others	49.26	27.91
Insurance claim receivables	-	28.47
	69.84	1,213.72

14. Other current assets

	31st March 2017	31st March 2016	1st April 2015
	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs
Unsecured, considered good			
Advances recoverable in cash or kind	683.76	466.00	203.12
Prepaid expenses	530.64	489.60	363.61
Balances with statutory/ government authorities	1,384.36	1,293.10	1,091.32
Unsecured, considered doubtful			
Advances recoverable in cash or kind	-	-	9.05
Balances with statutory/ government authorities	25.69	25.69	23.12
	2,624.45	2,274.39	1,690.22
Less: Allowance for doubtful advances	25.69	25.69	32.17
	2,598.76	2,248.70	1,658.05

Break-up of Financial assets carried at amortised cost

	Non-Current			Current		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs
Investments (Note No. 3)	1,675.93	0.09	16,586.04	-	-	-
Loans (Note No. 4 & 12)	15.89	22.34	21.76	334.79	254.66	277.06
Trade receivables (Note No. 9)	-	-	-	7,606.20	6,193.53	6,021.50
Cash and cash equivalents (Note No.10)	-	-	-	2,706.20	1,625.07	1,217.33
Other Bank balances (Note No. 11)	-	-	-	136.56	176.72	119.31
Other Financial assets (Note No. 5 & 13)	552.53	451.25	450.82	69.84	206.27	1,213.72
Total Financial assets carried at amortised cost	2,244.35	473.68	17,058.62	10,853.59	8,456.25	8,848.92

15. Share Capital

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Authorised Shares			
294,200,000 Equity shares of Re. 1 each (294,200,000 and 250,000,000 Equity shares of Re. 1 each as at 31st March 2016 and 1st April 2015 respectively)	2,942.00	2,942.00	2,500.00
3,000 8% Non-Cumulative Redeemable Preference shares of Rs. 100 each (3,000 Preference shares of Rs.100 each as at 31st March 2016 and Rs. Nil as at 1st April 2015)	3.00	3.00	-
Total	2,945.00	2,945.00	2,500.00
Issued Shares			
180,978,084 Equity shares of Re. 1 each, fully paid-up (180,978,084 Equity shares of Re. 1 each as at 31st March 2016 and 1st April 2015 respectively)	1,809.78	1,809.78	1,809.78
Total	1,809.78	1,809.78	1,809.78
Subscribed and Paid-up Shares			
177,833,084 Equity shares of Re. 1 each, fully paid-up (177,833,084 Equity shares of Re. 1 each as at 31st March 2016 and 1st April 2015 respectively)	1,778.33	1,778.33	1,778.33
Add: 3,145,000 Equity shares forfeited (3,145,000 Equity shares as at 31st March 2016 and 1st April 2015 respectively)	7.86	7.86	7.86
Total	1,786.19	1,786.19	1,786.19

Notes:

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

	31st March 2017		31st March 2016	
	No. in lakhs	Rupees in lakhs	No. in lakhs	Rupees in lakhs
At the beginning of the period	1,778.33	1,778.33	1,778.33	1,778.33
Less: Share Capital cancelled on amalgamation	-	-	553.85	553.85
Add: Share Capital issued pursuant to amalgamation	-	-	553.85	553.85
Outstanding at the end of the period	1,778.33	1,778.33	1,778.33	1,778.33

b. Terms/ rights attached to equity shares

The Company has 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 final 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 2017, the amount of per share dividend proposed as distribution to equity shareholders is Rs. 2.25 (Previous year - Rs. Nil).

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 2017 No. in lakhs	31st March 2016 No. in lakhs	1st April 2015 No. in lakhs
Equity shares bought back by the Company	50.87	67.37	84.46

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

	31st March 2017 No. of Shares %	31st March 2016 No. of Shares %	1st April 2015 No. of Shares %
Equity shares of Re. 1 each fully paid			
Meera Ramdas Chandavarkar	34,189,260 19.23	34,189,260 19.23	20,425,260 11.49
Sandhya Mohan Chandavarkar	19,355,730 10.88	19,355,730 10.88	9,843,480 5.54
Mohan Anand Chandavarkar	19,020,258 10.70	19,020,258 10.70	10,565,770 5.94
Leo Advisors Private Limited	16,134,016 9.07	- -	- -
Virgo Advisors Private Limited	10,756,110 6.05	- -	- -
Ameya Ashok Chandavarkar	10,720,580 6.03	10,720,580 6.03	4,717,746 2.65
Ashok Anand Chandavarkar	- -	15,988,193 8.99	9,985,360 5.62
Mangala Ashok Chandavarkar	- -	10,901,933 6.13	4,899,100 2.75
Transgene Trading and Investment Company Private Limited*	- -	- -	19,024,500 10.70
Sudipta Trading and Investment Company Private Limited*	- -	- -	18,352,000 10.32
Soven Trading and Investment Company Private Limited*	- -	- -	18,008,500 10.13

* These shares were cancelled and new shares were issued to the shareholders of the respective companies pursuant to the Scheme of Amalgamation.

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.

16. Borrowings

	Non-Current		
	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Deferred sales tax loans (unsecured) (Refer note below)	78.63	89.79	107.07
Less: Amount disclosed under "Other financial liabilities" (Refer Note No. 19)	9.15	11.16	17.28
	69.48	78.63	89.79

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 instalments over a period of 9-13 years commencing after a period of 10-12 years from the year of availment of deferred sales tax loan.

17. Deferred tax liabilities (net)

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Deferred tax liability			
Depreciation	2,528.02	2,552.36	2,671.52
Less: Deferred tax asset			
Provision for doubtful debts/ advances	47.40	30.90	27.51
Provision for diminution in value of investments	-	72.11	7.05
Liabilities disallowed under Section 43B of the IT Act, 1961	596.82	562.99	344.31
Expenses debited in Statement of Profit & Loss but allowed for tax purpose in the following year	146.83	22.22	14.76
	791.05	688.22	393.63
Net deferred tax liability	1,736.97	1,864.14	2,277.89

18. Trade payables

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Trade payables (Refer notes below)	7,787.48	8,259.34	8,664.58
	7,787.48	8,259.34	8,664.58

Note:

- (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) Terms and conditions of above trade payables:
Trade payables are non-interest bearing and are normally settled on 90-360 days terms.

19. Other financial liabilities

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Other financial liabilities carried at amortised cost			
Current maturities of long-term borrowings (Refer Note No. 16)	9.15	11.16	17.28
Unpaid dividend (Refer note below)	112.59	159.16	117.45
Sundry deposits	1,145.59	1,083.02	1,064.17
Employee related liabilities	3,136.40	2,758.82	1,590.67
Due to directors	410.99	402.38	341.06
Other payables (including disputed liabilities, trade advances etc.)	529.25	173.07	159.64
	5,343.97	4,587.61	3,290.27

Note: There are no amounts due and outstanding to be credited to Investor Education and Protection Fund. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund.

20. Other current liabilities

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Advance from customers	212.53	51.37	114.15
Statutory Liabilities	521.88	324.02	239.16
Other payables (Refer Note No. 44)	51.38	53.36	11.57
	785.79	428.75	364.88

21. Provisions

	Gratuity Benefits	Leave Benefits	Sales Returns	Wealth Tax	Total
Balance as on 1st April 2016	139.97	767.73	1,178.00	-	2,085.70
Provision made during the year	193.20	298.35	1,619.83	-	2,111.38
Provision utilised during the year	(170.00)	(198.65)	(1,307.83)	-	(1,676.48)
Balance as on 31st March 2017	163.17	867.43	1,490.00	-	2,520.60
Current	163.17	867.43	1,454.00	-	2,484.60
Non-current	-	-	36.00	-	36.00
Balance as on 1st April 2015	236.76	594.26	720.00	8.04	1,559.06
Provision made during the year	193.21	312.47	1,673.67	-	2,179.35
Provision utilised during the year	(290.00)	(139.00)	(1,215.67)	(8.04)	(1,652.71)
Balance as on 31st March 2016	139.97	767.73	1,178.00	-	2,085.70
Current	139.97	767.73	1,128.00	-	2,035.70
Non-current	-	-	50.00	-	50.00

22. Current tax liabilities

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Tax payable (Net of Advance Tax)	463.24	1,030.82	-
	463.24	1,030.82	-

Income tax expense recognised in Profit and Loss

	2016 - 2017 Rupees in lakhs	2015 - 2016 Rupees in lakhs
Current tax		
Current tax on profits for the year	6,857.94	6,761.43
Current tax on adjustments for earlier years	(193.98)	-
Deferred tax		
	(334.41)	(413.75)
	6,329.55	6,347.68

Income tax (expense)/ benefit recognised in Other Comprehensive Income

	2016 - 2017 Rupees in lakhs	2015 - 2016 Rupees in lakhs
Remeasurement gains/ losses on defined benefit plans	10.19	17.20
	10.19	17.20

Income tax expense reconciliation

	2016 - 2017 Rupees in lakhs	2015 - 2016 Rupees in lakhs
Profit before tax	25,182.75	23,214.85
Applicable tax rate	34.608%	34.608%
Tax as per applicable tax rate of parent company in India	8,715.25	8,034.20
Share of loss of joint venture	(5.81)	46.73
Current tax on adjustments for earlier years	(193.98)	-
Income not considered for tax purpose	(1,059.25)	(424.28)
Tax exempt income	(257.09)	(340.36)
Tax incentives	(735.62)	(1,511.84)
Additional allowances for capital gain	(175.25)	(272.89)
Expense not allowed for tax purpose	-	749.73
Others	48.29	108.64
Effect of tax rate of foreign subsidiaries (Net)	(6.99)	(42.25)
Income tax expenses charged to the Statement of Profit and Loss	6,329.55	6,347.68

Deferred tax expense/ (income) recognised in Statement of Profit and Loss

	2016 - 2017 Rupees in lakhs	2015 - 2016 Rupees in lakhs
Increase/ (Decrease) in Deferred tax liability		
Depreciation	(24.34)	(119.16)
Less: Increase/ (Decrease) in Deferred tax asset		
Provision for doubtful debts/ advances	16.50	3.39
Provision for diminution in value of investments	(72.11)	65.06
Liabilities disallowed under Section 43B of the IT Act, 1961	33.83	218.68
Expenses debited in Statement of Profit & Loss but allowed for tax purpose in the following year	124.61	7.46
Provision for employees benefits	207.24	-
	310.07	294.59
Net deferred tax expense/ (income) recognised in Statement of Profit and Loss	(334.41)	(413.75)

Unrecognised deferred tax assets relate primarily to unabsorbed long term capital losses which expire 8 years after the year in which they originate as per Income Tax Act, 1961. These unexpired losses will expire based on the year of origination as follows:

	Unabsorbed Capital Losses Rupees in lakhs
31st March 2020	485.41
31st March 2023	834.91
	1,320.32

Break-up of Financial liabilities carried at amortised cost

	Non-Current			Current		
	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Borrowings (Note No. 16 & 19)	69.48	78.63	89.79	9.15	11.16	17.28
Trade payables (Note No. 18)	-	-	-	7,787.48	8,259.34	8,664.58
Other financial liabilities (Note No. 19)	-	-	-	5,334.82	4,576.45	3,272.99
Total Financial liabilities carried at amortised cost	69.48	78.63	89.79	13,131.45	12,846.95	11,954.85

23. Revenue from operations

	2016 - 2017 Rupees in lakhs	2015 - 2016 Rupees in lakhs
Sale of products (including excise duty)	104,375.57	101,050.33
Other operating revenue (Refer note below)	722.38	689.69
	105,097.95	101,740.02
<u>Other operating revenue</u>		
Export Incentives	490.86	511.61
Other miscellaneous receipts	231.52	178.08
[Net of expenses directly attributable to such income Rs. 0.97 lakhs (Previous year - Rs. 3.42 lakhs)]	722.38	689.69

24. Other income**Interest income on**

Current investments
Non-current investments
Others (Refer note below)

Dividend income on

Current investments
Non-current investments
Net gain on sale of investments
Fair value gain on financial instruments at fair value through profit or loss
Net exchange gain on foreign currency transactions
Net gain on disposal of property, plant and equipment
Other non operating income (Includes Rental income, Miscellaneous provisions written back)

2016 - 2017 Rupees in lakhs	2015 - 2016 Rupees in lakhs
97.73	3.25
-	463.70
216.93	92.35
750.03	463.35
-	147.16
539.97	806.87
3,060.70	1,225.96
129.37	401.91
104.99	155.93
122.47	139.98
5,022.19	3,900.46

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

25. Cost of materials consumed

Inventory at the beginning of the year
Add: Purchases

Less: Inventory at the end of the year

2016 - 2017 Rupees in lakhs	2015 - 2016 Rupees in lakhs
4,264.06	4,043.08
27,118.35	27,540.51
31,382.41	31,583.59
4,629.46	4,264.06
26,752.95	27,319.53

26. Changes in inventories of finished goods ,work-in-progress and stock-in-trade**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

2016 - 2017 Rupees in lakhs	2015 - 2016 Rupees in lakhs	Increase Rupees in lakhs
7,615.55	7,198.45	(417.10)
1,471.33	1,628.30	156.97
9,086.88	8,826.75	(260.13)
7,198.45	6,696.19	
1,628.30	1,578.07	
8,826.75	8,274.26	
(260.13)	(552.49)	

27. Employee benefits expense

Salaries, wages and bonus
Contribution to provident and other funds (Refer Note No. 40)
Staff welfare expenses

2016 - 2017 Rupees in lakhs	2015 - 2016 Rupees in lakhs
17,284.23	15,866.73
1,362.77	1,243.64
460.72	465.44
19,107.72	17,575.81

28. Finance costs

	2016-2017 Rupees in lakhs	2015-2016 Rupees in lakhs
Interest	98.96	101.09
Bank charges	42.01	38.95
	140.97	140.04

29. Depreciation and amortisation expense

	2016-2017 Rupees in lakhs	2015-2016 Rupees in lakhs
Depreciation on Tangible assets	3,325.46	3,281.58
Amortisation of Intangible assets	136.58	90.95
	3,462.04	3,372.53

30. Other expenses

	2016-2017 Rupees in lakhs	2015-2016 Rupees in lakhs
Processing charges	947.16	801.04
Power, fuel and water charges	2,154.56	2,314.04
Repairs and maintenance	1,966.21	2,043.98
Stores and spares	1,062.55	799.41
Pharma Miscellaneous expenses	1,209.95	1,219.87
Rent (Refer Note No. 43)	52.76	40.42
Rates and taxes	88.01	436.64
Insurance	195.64	180.72
Travelling and conveyance	4,284.54	4,115.42
Communication expenses	197.14	172.83
Carriage, freight and forwarding	2,326.32	2,146.16
Advertisement and sales promotion	1,066.53	695.96
Publicity expenses	2,254.14	2,166.34
Increase/ (decrease) in excise duty on finished products	136.52	20.94
Sales tax/ Value added tax	108.14	74.54
Commission	680.92	689.77
Auditor's remuneration (including service tax):		
As Audit fee	42.46	36.35
For other services	5.39	4.28
Out of pocket expenses	2.57	1.70
Directors sitting fees	6.30	8.24
Allowance for doubtful debts and advances (net)	47.66	32.30
Donation	0.89	0.94
CSR Expenditure (Refer Note No. 47)	421.89	64.08
Miscellaneous expenses	4,905.43	5,143.89
	24,163.68	23,209.86

31. Earning per share (EPS)

	2016-2017	2015-2016
Profit for the year (Rupees in lakhs)	18,853.20	16,867.17
Weighted average number of shares	177,833,084	177,833,084
Nominal value per share (Rupees)	1.00	1.00
Earnings per share - Basic (Rupees)	10.60	9.48
- Diluted (Rupees)	10.60	9.48

32. Components of Other Comprehensive Income:

During the year ended 31st March 2017

	Retained Earnings	FVTOCI Reserve	Foreign Currency Translation Reserve	Total
Remeasurement gains/ (losses) on defined benefit plans	(19.26)	-	-	(19.26)
Gain/ (Loss) on FVTOCI financial assets (net)	-	31.81	-	31.81
Exchange differences in translating financial statements of foreign operations	-	-	(92.90)	(92.90)
	<u>(19.26)</u>	<u>31.81</u>	<u>(92.90)</u>	<u>(80.35)</u>

During the year ended 31st March 2016

	Retained Earnings	FVTOCI Reserve	Foreign Currency Translation Reserve	Total
Remeasurement gains/ (losses) on defined benefit plans	(32.49)	-	-	(32.49)
Gain/ (Loss) on FVTOCI financial assets (net)	-	(34.65)	-	(34.65)
Exchange differences in translating financial statements of foreign operations	-	-	116.68	116.68
	<u>(32.49)</u>	<u>(34.65)</u>	<u>116.68</u>	<u>49.54</u>

33. Dividend distribution made and proposed:

The following dividends on equity shares were declared and paid by the Company during the year:

Interim dividend for the year ended 31st March 2017 - Rs. Nil per equity share (31st March 2016 - Rs. 2.25 per equity share)

Tax on interim dividend

Final dividend for the year ended 31st March 2016 - Rs. Nil per equity share (31st March 2015 - Rs. 2.25 per equity share)

Tax on final dividend

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs
Interim dividend	-	4,001.30
Tax on interim dividend	-	814.56
Final dividend	-	4,001.24
Tax on final dividend	-	814.56
	<u>-</u>	<u>9,631.66</u>
Proposed dividend for the year ended 31st March 2017 - Rs. 2.25 per equity share (31st March 2016 - Rs. Nil per equity share)	4,001.24	-
Tax on proposed dividend	814.56	-
	<u>4,815.80</u>	<u>-</u>

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including tax thereon) as at 31st March 2017.

34. Financial Risk Management Objectives and Policies :

Risk Management is an integral part of the Group's plans and operations. While the Group has a proven ability to successfully take on challenges, the efforts are to become even more proactive in recognising and managing risks, through an organised framework. The Group recognises risk management as an integral component of good corporate governance and fundamental in achieving its strategic and operational objectives.

The Group through its Board of Directors has constituted a Risk Management Committee, consisting of majority of Board members. The Board has defined the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the Risk Management plan, to the Committee, and such other functions as it may deem fit.

Market risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include deposits, FVTOCI investments and derivative financial instruments.

The Group has designed risk management frame work to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

Interest rate risk :

Interest rate risk is the loss of fair value of future earnings of financial instruments because of changes in market interest rates. Investment committee manages and constantly reviews the interest rate movements in the market in order to optimise the Group's interest income. The Group's exposure to interest rate risk is not significant.

Foreign currency risk :

Foreign currency risk is the loss of fair value of future earnings of financial instruments because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

Foreign currency sensitivity :

The following table demonstrate the sensitivity to a reasonably possible change in USD rate with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in USD rate	Effect on Profit before tax Rupees in lakhs	Effect on Equity Rupees in lakhs
31st March 2017	+1%	50.61	33.09
	-1%	(50.61)	(33.09)
31st March 2016	+1%	32.77	21.43
	-1%	(32.77)	(21.43)

Credit risk :

Credit risk is the risk of possible default by the counter party resulting in a financial loss. The Group manages its credit risk through various internal policies and procedure set forth for effective control over credit exposure. Major credit risk at the reporting date is from trade receivables. Trade receivables are managed by way of setting various parameters like credit limit, evaluation of financial condition before supply, supply terms, industry trends, ageing analysis.

Liquidity risk:

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Rupees in lakhs

Particulars	31st March 2017			31st March 2016			1st April 2015		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Trade payables	7,787.48	-	7,787.48	8,259.34	-	8,259.34	8,664.58	-	8,664.58
Borrowings	9.15	69.48	78.63	11.16	78.63	89.79	17.28	89.79	107.07
Other financial liabilities	5,334.82	-	5,334.82	4,576.45	-	4,576.45	3,272.99	-	3,272.99

35. Financial Instruments**Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

The carrying value and fair value of financial statements by categories as at the balance sheet date were as follows:

Particulars	Carrying Value			Fair Value		
	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Final asset :						
FVTOCI financial investments	181.68	149.89	133.84	181.68	149.89	133.84
FVTPL financial investments	47,243.78	32,333.64	34,668.33	47,243.78	32,333.64	34,668.33
Total	47,425.46	32,483.53	34,802.17	47,425.46	32,483.53	34,802.17

The management assessed that cash and cash equivalents, trade receivables, loans, trade payables, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of quoted equity instruments are derived from quoted market prices in active markets.

Reconciliation of fair value measurement of equity shares classified as FVTOCI assets:

	Total Rupees in lakhs
As at 1st April 2015	34.04
Re-measurement recognised in OCI	(34.65)
As at 31st March 2016	(0.61)
Re-measurement recognised in OCI	31.81
As at 31st March 2017	31.20

Fair value hierarchy

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly unobservable.

The following table represents the fair value hierarchy of financial assets and liabilities as on 31st March 2017:

Rupees in lakhs				
	As on 31st March 2017	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
Financial assets:				
<u>Investments</u>				
Mutual Funds	46,680.01	46,680.01	-	-
Non-Convertible Debentures	563.77	-	-	563.77
Quoted Equity Instruments	181.05	181.05	-	-
Unquoted Equity Instruments	0.63	-	-	0.63
Total	47,425.46	46,861.06	-	564.40
Financial liabilities:				
Borrowings	69.48	-	-	69.48
Total	69.48	-	-	69.48

The following table represents the fair value hierarchy of financial assets and liabilities as on 31st March 2016:

Rupees in lakhs				
	As on 31st March 2016	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
Financial assets:				
<u>Investments</u>				
Mutual Funds	31,531.15	31,531.15	-	-
Non-Convertible Debentures	802.49	-	-	802.49
Quoted Equity Instruments	149.26	149.26	-	-
Unquoted Equity Instruments	0.63	-	-	0.63
Total	32,483.53	31,680.41	-	803.12
Financial liabilities:				
Borrowings	78.63	-	-	78.63
Total	78.63	-	-	78.63

The following table represents the fair value hierarchy of financial assets and liabilities as on 1st April 2015:

	As on 1st April 2015	Fair Value measurement at end of reporting period		
		Rupees in lakhs		
		Level 1	Level 2	Level 3
Financial assets:				
Investments				
Mutual Funds	32,875.94	32,875.94	-	-
Non-Convertible Debentures	259.79	-	-	259.79
Quoted Equity Instruments	133.21	133.21	-	-
Unquoted Equity Instruments	0.63	-	-	0.63
Unquoted Preference Instruments	1,532.60	-	-	1,532.60
Total	34,802.17	33,009.15	-	1,793.02
Financial liabilities:				
Borrowings	89.79	-	-	89.79
Total	89.79	-	-	89.79

There have been no transfer between Level 1 and Level 2 during the period.

36. Capital Management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31st March 2017 and 31st March 2016.

The Group maintains a strong capital base and the primary objective of the Group's capital management is to maximise the shareholder value.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents. Based on this, the Group is debt free and would like to remain debt free.

The Group does not have any interest bearing loans and borrowings in the current year as well as previous year.

37. First Time Adoption of Ind AS

These financial statements have been prepared for the year ended 31st March 2017 in accordance with Ind AS together with comparative period data for the year ended 31st March, 2016. The Group has followed the guidance prescribed in Ind AS 101- First Time adoption of Indian Accounting Standard with 1st April 2015 as the transition date. As required, Separate disclosures have been made for the transition to Ind AS from IGAAP with detailed explanatory notes. The Group has opted few exemption on first time adoption of Ind AS in accordance with Ind AS 101 which are set out below:

Exemption availed on first time adoption of Ind AS 101

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirement under Ind AS.

- Previous GAAP carrying values as deemed cost at the transition date for all its property plant and equipment and intangible assets.
- Designated quoted equity instruments held at 1st April 2015 as fair value through other comprehensive income.
- Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1st April 2015.

Estimates

The estimates at 1st April 2015 and at 31st March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at 1st April 2015, the date of transition to Ind AS and as of 31st March 2016.

Reconciliation of Consolidated Equity as on 1st April 2015 (date of transition to Ind AS)

Rupees in lakhs

Sr. No.	Particulars	Note No.	Indian GAAP	Amalgamation Adjustments (Refer Note No.I)	Other Ind AS Adjustments	Ind AS
I.	ASSETS					
1.	Non-current assets					
	(a) Property, plant and equipment	J	39,084.08	0.11	(5.34)	39,078.85
	(b) Capital work-in-progress		2,872.52	-	-	2,872.52
	(c) Other Intangible assets		220.28	-	-	220.28
	(d) Intangible assets under development		7.67	-	-	7.67
	(e) Financial assets					
	(i) Investments	B	21,672.12	-	605.26	22,277.38
	(ii) Loans		21.76	-	-	21.76
	(iii) Other financial assets	B	493.63	0.12	(42.93)	450.82
	(iv) Deferred tax assets	J	27.63	-	(27.63)	-
	(f) Income tax assets (net)	J	52.29	104.86	16.25	140.90
	(g) Other non-current assets		202.98	-	-	202.98
	Total Non-current assets		64,654.96	105.09	513.11	65,273.16
2.	Current assets					
	(a) Inventories	J	12,321.80	-	(4.46)	12,317.34
	(b) Financial assets					
	(i) Investments	B	27,248.89	281.81	1,580.13	29,110.83
	(ii) Trade receivables	D & J	6,104.35	-	(82.85)	6,021.50
	(iii) Cash and cash equivalents	J	1,375.27	8.03	(165.97)	1,217.33
	(iv) Bank balances other than (iii) above		119.31	-	-	119.31
	(v) Loans	J	185.36	-	91.70	2,77.06
	(vi) Other financial asset	B & J	1,210.61	-	3.11	1,213.72
	(c) Other current assets	J	1,647.14	0.38	10.53	1,658.05
	Total Current assets		50,212.73	290.22	1,432.19	51,935.14
	TOTAL ASSETS		114,867.69	395.31	1,945.30	117,208.30
II.	EQUITY AND LIABILITIES					
	EQUITY					
	(a) Equity share capital		1,786.19	-	-	1,786.19
	(b) Other equity	G	91,851.52	395.02	6,929.10	99,175.64
	Total Equity		93,637.71	395.02	6,929.10	100,961.83
	LIABILITIES					
1.	Non-current liabilities					
	(a) Financial liabilities					
	(i) Borrowings		89.79	-	-	89.79
	(b) Provisions		55.74	-	-	55.74
	(c) Deferred tax liabilities (net)	F	2,287.64	0.04	(9.79)	2,277.89
	Total Non-current liabilities		2,433.17	0.04	(9.79)	2,423.42
2.	Current liabilities					
	(a) Financial liabilities					
	(i) Short-term borrowings	J	99.51	-	(99.51)	-
	(ii) Trade payables	J	8,717.23	-	(52.65)	8,664.58
	(iii) Other financial liabilities	J	3,305.08	0.25	(15.06)	3,290.27
	(b) Other current liabilities	J	355.87	-	9.01	364.88
	(c) Provisions	E	6,319.12	-	(4,815.80)	1,503.32
	Total Current liabilities		18,796.81	0.25	(4,974.01)	13,823.05
	TOTAL EQUITY AND LIABILITIES		114,867.69	395.31	1,945.30	117,208.30

Reconciliation of Consolidated Equity as on 31st March 2016

Rupees in lakhs

Sr. No.	Particulars	Note No.	Indian GAAP	Ind AS Adjustments	Ind AS
I.	ASSETS				
1.	Non-current assets				
	(a) Property, plant and equipment	J	67,385.85	(5.15)	67,380.70
	(b) Capital work-in-progress		1,738.02	-	1,738.02
	(c) Other Intangible assets		135.25	-	135.25
	(d) Intangible assets under development		254.40	-	254.40
	(e) Financial assets				
	(i) Investments	B	3,501.12	441.97	3,943.09
	(ii) Loans		22.34	-	22.34
	(iii) Other financial assets		451.25	-	451.25
	(iv) Deferred tax assets	J	21.74	(21.74)	-
	(f) Other non-current assets		320.53	-	320.53
	Total Non-current assets		73,830.50	415.08	74,245.58
2.	Current assets				
	(a) Inventories	J	13,100.18	(9.37)	13,090.81
	(b) Financial assets				
	(i) Investments	B	25,704.10	2,836.43	28,540.53
	(ii) Trade receivables	D & J	6,285.39	(91.86)	6,193.53
	(iii) Cash and cash equivalents	J	1,652.65	(27.58)	1,625.07
	(iv) Bank balances other than (iii) above		176.72	-	176.72
	(v) Loans	J	175.82	78.84	254.66
	(vi) Other financial assets	B & J	209.05	(2.78)	206.27
	(c) Other current assets	J	2,239.82	8.88	2,248.70
	Total Current assets		49,543.73	2,792.56	52,336.29
	TOTAL ASSETS		123,374.23	3,207.64	126,581.87
II.	EQUITY AND LIABILITIES				
	EQUITY				
	(a) Equity share capital		1,786.19	-	1,786.19
	(b) Other equity	G	103,205.71	3,254.98	106,460.69
	Total Equity		104,991.90	3,254.98	108,246.88
	LIABILITIES				
1.	Non-current liabilities				
	(a) Financial liabilities				
	(i) Borrowings		78.63	-	78.63
	(b) Provisions		50.00	-	50.00
	(c) Deferred tax liabilities (net)	F	1,872.97	(8.83)	1,864.14
	Total Non-current liabilities		2,001.60	(8.83)	1,992.77
2.	Current liabilities				
	(a) Financial liabilities				
	(i) Short-term borrowings	J	87.30	(87.30)	-
	(ii) Trade payables	J	8,272.69	(13.35)	8,259.34
	(iii) Other financial liabilities	J	4,592.08	(4.47)	4,587.61
	(b) Other current liabilities	J	376.39	52.36	428.75
	(c) Provisions		2,035.70	-	2,035.70
	(d) Current tax liabilities (net)	J	1,016.57	14.25	1,030.82
	Total Current liabilities		16,380.73	(38.51)	16,342.22
	TOTAL EQUITY AND LIABILITIES		123,374.23	3,207.64	126,581.87

Reconciliation of Consolidated Profit and Loss for the year ended 31st March 2016

Rupees in lakhs

Sr. No.	Particulars	Note No.	Indian GAAP	Ind AS Adjustments	Ind AS
I.	Revenue from operations	A & J	100,634.08	1,105.94	101,740.02
II.	Other income	B & J	3,152.98	747.48	3,900.46
III.	Total Income (I+II)		103,787.06	1,853.42	105,640.48
IV.	Expenses:				
	Cost of materials consumed		27,319.53	-	27,319.53
	Purchases of stock-in-trade	J	9,145.90	(140.13)	9,005.77
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	J	(557.40)	4.91	(552.49)
	Excise duty	A	-	2,307.85	2,307.85
	Employee benefits expense	C & J	17,643.56	(67.75)	17,575.81
	Finance costs	J	144.78	(4.74)	140.04
	Depreciation and amortisation expense	J	3,373.58	(1.05)	3,372.53
	Other expenses	A, B & J	24,723.26	(1,513.40)	23,209.86
	Total expenses		81,793.21	585.69	82,378.90
V.	Profit before Share of profit/ (loss) of joint venture, exceptional items and tax (III-IV)		21,993.85	1,267.73	23,261.58
VI.	Share of profit/ (loss) of joint venture (net of tax)	J	-	(46.73)	(46.73)
VII.	Profit before tax (V+VI)		21,993.85	1,221.00	23,214.85
VIII.	Tax expense:				
	(1) Current tax	H	6,744.23	17.20	6,761.43
	(2) Deferred tax	F & J	(412.06)	(1.69)	(413.75)
	Total tax expense		6,332.17	15.51	6,347.68
IX.	Profit for the year (VII-VIII)		15,661.68	1,205.49	16,867.17
X.	Other Comprehensive Income				
	A (i) Items that will not be reclassified to profit or loss		-	(84.34)	(84.34)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	17.20	17.20
	B (i) Items that will be reclassified to profit or loss		-	116.68	116.68
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
	Other Comprehensive Income for the year (net of tax)		-	49.54	49.54
XI.	Total Comprehensive Income for the year (Net of taxes) (IX+X)		15,661.68	1,255.03	16,916.71

Notes :**A Revenue from operations and Excise duty**

Under Indian GAAP, excise duty on sale of products was presented net basis whereas as per Ind AS, same needs to be presented on gross basis. Hence, excise duty on sale of products has been separately presented on the face of Statement of Profit and Loss. Thus, sale of products under Ind AS has increased by Rs. 2,212.94 lakhs with corresponding increase in expenses. Under Indian GAAP, incentive paid to distributors of Rs. 952.93 lakhs and cash discount of Rs. 15.04 lakhs was recognised as part of Other expenses whereas as required under Ind AS same shall be adjusted against the revenue.

B Investments**(i) Mutual Funds and Non-Convertible Debentures**

Under Indian GAAP, the Group recognised long-term and short term investments in mutual funds and non-convertible debentures at cost less provision for diminution in the value of investments. Under Ind AS, the Group has designated such investments as fair value through profit or loss (FVTPL). On the transition date, an increase of Rs. 2,097.77 lakhs between the instruments' fair value and Indian GAAP carrying amount has been recognised in retained earnings.

(ii) Equity Shares

Under Indian GAAP, the Group recognised long-term investments in equity shares at cost less provision for diminution in the value of investments. Under Ind AS, the Group has designated such investments as fair value through other comprehensive income (FVTOCI). On the transition date, an increase of Rs. 34.04 lakhs between the instruments' fair value and Indian GAAP carrying amount has been recognised in Other Comprehensive Income (OCI). Further for the year ended 31st March 2016 decrease in fair value of Rs. 34.65 lakhs has been recorded in OCI.

C Employee benefits expense

Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the Statement of Profit and Loss. Under Ind AS, remeasurements comprising of actuarial gains and losses and the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Actuarial loss of Rs. 49.69 lakhs as at 31st March 2016 is recognised in OCI net of deferred tax.

D Trade receivables

Under Indian GAAP, the Group had recognised specific amount towards impairment of trade receivables on the basis of incurred losses model. Under Ind AS, impairment allowance has been recognised based on expected credit loss model (ECL). Accordingly, additional allowance for impairment amounting to Rs. 28.30 lakhs has been recognised with the corresponding adjustment to Retained earnings.

E Provisions

Under Indian GAAP, proposed dividends including dividend distribution tax are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the Company (usually when approved by shareholders in a general meeting) or paid. Accordingly, proposed dividends and the related tax have increased the retained earnings by Rs. 4,815.80 lakhs at the transition date.

F Deferred tax liabilities (net)

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

In addition, the various transitional adjustments has led to temporary differences. Accordingly, the Group has accounted for deferred tax on such differences in retained earnings at the transition date, thereby reducing deferred tax liabilities by Rs. 9.79 lakhs and increasing retained earnings by the same amount.

G Other equity

Adjustments to Retained earnings and Other Comprehensive Income has been made in accordance with Ind AS, for the above mentioned line items.

H Current tax

Tax component on actuarial gains and losses is transferred to Other Comprehensive Income under Ind AS.

I Amalgamation adjustments

Pursuant to the scheme of amalgamation (Scheme), the Hon'ble High Court of Judicature at Bombay, vide its order dated 4th September 2015, has approved the Scheme amalgamation of Anand Synthochem Limited, Sovan Trading and Investment Company Private Limited, Sudipta Trading and Investment Company Private Limited and Transgene Trading and Investment Company Private Limited (collectively known as Transferor Companies) with the Company. The appointed date of the Scheme was 1st September 2014. The Scheme has become effective on 4th September 2015 pursuant to its filing with the Registrar of Companies.

The Group has given effect for the said scheme in its books of accounts in accordance with the Scheme and in compliance with Accounting Standard 14 "Accounting for Amalgamations" under the "Pooling of Interest" method. Accordingly, the Balance Sheet as at 1st April 2015 includes the impact of assets and liabilities taken over of transferor companies after giving effect to elimination of intercompany transactions and balances. In the consolidated financials, no impact has been given for Anand Synthochem Private Limited which was a wholly owned subsidiary of the Company as on the date of amalgamation.

J Joint venture consolidated under Indian GAAP accounted using equity method

The Group has accounted for its share in joint venture entity using equity method as per Ind AS-28 which was previously consolidated under Indian GAAP.

38. 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% (Previous year – 100%)
FDC Inc.	United States of America	100% (Previous year – 100%)
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	Republic of South Africa	49% (Previous year – 49%)

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

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
<u>Contingent Liabilities</u>			
a. <u>Disputed tax matters</u>			
Income tax (appealed by tax authorities)	-	10.29	10.29
Income tax (appealed by the Company)	1,198.71	1,045.06	251.08
Excise duty (appealed by excise authorities)	-	-	2.23
Excise duty (appealed by the Company)	220.21	277.60	265.24
Sales Tax (appealed by the Company)	146.76	240.31	231.04
b. In respect of guarantees given by banks	284.12	262.04	166.79
c. Letter of credit issued by bankers	119.24	296.00	219.00
d. Estimated amount of duty payable on export obligation against outstanding advance licences	22.70	17.61	17.41
e. During the year 2013-14, the Company had received notices of demand (including interest) from the National Pharmaceutical Pricing Authority, Government of India on account of alleged overcharging in respect of certain formulations under the Drug (Prices Control) Order, 1995. The Company filed a writ petition before the Hon'ble Supreme Court of India for stay of the demand and other matters. The Hon'ble Supreme Court then passed order restraining the Government from taking any coercive action against the Company. The said writ petition was disposed of in July 2016 with a liberty to the writ petitioners to approach the appropriate High Courts for relief, challenging the impugned demand notice issued by Union of India. The Company has filed a writ petition with Delhi High Court in August 2016 for which the Company has deposited 50% of overcharged amount with NPPA. The Company has also simultaneously filed revision petition with NPPA, hence, no provision is considered necessary in respect of the amount majorly being the interest component.	472.40	1,025.36	936.12
<u>Commitments</u>			
Estimated amount of capital contracts remaining to be executed and not provided for (net of advances paid)	358.88	376.78	192.42

Note:

The Company's pending litigations comprise of proceedings pending with Income Tax, Excise, Sales Tax Authorities and National Pharmaceutical Pricing Authority of India. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its consolidated financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made a provision of Rs. 2,250.00 lakhs as at 31st March 2017 (31st March 2016-Rs. 1,457.12 lakhs; 1st April 2015-Rs. 728.45 lakhs).

40. Disclosure of Employee benefits:

As per Ind AS 19 - "Employee Benefits", the disclosures as required by 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. 27) as under:

	2016-2017 Rupees in lakhs	2015-2016 Rupees in lakhs
Employer's Contribution to Provident Fund	362.70	328.85
Employer's Contribution to Pension Scheme	469.15	452.97
Employer's Contribution to Superannuation Fund	59.48	55.35

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 lakhs	
	Gratuity	
	Funded Plan	
	31st March 2017	31st March 2016
I. Change in Benefit Obligation		
Liability at the beginning of the year	1,442.40	1,208.31
Interest Cost	107.89	95.82
Current Service Cost	153.28	124.75
Benefit Paid	(119.18)	(109.18)
Actuarial (gain)/ loss arising from changes in financial assumptions	44.63	21.68
Actuarial (gain)/ loss arising from changes in experience adjustments	(8.43)	101.02
Liability at the end of the year	1,620.59	1,442.40
II. Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	1,302.43	971.55
Return on Plan assets	97.42	77.04
Contributions	170.00	290.00
Benefit Paid	(119.18)	(109.18)
Actual (gain)/ loss on Plan Assets	6.75	73.02
Fair Value of Plan Assets at the end of the year	1,457.42	1,302.43
III. Amount recognised in the Consolidated Balance Sheet		
Liability at the end of the year	(1,620.59)	(1,442.40)
Fair Value of Plan Assets at the end of the year	1,457.42	1,302.43
Amount recognised in the consolidated Balance Sheet	(163.17)	(139.97)
IV. Net Interest Cost for Current Period		
Interest Cost	107.89	95.82
Interest Income	(97.42)	(77.04)
Net Interest Cost for Current Period	10.47	18.78
V. Expense recognised in the Consolidated Statement of Profit and Loss		
Current Service Cost	153.28	124.75
Net Interest Expense for current period	10.47	18.78
Expense recognised in the Consolidated Statement of Profit and Loss	163.75	143.53
VI. Expense recognised in the Consolidated Other Comprehensive Income (OCI)		
Actuarial (gain)/ loss on Obligations for the period	36.20	122.70
Return on Plan Assets excluding Interest Income	(6.75)	(73.02)
Net expenses recognised in the Consolidated OCI	29.45	49.68

Rupees in lakhs

	Gratuity	
	Funded Plan	
	31st March 2017	31st March 2016
VII. Investment Details		
Government of India Assets	112.27	117.83
Corporate Bonds	570.14	496.27
State Government	621.21	517.61
Equity	136.87	136.87
Others	16.93	33.85
Total	1,457.42	1,302.43
VIII. Actuarial Assumptions		
Discount Rate Current	6.67%	7.48%
Rate of Return on Plan Assets Current	6.67%	7.48%
Employee Attrition rate	15% to 30%	15% to 30%
Salary Escalation Current	7.00%	7.00%
IX. Maturity Analysis of Projected Benefit Obligation from the Fund		
Projected Benefits payable in future years from the date of reporting:		
Within the next 12 months	356.18	320.19
Between 2 and 5 years	849.50	1,021.43
Between 6 and 10 years	595.34	1,081.54
X. Sensitivity Analysis for significant assumptions		
Benefit Obligation as at the end of the year	1,620.59	1,442.40
Increase/ (decrease) in Present Value of Benefit Obligation as at the end of the year:		
Effect of +1% change in Rate of Discounting	(54.68)	(47.14)
Effect of -1% change in Rate of Discounting	59.47	51.15
Effect of +1% change in Rate of Salary Increase	58.70	50.89
Effect of -1% change in Rate of Salary Increase	(55.01)	(47.77)
Effect of +1% change in Rate of Employee Turnover	(6.08)	(3.47)
Effect of -1% change in Rate of Employee Turnover	6.27	3.48

XI. 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.

XII. Basis used to determine Rate of Return on Plan Assets

The 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.

XIII. The Group expects to contribute Rs. 163.17 lakhs to gratuity in next year (Previous year – Rs. 293.25 lakhs).

The liability for leave encashment as at the year end is Rs. 773.63 lakhs (31st March 2016 – Rs. 677.31 lakhs; 1st April 2015- Rs. 522.18 lakhs) and provision for sick leave as at the year end is Rs. 93.80 lakhs (31st March 2016 – Rs. 90.42 lakhs; 1st April 2015-Rs. 72.08 lakhs).

41. Segment information:Primary segment information

The Group is engaged in pharmaceutical business which as per Ind AS 108 - "Operating Segments" is considered the only 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 lakhs

Particulars		India	Others	Total
Segment Revenue	2016-2017 2015-2016	88,878.53 86,381.73	16,219.42 15,358.29	105,097.95 101,740.02
Carrying amount of Non-Current Assets by location of assets	31st March 2017 31st March 2016 31st March 2015	68,532.94 69,400.51 42,012.25	355.82 428.39 370.05	68,888.76 69,828.90 42,382.30

Non Current Assets for purpose of Segment disclosure comprises of Property, plant and equipment, Intangible assets and Other non-current assets.

The Group does not have any customer with whom revenue from transaction is more than 10% of the Group's total revenue.

42. Related party disclosures, as required by Ind AS 24 - "Related Party 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:

Managerial Personnel

- Mr. Mohan A. Chandavarkar
- Mr. Ashok A. Chandavarkar
- Mr. Nandan M. Chandavarkar
- Mr. Ameya A. Chandavarkar
- Ms. Nomita R. Chandavarkar
- Dr. Rahim H. Muljani
- Dr. Satish S. Ugrankar
- Mr. Girish C. Shredalal
- Mr. Vinod G. Yennemadi
- Ms. Swati S. Mayekar
- Mr. Uday Kumar Gurkar (appointed w.e.f. 1st April 2016)
- Mr. Sanjay Jain
- Ms. Varsharani Katre

Relatives of Managerial Personnel

- Ms. Sandhya M. Chandavarkar, wife of Mr. Mohan A. Chandavarkar
- Ms. Mangala A. Chandavarkar, wife of Mr. Ashok A. Chandavarkar
- Ms. Meera R. Chandavarkar, mother of Ms. Nomita R. Chandavarkar
- Ms. Aditi C. Bhanot, daughter of Mr. Ashok A. Chandavarkar

Enterprises owned or significantly influenced by Managerial Personnel or their relatives

- Akhil Farma Limited

Nature of transactions:

	2016-2017 Rupees in lakhs	2015-2016 Rupees in lakhs
1 <u>Interest income</u>		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	10.33	8.07
2 <u>Sale of asset</u>		
Mr. Sanjay Jain	123.00	-
3 <u>Reimbursement of expenses receivable</u>		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	-	7.43
4 <u>Purchase of Trademarks</u>		
Akhil Farma Limited	-	0.16
5 <u>Managerial remuneration*</u>		
Mr. Mohan A. Chandavarkar	200.43	193.84
Mr. Ashok A. Chandavarkar	136.24	131.84
Mr. Nandan M. Chandavarkar	164.32	165.72
Mr. Ameya A. Chandavarkar	114.03	114.72
Ms. Nomita R. Chandavarkar	58.62	53.91
Dr. Rahim H. Muljani	3.40	3.85
Dr. Satish S. Ugrankar	2.60	3.05
Mr. Girish C. Sharedalal	17.08	17.26
Mr. Vinod G. Yennemadi	3.40	3.85
Ms. Swati S. Mayekar	3.40	3.85
Mr. Uday Kumar Gurkar	2.60	-
Mr. Sanjay Jain	56.20	47.71
Ms. Varsharani Katre	19.80	16.55
	782.12	756.15
6 <u>Loan granted during the year</u>		
Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	75.22	-
7 <u>Dividend on equity shares paid</u>		
Mr. Mohan A. Chandavarkar	-	855.91
Mr. Ashok A. Chandavarkar	-	719.47
Mr. Nandan M. Chandavarkar	-	245.06
Mr. Ameya A. Chandavarkar	-	482.43
Ms. Nomita R. Chandavarkar	-	255.73
Ms. Sandhya M. Chandavarkar	-	871.01
Ms. Mangala A. Chandavarkar	-	490.59
Ms. Meera R. Chandavarkar	-	1,538.52
Ms. Aditi C. Bhanot	-	54.00
Dr. Rahim H. Muljani	-	0.63
Dr. Satish S. Ugrankar	-	18.09
Mr. Girish C. Sharedalal	-	0.45
Mr. Vinod G. Yennemadi	-	0.31
	-	5,532.20

Note : * Including perquisites, contribution to Provident fund and other funds.

Outstanding amount of Related Parties:

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
1 Outstanding balances against loan granted included in Current- Financial Assets - Loans Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	243.65	160.90	187.15
2 Outstanding balances against interest on loan granted included in Current-Other Financial Assets Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	19.12	8.07	28.07
3 Outstanding Reimbursement of expenses receivable included in Other Current Assets under Advances recoverable in cash or kind Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	18.82	19.23	11.80
4 Outstanding balances payable included in Other Financial Liabilities			
Mr. Mohan A. Chandavarkar	116.10	113.97	99.67
Mr. Ashok A. Chandavarkar	91.27	89.82	78.21
Mr. Nandan M. Chandavarkar	93.17	91.48	80.06
Mr. Ameya A. Chandavarkar	69.36	68.15	54.13
Ms. Nomita R. Chandavarkar	34.72	34.09	25.03
Dr. Rahim H. Muljani	2.00	2.00	2.00
Dr. Satish S. Ugrankar	2.00	2.00	2.00
Mr. Girish C. Sheredalal	16.48	16.21	14.11
Mr. Vinod G. Yennemadi	2.00	2.00	2.00
Ms. Swati S. Mayekar	2.00	2.00	2.00
Mr. Uday Kumar Gurkar	2.00	-	-
Mr. Sanjay Jain	-	3.72	3.40
Ms. Varsharani Katre	-	1.37	0.98
	431.10	426.81	363.59

Terms and conditions of transactions with related parties

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2016 – Rs. Nil; 1st April 2015 – Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

43. Pursuant to Ind AS 17 - "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. 30). Lease rent debited to Statement of Profit & Loss is Rs. 52.76 lakhs (Previous year – Rs. 40.42 lakhs).

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. Future minimum rent payable under non cancellable operating lease are as follows:

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Within 1 year	548.44	-	-
After 1 year but not more than 5 years	2,106.00	-	-
More than 5 years	153.56	-	-

44. Pursuant to the Ind AS 112 – “Disclosure of Interest in Other Entities”, 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 2017	Percentage of Ownership Interest as on 31st March 2016	Percentage of Ownership Interest as on 1st April 2015
1.	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	Republic of South Africa	49%	49%	49%

Summarised financial information of the joint venture is given below:

	31st March 2017 Rupees in lakhs	31st March 2016 Rupees in lakhs	1st April 2015 Rupees in lakhs
Non-current assets	89.47	54.88	100.46
Current assets (including cash and cash equivalents – 31st March 2017: Rs. 36.69 lakhs; 31st March 2016: Rs. 56.29 lakhs; 31st March 2015: Rs. 338.71 lakhs)	516.82	221.76	459.14
Non-current liabilities	-	-	-
Current liabilities	(711.14)	(385.54)	(583.21)
Net Assets	(104.85)	(108.90)	(23.61)
Group's share of Net Assets (49%)	(51.38)	(53.36)	(11.57)
Carrying amount of interests in joint venture	(51.38)	(53.36)	(11.57)

The negative carrying amount of interests in Joint Venture is shown as “Other payables” under “Other current liabilities” in the Consolidated Balance Sheet.

No contingent liabilities and capital commitments have been incurred as at 31st March 2017 in relation to the Company's interest in the joint venture alongwith the other venturers (Previous year – Rs. Nil).

	2016-2017 Rupees in lakhs	2015-2016 Rupees in lakhs
Revenue	541.76	283.74
Depreciation and amortization	3.62	2.14
Interest expense	29.29	18.55
Income tax expense	5.57	5.42
Profit/ (Loss)	11.86	(95.37)
Other Comprehensive Income	-	-
Total Comprehensive Income/ (Loss)	11.86	(95.37)
Group's share of Profit/ (Loss) (49%)	5.81	(46.73)
Group's share of OCI (49%)	-	-
Group's share of Total Comprehensive Income/ (Loss) (49%)	5.81	(46.73)

45. Exceptional item

In the current year, pending legal case before the Hon'ble Supreme Court, relating to alleged overcharging, under the Drugs (Price Control) Order 1995, have been disposed of and the writ petition filed before the Hon'ble Supreme Court stands withdrawn. The Court has granted liberty to the Writ Petitioners to approach the appropriate High Courts for reliefs, challenging the impugned demand notice issued by Union of India.

The Company has approached Delhi High Court in this context. The Company has, out of abundant caution and based on a conservative and best estimate basis, made a provision of Rs. 588.41 lakhs during the year ended 31st March 2017. The Company has disclosed the same as exceptional item.

46. Revenue expenditure on research and development (including depreciation and amortisation) aggregating to Rs. 2,543.08 lakhs (Previous year - Rs. 2,715.95 lakhs) is included under relevant heads in the Consolidated Statement of Profit and Loss.

47. Amount spent towards Corporate Social Responsibility activities are as under:

- a. Gross amount required to be spent by the Company during the year is Rs. 403.43 lakhs (Previous Year - Rs. 377.29 lakhs).
- b. Amount spent during the year is given hereunder:

Sr. No.	Particulars of Activity	2016-2017	2015-2016
(i)	Construction/ acquisition of any asset	-	-
(ii)	On purpose other than (i) above	421.89	64.08
	Total	421.89	64.08

48. Details of Loans, Inter Corporate Deposits and Investments as required under Section 186(4) of the Companies Act 2013:

Rupees in lakhs

Particulars	31st March 2017		31st March 2016	
	Loan Given	Outstanding	Loan Given	Outstanding
Intercompany Deposit given and utilised for business operation by recipient				
- Oboi Laboratories Limited (repayable after 12 months with interest @ 11% p.a.)	25.00	25.00	25.00	25.00
Loan given to joint venture for working capital/ business operations				
- Fair Deal Corporation Pharmaceutical SA (Pty) Ltd. (repayable on demand)	75.22	243.65	-	160.90
Investments				
Details required under Section 186(4) have been disclosed in Note No. 3 and 8 of the consolidated financial statements				

49. Disclosure on Specified Bank Note:

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 is given below:

Amount in Rupees

Particulars	SBNs	Other Denomination Notes	Total
Closing cash-in-hand on 8th November 2016	1,262,500	806,513	2,069,013
Add: Amount withdrawn from bank		3,707,000	3,707,000
Add: Permitted receipts	-	324,965	324,965
Less: Permitted payments	-	(2,854,996)	(2,854,996)
Less: Amount deposited in Banks	(1,262,500)	-	(1,262,500)
Closing cash-in-hand on 30th December 2016	-	1,983,482	1,983,482

50. The Group does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

51. Standards issued but not yet effective:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7 "Statement of cash flows" and Ind AS 102 "Share based payment". The amendments are applicable to the Group from 1st April 2017.

Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of consolidated financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

The Group is evaluating the requirements of the amendment and the impact on the consolidated financial statements is being evaluated.

Name of the entity	31st March 2017										31st March 2016						Rupees in lakhs
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income		Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income		
	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	
Parent FDC Limited	99.27%	126,083.58	98.95%	18,654.55	100.00%	(80.35)	98.95%	18,574.20	99.20%	107,382.28	99.23%	16,736.98	100.00%	49.54	99.23%	16,786.52	
Subsidiaries Foreign 1. FDC International Limited 2. FDC Inc.	0.73% 0.04%	933.43 54.10	1.03% -0.01%	194.03 (1.19)	0.00% 0.00%	- -	1.03% -0.01%	194.03 (1.19)	0.80% 0.05%	861.57 56.39	1.05% 0.00%	177.92 (1.00)	0.00% 0.00%	- -	1.05% 0.00%	177.92 (1.00)	
Joint Ventures (As per proportionate consolidation / investment as per the equity method) Foreign Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	-0.04% 100.00%	(51.38) 127,019.73	0.03% 100.00%	5.81 18,853.20	0.00% 100.00%	- (80.35)	0.03% 100.00%	5.81 18,772.85	-0.05% 100.00%	(53.36) 108,246.88	-0.28% 100.00%	(46.73) 16,867.17	0.00% 100.00%	- 49.54	-0.28% 100.00%	(46.73) 16,916.71	

As per our report of even date

For S R B C & C O L L P
Chartered Accountants
ICAI Firm Registration No. 324982E/E3000003

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

SANJAY JAIN
Chief Financial Officer

VARSHARANI KATRE
Company Secretary

Place: Mumbai
Date : May 26, 2017

Place: Mumbai
Date : May 26, 2017

NOTES

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FDC Limited