



FDC Limited

MANUFACTURERS & EXPORTERS OF FOODS, DRUGS & CHEMICALS

August 31, 2019

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

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

Sub.: Notice of the 79th Annual General Meeting and Annual Report for the Financial Year 2018-19

Dear Sir / Madam,

This is to inform you that the 79th Annual General Meeting ("AGM") of the Company will be held on **Friday, September 27, 2019 at 10:00 a.m.** at WelcomHotel Rama International, R-3, Chikalthana, Aurangabad - 431 210, Maharashtra, India.

We are enclosing herewith the Notice of the 79th AGM along with the Annual Report for the financial year ended on March 31, 2019 as **Annexure A**.


The same is being dispatched to the shareholders of the Company by the permitted mode(s).

The Notice and Annual Report are also available on the Company's website at www.fdcindia.com.

Kindly take the above on record.

Thanking you,

Yours truly,
For FDC LIMITED


Company Secretary
Encl: a/a



CORPORATE OFFICE

: 142-48, S. V. Road, Jogeshwari (W), Mumbai - 400 102. INDIA
Tel.: +91-22-6291 7900 / 950 / 2678 0652 / 2653 / 2656 • Fax : +91-22-2677 3462
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 Ninth Annual General Meeting of **FDC Limited** will be held on **Friday, September 27, 2019, at 10.00 a.m.** at WelcomHotel Rama International, R-3, Chikalhana, Aurangabad - 431 210, Maharashtra, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2019 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Nomita R. Chandavarkar (DIN: 00042332) who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable statutes, laws, rule(s), regulation(s), guideline(s), circular(s) etc., in force at the relevant time (including any statutory modifications, amendments or re-enactments thereof), approval of the shareholders be and is hereby accorded for the re-appointment of Mr. Nandan M. Chandavarkar, as a Joint Managing Director of the Company for a period of 5 (five) years w.e.f. March 01, 2019, on the following terms and conditions including remuneration and perquisites upto a maximum as recommended by Nomination and Remuneration Committee of the Board, as may be permitted under Schedule V of the Companies Act, 2013, or any modification or re-enactment thereof as in force for the period covered under the Agreement to be entered into by the Company with Mr. Nandan M. Chandavarkar or on the basis of such other law or notification as may be permissible or applicable: ("said appointee")

1. The material terms of the said Agreement are as follows:
 - i. Term: March 01, 2019 to February 29, 2024
 - ii. Salary: From March 01, 2019 to March 31, 2019 shall be Rs. 3,60,000/- (Rupees Three Lacs Sixty Thousand only) p.m. From April 01, 2019 onwards the salary shall be Rs. 5,00,000/- (Rupees Five Lacs Only) p.m. with an annual increment of Rs. 15,000 (Rupees Fifteen Thousand Only) in the basic salary rising upto maximum salary of Rs. 5,60,000 (Rupees Five Lacs Sixty Thousand Only) p.m. Annual increments every year, for the term, will be effective from April.
 - iii. Commission: In addition to salary and perquisites, commission not exceeding 0.45 percent of the net profits of the Company in a financial year, computed in the manner laid down in Section 198 of the Companies Act, 2013 and subject to the overall ceilings laid-down under Sections 198 of the Companies Act, 2013.
2. Perquisites: In addition to the salary and commission as mentioned in clause 1 above, the said appointee shall be entitled to perquisites as under:
 - i. Housing: The expenditure incurred by the company on hiring furnished accommodation for the appointee shall be subject to a ceiling of 60% of his salary. However, if the Company does not provide the appointee residential accommodation, the said appointee is entitled to house rent allowance of 60% of his salary. Besides, the Company shall provide amenities such as gas, electricity, water and furnishings subject to a ceiling of 10% of salary, computed as per Income Tax Rules, 1962.
 - ii. Medical, hospitalization and health care expenses: Reimbursement of medical, hospital and nursing expenses including mediclaim policy premium paid by the Company and where recommended by a medical practitioner, travelling expenses for this purpose in or outside India for himself, his spouse and dependent children actually incurred subject to a ceiling of 1 (one) month's salary per year or 3, (three) months' salary in a block period of 3 (three) years.
 - iii. Leave Travel Concession: For the appointee, his wife and dependent children once a year, in accordance with any rules specified by the Company subject to a ceiling of 1 (one) month's salary during leave for holidaying in any place or places in India not more frequently than once in a year, including travelling expenses by air and/or air-conditioned first class by rail, subject to a condition that he will not be entitled to any expenses of stay at any holiday resort.

- iv. Club Fees: Reimbursement of club fees, subject to a maximum of 2 (two) clubs, excluding life membership and admission fees.
 - v. Personal Accident Insurance: As per any rules specified by the Company.
 - vi. Health Mediclaim Insurance: As per any rules specified by the Company.
 - vii. Provident Fund : Company's contribution to provident fund shall be as per the scheme applicable to the employee's of the Company, but not exceeding 12% of the salary or such other limits as prescribed by the Government.
 - viii. Contribution to Superannuation Fund and Pension Scheme: The Company's contribution towards pension and/or superannuation fund shall be an amount equivalent to 15% of the salary, as applicable to the other senior officers of the Company. Contribution to provident fund, superannuation fund will not be included in the Computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act.
 - ix. Gratuity: As per the rules of the Company, payable in accordance with the approved gratuity fund which shall not exceed half month's salary for each completed year of service.
 - x. Ex- Gratia: In accordance with the Company's rules and regulations in force from time to time.
 - xi. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the said appointee.
 - xii. Land line telephone/mobile phone/internet for official use.
3. Where in any financial year during the currency of the tenure of the said appointee the Company has no profit or inadequacy of profits, the remuneration by way of salary, commission and perquisites shall not exceed, the maximum limits prescribed in Schedule V to the Companies Act, 2013, except with the approval of the Central Government wherever necessary.
 4. The said appointee shall be eligible for annual privilege leave on full salary for a period of 21 (twenty one) days and such leave shall be allowed to be accumulated for not more than 90 (ninety) days during the tenure of his appointment. Encashment of unavailed privilege leave at the end of the tenure of appointment will not be included in the computation of the ceiling on perquisites.
 5. The said appointee shall be entitled to:
 - (i) Reimbursement of expenses actually and properly incurred for the business of the Company as well as other expenses incurred by the appointee in the performance of duties on behalf of the Company.
 - (ii) The reimbursement of travelling, hotel and other expenses incurred by the appointee in India and abroad exclusively for the business of the Company.
 6. The said appointee shall unless prevented by ill-health throughout the said term devote his whole time attention and abilities to the business of the Company and shall carry out the directions issued from time to time by the Board of Directors and shall in all respects conform to and comply with the directions and regulations made by the board and shall well and faithfully serve the Company and use his utmost endeavors to promote the interests of the Company.
 7. The salary payable to the said appointee in terms of Clause 1, hereof shall continue to be paid to him in full during the first 6 (six) months of his illness or for causes beyond his control which would enforce his absence from duties and thereafter at the rate of one half of such salary during such absence until he shall have been so absent for a continuous period of 12 (twelve) months or until this Agreement is determined as hereinafter provided, whichever is earlier.
 8. The said appointee shall not at any time or times during or after the continuance of his employment divulge, disclose or make public any of the secrets regarding the accounts, transactions or processes or regarding specifications, technical and patent information, formulae and know-how to be used for the manufacture or processing of drugs and products of the Company or any of the secrets regarding its plant, facilities, machinery and equipments, information and organization of production and material flow as well as methods and procedures of production or dealings of the Company which shall come to his knowledge whether the same shall be confided to him or become known to him as director or in any other manner whatsoever during the course of his employment.
 9. In the case of death of the said appointee in the course of his employment, the Company shall pay to his legal representatives the remuneration for the then current month in addition to such other sum as the Board may determine.
 10. If the said appointee shall, in the opinion of the Board of Directors, fail for 6 (six) consecutive months to perform or be negligent in his duty to the Company, the Company may by notice in writing determine this Agreement.
 11. The said appointee shall not during the continuance of this Agreement, or for a period of 3 (three) years after the termination thereof, without the consent in writing of the Company, either solely or jointly with or as manager or agent

for any other person or persons directly or indirectly carry on or be engaged in such business as the Company has been carrying on for the last preceding 3 (three) years.

12. The said appointee hereby agrees that he will not at any time after determination of his employment:
 - (i) Solicit the custom of or deal with any person or Company who has during the three/five years preceding such determination been a customer of Company; and
 - (ii) Represent himself as being in any way directly or indirectly connected with or interested in the business of the Company.
13. Subject to Section 191 of the Companies Act, 2013 in the event of the Company at any time transferring its undertaking to another Company for any reason whatsoever the Company may make it one of the terms and conditions of such transfer that such other Company shall appoint the said appointee as a member of such other Company upon the same terms and conditions as are herein contained.
14. In the event of the Company being wound up voluntarily and in case it is able to pay its debts, the said appointee shall be paid by the Company or by its liquidator in priority to all other creditors as compensation for the loss of his employment as the appointee the sum equal to his 12 (twelve) months' remuneration consisting of salary on the basis of the last salary drawn and such compensation shall at all times be the first charge on the assets of the Company.
15. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate this Agreement, at anytime giving the other party 90 (ninety) days notice in writing in that behalf.

4. To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable statutes, laws, rule(s), regulation(s), guideline(s), circular(s) etc., in force at the relevant time (including any statutory modifications, amendments or re-enactments thereof), the approval of the shareholders be and is accorded for the re-appointment of Mr. Ameya A. Chandavarkar (DIN: 00043238) as an Executive Director of the Company and designate him as 'Chief Executive Officer (CEO) - International Business & Executive Director' for a period of 5 (five) years w.e.f. November 01, 2019, on following terms & conditions including remuneration as recommended by Nomination and Remuneration Committee of the Board as may be permitted under Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof as in force for the period covered under the Agreement to be entered into by the Company with Mr. Ameya A. Chandavarkar or on the basis of such other law or notification as may be permissible or applicable ("said appointee"):

1. The material terms of the said Agreement are as follows:
 - i. Term: November 01, 2019 to October 31, 2024
 - ii. Salary: Rs. 2,76,000/- (Rupees Two Lacs Seventy Six Thousand Only) p.m. w.e.f. from November 01, 2019, with an annual increment of Rs. 12,500 (Rupees Five Thousand Only) in basic salary, upto to maximum salary of Rs. 3,26,000 (Rupees Three Lacs Twenty Six Thousand Only) p.m. Annual increments every year, for the term, will be effective from November 01, 2019.
 - iii. Commission: In addition to salary and perquisites, commission not exceeding 0.35 percent of the net profits of the Company in a financial year, computed in the manner laid down in Section 198 of the Companies Act 2013 and subject to the overall ceilings laid-down under Sections 197 of the Companies Act, 2013 and Schedule V of the Companies Act, 2013.
2. Perquisites: In addition to the salary and commission as mentioned in clause 1 above, the said appointee shall be entitled to perquisites as under:
 - i. Housing: The expenditure incurred by the company on hiring furnished accommodation for the appointee shall be subject to a ceiling of 60% of his salary. However, if the Company does not provide the appointee residential accommodation, the said appointee is entitled to house rent allowance of 60% of his salary. Besides, the Company shall provide amenities such as gas, electricity, water and furnishings subject to a ceiling of 10% of salary, computed as per Income Tax Rules, 1962.
 - ii. Medical, hospitalization and health care expenses: Reimbursement of medical, hospital and nursing expenses including mediclaim policy premium paid by the Company and where recommended by a medical practitioner travelling expenses for this purpose in or outside India for himself, his spouse and dependent children actually incurred subject to a ceiling of 1 (one) month's salary per year or 5 (five) months' salary in a block period of 5 (five) years.

- iii. Leave Travel Concession: For the appointee, his wife and dependent children once a year, in accordance with any rules specified by the Company subject to a ceiling of 1 (one) month's salary during leave for holidaying in any place or places in India not more frequently than once in a year, including travelling expenses by air and/or air-conditioned first class by rail, subject to a condition that he will not be entitled to any expenses of stay at any holiday resort.
 - iv. Club Fees: Reimbursement of club fees, subject to a maximum of 2 (two) clubs, excluding life membership and admission fees.
 - v. Personal Accident Insurance: As per any rules specified by the Company.
 - vi. Health Mediciclaim Insurance: As per any rules specified by the Company.
 - vii. Provident Fund : Company's contribution to provident fund shall be as per the scheme applicable to the employee's of the Company, but not exceeding 12% of the salary or such other limits as prescribed by the Government.
 - viii. Contribution to Superannuation Fund and Pension Scheme: The Company's contribution towards pension and/or superannuation fund shall be an amount equivalent to 15% of the salary, as applicable to the other senior officers of the Company. Contribution to provident fund, superannuation fund will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act.
 - ix. Gratuity: As per the rules of the Company, payable in accordance with the approved gratuity fund which shall not exceed half month's salary for each completed year of service.
 - x. Ex - Gratia: In accordance with the Company's rules and regulations in force from time to time.
 - xi. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites.
 - xii. Land line telephone/ mobile phone/ internet for official use.
3. Where in any financial year during the currency of the tenure of the said appointee, the Company has no profit or inadequacy of profits, the remuneration by way of salary, commission and perquisites shall not exceed, the maximum limits prescribed in Schedule V to the Companies Act, 2013, except with the approval of the Central Government wherever necessary.
 4. The said appointee shall be eligible for annual privilege leave on full salary for a period of 21 (twenty one) days and such leave shall be allowed to be accumulated for not more than 90 (ninety) days during the tenure of his appointment. Encashment of unavailed privilege leave at the end of the tenure of appointment will not be included in the computation of the ceiling on perquisites.
 5. The said appointee shall be entitled to :
 - i. Reimbursement of expenses actually and properly incurred for the business of the Company as well as other expenses incurred by the appointee in the performance of duties on behalf of the Company.
 - ii. The reimbursement of travelling, hotel and other expenses incurred by the appointee in India and abroad exclusively for the business of the Company.
 6. The said appointee shall unless prevented by ill-health throughout the said term devote his whole time attention and abilities to the business of the Company and shall carry out the directions issued from time to time by the board of directors and shall in all respects conform to and comply with the directions and regulations made by the Board and shall well and faithfully serve the Company and use his utmost endeavors to promote the interests of the Company.
 7. The salary payable to the said appointee in terms of Clause 1, hereof shall continue to be paid to him in full during the first 6 (six) months of his illness or for causes beyond his control which would enforce his absence from duties and thereafter at the rate of one half of such salary during such absence until he shall have been so absent for a continuous period of 12 (twelve) months or until this Agreement is determined as hereinafter provided, whichever is earlier.
 8. The said appointee shall not at any time or times during or after the continuance of his employment divulge, disclose or make public any of the secrets regarding the accounts, transactions or processes or regarding specifications, technical and patent information, formulae and know-how to be used for the manufacture or processing of drugs and products of the Company or any of the secrets regarding its plant, facilities, machinery and equipments, information and organization of production and material flow as well as methods and procedures of production or dealings of the Company which shall come to his knowledge whether the same shall be confided to him or become known to him as Director or in any other manner whatsoever during the course of his employment.
 9. In the case of death of the said appointee in the course of his employment, the Company shall pay to his legal representatives the remuneration for the current month in addition to such other sum as the Board may determine.
 10. If the said appointee shall, in the opinion of the Board of Directors, fail for 6 (six) consecutive months to perform or be negligent in his duty to the Company, the Company may by notice in writing determine this Agreement.

11. The said appointee shall not during the continuance of this Agreement, or for a period of 3 (three) years after the termination thereof, without the consent in writing of the Company, either solely or jointly with or as manager or agent for any other person or persons directly or indirectly carry on or be engaged in such business as the Company has been carrying on for the last preceding 3 (three) years.
 12. The said appointee hereby agrees that he will not at any time after determination of his employment:
 - i. Solicit the custom of or deal with any person or Company who has during the three/five years preceding such determination been a customer of the Company; and
 - ii. Represent himself as being in any way directly or indirectly connected with or interested in the business of the Company.
 13. Subject to Section 191 of the Companies Act 2013 in the event of the Company at any time transferring its undertaking to another Company for any reason whatsoever the Company may make it one of the terms and conditions of such transfer that such other Company shall appoint the said appointee as a member of such other Company upon the same terms and conditions as are herein contained.
 14. In the event of the Company being wound up voluntarily and in case it is able to pay its debts, the said appointee shall be paid by the Company or by its liquidator in priority to all other creditors as compensation for the loss of his employment as the appointee the sum equal to his (12) twelve months' remuneration consisting of salary on the basis of the last salary drawn and such compensation shall at all times be the first charge on the assets of the Company.
 15. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate this Agreement, at anytime giving the other party 90 (ninety) days notice in writing in that behalf.
5. To consider and if thought fit, to pass the following resolution as a **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable statutes, laws, rule(s), regulation(s), guideline(s), circular(s) etc., in force at the relevant time (including any statutory modifications, amendments or re-enactments thereof), Approval of the Shareholders be and are accorded for the re-appointment of Ms. Nomita R. Chandavarkar (DIN:00042332) as an Executive Director of the Company for a period of 5 (five) years with effect from June 02, 2019, on the following terms and conditions, remuneration and perquisites upto a maximum as recommended by the Nomination and Remuneration Committee of the Board and as may be permitted under Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof as in force for the period covered under the Agreement to be entered into by the Company with Ms. Nomita R. Chandavarkar or on the basis of such other law or notification as may be permissible or applicable ("said appointee"):

1. The material terms of the said Agreement are as follows:
 - i. Term: June 02, 2019 to June 01, 2024
 - ii. Salary: Rs. 1,25,000 (Rupees One Lakhs Twenty Five Thousand Only) p.m. w.e.f. from June 02, 2019, with an annual increment of Rs. 5,000 (Rupees Five Thousand Only) in the basic salary, upto to maximum salary of Rs. 1,45,000 (Rupees One Lakhs Forty Five Thousand only) p.m. Annual increments every year for the term, will be effective from June 02, 2019.
 - iii. Commission: In addition to salary and perquisites, commission not exceeding 0.15 percent of the net profits of the Company in a financial year, computed in the manner laid down in Section 198 of the Companies Act 2013 and subject to the overall ceilings laid-down under Sections 197 of the Companies Act, 2013 and Schedule V of the Companies Act, 2013.
2. Perquisites: In addition to the salary and commission as mentioned in clause 1 above, the said appointee shall be entitled to perquisites as under:
 - i. Housing: The expenditure incurred by the company on hiring furnished accommodation for the appointee shall be subject to a ceiling of 60% of her salary. However, if the Company does not provide the appointee residential accommodation, the said appointee is entitled to house rent allowance of 60% of her salary. Besides, the Company shall provide amenities such as gas, electricity, water and furnishings subject to a ceiling of 10% of salary, computed as per Income Tax Rules, 1962.
 - ii. Medical, hospitalization and health care expenses: Reimbursement of medical, hospital and nursing expenses including mediclaim policy premium paid by the Company and where recommended by a medical practitioner travelling expenses for this purpose in or outside India for herself, her spouse and dependent children actually incurred subject to a ceiling of 1 (one) month's salary per year or 5 (five) months' salary in a block period of 5 (five) years.

- iii. Leave Travel Concession: For the appointee, her husband and dependent children once a year, in accordance with any rules specified by the Company subject to a ceiling of 1 (one) month's salary during leave for holidaying in any place or places in India not more frequently than once in a year, including travelling expenses by air and/or air-conditioned first class by rail, subject to a condition that she will not be entitled to any expenses of stay at any holiday resort.
 - iv. Club Fees: Reimbursement of club fees, subject to a maximum of 2 (two) clubs, excluding life membership and admission fees.
 - v. Personal Accident Insurance: As per any rules specified by the Company.
 - vi. Health Medici claim Insurance: As per any rules specified by the Company.
 - vii. Provident Fund : Company's contribution to provident fund shall be as per the scheme applicable to the employee's of the Company, but not exceeding 12% of the salary or such other limits as prescribed by the Government.
 - viii. Gratuity: As per the rules of the Company, payable in accordance with the approved gratuity fund which shall not exceed half month's salary for each completed year of service.
 - ix. Ex - Gratia: In accordance with the Company's rules and regulations in force from time to time.
 - x. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites.
 - xi. Land line telephone/ mobile phone/ internet for official use.
3. Where in any financial year during the currency of the tenure of the said appointee, the Company has no profit or inadequacy of profits, the remuneration by way of salary, commission and perquisites shall not exceed, the maximum limits prescribed in Schedule V to the Companies Act, 2013, except with the approval of the Central Government wherever necessary.
 4. The said appointee shall be eligible for annual privilege leave on full salary for a period of 21 (twenty one) days and such leave shall be allowed to be accumulated for not more than 90 (ninety) days during the tenure of her appointment. Encashment of unavailed privilege leave at the end of the tenure of appointment will not be included in the computation of the ceiling on perquisites.
 5. The said appointee shall be entitled to :
 - i. Reimbursement of expenses actually and properly incurred for the business of the Company as well as other expenses incurred by the appointee in the performance of duties on behalf of the Company.
 - ii. The reimbursement of travelling, hotel and other expenses incurred by the appointee in India and abroad exclusively for the business of the Company.
 6. The said appointee shall unless prevented by ill-health throughout the said term devote her whole time attention and abilities to the business of the Company and shall carry out the directions issued from time to time by the board of directors and shall in all respects conform to and comply with the directions and regulations made by the Board and shall well and faithfully serve the Company and use her utmost endeavors to promote the interests of the Company.
 7. The salary payable to the said appointee in terms of Clause 1, hereof shall continue to be paid to her in full during the first 6 (six) months of her illness or for causes beyond her control which would enforce her absence from duties and thereafter at the rate of one half of such salary during such absence until she shall have been so absent for a continuous period of 12 (twelve) months or until this Agreement is determined as hereinafter provided, whichever is earlier.
 8. The said appointee shall not at any time or times during or after the continuance of her employment divulge, disclose or make public any of the secrets regarding the accounts, transactions or processes or regarding specifications, technical and patent information, formulae and know-how to be used for the manufacture or processing of drugs and products of the Company or any of the secrets regarding its plant, facilities, machinery and equipments, information and organization of production and material flow as well as methods and procedures of production or dealings of the Company which shall come to her knowledge whether the same shall be confided to her or become known to her as Director or in any other manner whatsoever during the course of her employment.
 9. In the case of death of the said appointee in the course of her employment, the Company shall pay to her legal representatives the remuneration for the current month in addition to such other sum as the Board may determine.
 10. If the said appointee shall, in the opinion of the Board of Directors, fail for 6 (six) consecutive months to perform or be negligent in her duty to the Company, the Company may by notice in writing determine this Agreement.
 11. The said appointee shall not during the continuance of this Agreement, or for a period of 3 (three) years after the termination thereof, without the consent in writing of the Company, either solely or jointly with or as manager or agent for any other person or persons directly or indirectly carry on or be engaged in such business as the Company has been carrying on for the last preceding 3 (three) years.

12. The said appointee hereby agrees that she will not at any time after determination of her employment:
 - i. Solicit the custom of or deal with any person or Company who has during the three/five years preceding such determination been a customer of the Company; and
 - ii. Represent himself as being in any way directly or indirectly connected with or interested in the business of the Company.
13. Subject to Section 191 of the Companies Act, 2013 in the event of the Company at any time transferring its undertaking to another Company for any reason whatsoever the Company may make it one of the terms and conditions of such transfer that such other Company shall appoint the said appointee as a member of such other Company upon the same terms and conditions as are herein contained.
14. In the event of the Company being wound up voluntarily and in case it is able to pay its debts, the said appointee shall be paid by the Company or by its liquidator in priority to all other creditors as compensation for the loss of her employment as the appointee the sum equal to her (12) twelve months' remuneration consisting of salary on the basis of the last salary drawn and such compensation shall at all times be the first charge on the assets of the Company.
15. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate this Agreement, at anytime giving the other party 90 (ninety) days notice in writing in that behalf.

6. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 read with schedule IV and all other applicable provisions of the Companies Act, 2013 ("Act") and Companies (Appointment and Qualification of Directors) Rules, and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable statutes, laws, rule(s), regulation(s), guideline(s), circular(s) etc., in force at the relevant time (including any statutory modifications, amendments or re-enactments thereof) and as recommended by the Nomination and Remuneration Committee of the Board the approval of the shareholders be and is accorded for the reappointment of CA. Swati S. Mayekar as Non-Executive & Independent Director of the Company for a period of 5 (five) years w.e.f. September 06, 2019.

RESOLVED FURTHER THAT any one of the Directors for the time being be and are hereby severally authorized to sign and execute all such documents and papers (including appointment letter etc.) as may be required for the purpose and file necessary e-form with the Registrar of Companies and to do all such acts, deeds and things as may considered expedient and necessary in this regard.

RESOLVED FURTHER THAT any one of the Directors and / or Company Secretary for the time being be and are hereby severally authorised to sign the certified true copy of the resolution of the resolution to be given as and when required."

7. To consider and if thought fit, to pass the following resolution as a **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 read with Schedule IV and all other Applicable Provisions of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the Act read with the Rules made thereunder and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable statutes, laws, rule(s), regulation(s), guideline(s), circular(s) etc., in force at the relevant time (including any statutory modifications, amendments or re-enactments thereof) and in terms of the provisions of the Articles of Association of the Company, the approval of the shareholders be and is accorded for the appointment of Mr. Melarkode Ganesan Parameswaran (DIN:- 00792123) as Non Executive & Independent Director, with effect from Friday, May 10, 2019.

RESOLVED FURTHER THAT Mr. Mohan A. Chandavarkar (Managing Director), Mr. Nandan M. Chandavarkar (Joint Managing Director), Mr. Ashok A. Chandavarkar, Mr. Ameya A. Chandavarkar, Ms. Nomita R. Chandavarkar, Whole-time Directors, and Ms. Varsharani Katre, Company Secretary, be and are hereby authorised Severally to sign (including electronic digital signatures) and file such e-forms with the Registrar of Companies, or any other statutory authorities, as may be necessary for the said appointment."

8. To consider and if thought fit, to pass the following resolution as a **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161, and Schedule IV of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the Act read with the Rules made thereunder and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable statutes, laws, rule(s), regulation(s), guideline(s), circular(s) etc., in force at the relevant time (including any statutory modifications, amendments or re-enactments thereof) and in terms of the provisions of the Articles of Association of the Company, the approval of the Shareholders be and is accorded for the appointment of Ms. Usha Athreya Chandrasekhar (DIN:- 06517876) as Non Executive & Independent Director, with effect from Friday, May 10, 2019.

RESOLVED FURTHER THAT Mr. Mohan A. Chandavarkar, Managing Director, Mr. Nandan M. Chandavarkar, Joint Managing Director, Mr. Ashok A. Chandavarkar, Mr. Ameya A. Chandavarkar, Ms. Nomita R. Chandavarkar, Whole-time Directors, and Ms. Varsharani Katre, Company Secretary, be and are hereby authorised Severally to sign (including electronic digital signatures) and file such e-forms with the Registrar of Companies, or any other statutory authorities, as may be necessary for the said appointment."

9. To consider and if thought fit, to pass the following resolution as a **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161, and Schedule IV of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the Act read with the Rules made thereunder and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable statutes, laws, rule(s), regulation(s), guideline(s), circular(s) etc., in force at the relevant time (including any statutory modifications, amendments or re-enactments thereof) and in terms of the provisions of the Articles of Association of the Company, the approval of the Shareholders be and is accorded for the appointment of Dr. Mahesh Bijlani (DIN: 0008447258) as Non Executive & Independent Director, with effect from Friday, May 10, 2019.

RESOLVED FURTHER THAT Mr. Mohan A. Chandavarkar (Managing Director), Mr. Nandan M. Chandavarkar (Joint Managing Director), Mr. Ashok A. Chandavarkar, Mr. Ameya A. Chandavarkar, Ms. Nomita R. Chandavarkar, Whole-time Directors, and Ms. Varsharani Katre, Company Secretary, be and are hereby authorised Severally to sign (including electronic digital signatures) and file such e-forms with the Registrar of Companies, or any other statutory authorities, as may be necessary for the said appointment."

10. To consider and if thought fit, to pass the following resolution as a **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force, and as recommended by the Audit Committee, M/s. Sevekari Khare and Associates, Cost Accountants (Firm Registration No. 000084), Mumbai, be and are hereby appointed as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020.

RESOLVED FURTHER THAT M/s. Sevekari Khare and Associates, be paid a total remuneration of Rs. 4,75,000/- (Rupees Four Lakhs and Seventy Five Thousand Only) and out of pocket expenses plus taxes, as recommended by the Audit Committee.

RESOLVED FURTHER THAT Mr. Mohan A. Chandavarkar, Managing Director or Mr. Nandan M. Chandavarkar, Joint Managing Director or Mr. Ashok A. Chandavarkar or Mr. Ameya A. Chandavarkar or Ms. Nomita R. Chandavarkar, Directors and Ms. Varsharani Katre, Company Secretary, be and are hereby authorised severally to sign (including electronic digital signatures) all such e-forms, documents and to do all such acts, deeds and things as may be necessary for giving effect to the above resolution."

11. To consider and if thought fit, to pass the following resolution as a **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 61(1)(e) and any other applicable provisions of the Companies Act, 2013 "the Act" and the rules made thereunder (including any statutory modifications or re - enactment thereof) and subject to other permissions and approvals, if any, as may be required, approval of the Shareholders be and is hereby accorded to the cancellation of 31,45,000 equity shares issued out of the authorised share capital of the Company, which were forfeited by the Company, and which have neither been re-issued nor have been taken up or agreed to be taken up by any person and the amount of issued share capital be and is hereby diminished by an amount of Rs. 7,86,250/- being the amount paid up on the forfeited shares so cancelled.

RESOLVED FURTHER THAT the Board be and is hereby authorised to cancel the forfeited shares and transfer the amount received on such shares lying with the Company to Capital Reserves Account or such other accounts as per the applicable provisions of Accounting Standards and Act.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Mr. Mohan A. Chandavarkar, Managing Director or Mr. Nandan M. Chandavarkar, Joint Managing Director or Mr. Ashok A. Chandavarkar or Mr. Ameya A. Chandavarkar or Ms. Nomita R. Chandavarkar, Directors or Mr. Sanjay Jain, Chief Financial Officer or Ms. Varsharani Katre, Company Secretary be and are hereby authorised to take all such steps and actions and give such directions as may be in its absolute discretion deemed necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the shareholders or otherwise and that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution."

By Order of the Board

Place : Mumbai
Date : May 24, 2019

Varsharani Katre
Company Secretary

NOTES:

1. The relative Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business under Item Nos. 3 to 11 of the accompanying Notice is annexed hereto.
2. In respect of Resolution at Item No. 2, a statement giving additional information on the Director seeking re-appointment is annexed herewith as required under the SEBI (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. The Register of Members and Share Transfer Books of the Company shall remain closed from September 21, 2019 to September 27, 2019 (both days inclusive) for the purpose of Annual General Meeting.
7. In order to prevent fraudulent transactions with respect to dividend warrants, the Company encourages remittance of dividend through ECS/NEFT. Dividend in future would be remitted through ECS/NEFT for shareholders who have registered their mandates with the Company or to the bank particulars registered against respective depository accounts, in respect of shares held in demat mode.
8. 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.
9. 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.
10. 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.
11. In terms of 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. 15,16,014/- (Rupees Fifteen Lakhs Sixteen Thousand and Fourteen Only) being the unpaid and unclaimed dividend amount pertaining to Final Dividend 2010-2011 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 2010-2011 and onwards, are advised to write to the Company immediately claiming dividends declared by the Company.

12. In accordance with the provision of Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 for the manner of transfer of the unpaid and unclaimed dividends to the IEPF and the manner of transfer of shares in case of any dividend has not been paid or claimed for last 7 (Seven) consecutive years to the designated Suspense Account as prescribed by the IEPF Authority as notified by the Ministry of Corporate Affairs.

In view thereof, after complying with the prescribed procedure, 47,714 shares on which dividend remained unclaimed for 7 (Seven) consecutive years, were transferred to IEPF account in the year 2018. The Company has uploaded the details of such Shareholders whose shares are transferred to IEPF account on the website of the Company i.e. www.fdcindia.com. The procedure to claim the shares transferred to IEPF account has also been uploaded on the website.

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 07, 2018 (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, B S R & CO LLP, Chartered Accountants, Statutory Auditors of the Company shall retire at the conclusion of the 82nd Annual General Meeting of the Company.
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 79th Annual General Meeting is given at the end of this Notice as per the requirement of the Secretarial Standards - 2 on "General Meetings".
18. To support the green initiative of the Government, electronic copy of the Notice and the Annual Report for the year ended March 31, 2019 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, 2019 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 79th Annual General Meeting and the Annual Report for the year ended March 31, 2019 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. Pursuant to Section 72 of the Companies Act, 2013 Members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.
21. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the Annual General Meeting.
22. 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 for the 79th 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 no. of shares of the paid up capital of the Company as on the cut-off date i.e. September 21, 2019.
 - 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 Annual General Meeting, 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 e - voting 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. September 27, 2019.

23. Instruction for remote e-voting through CDSL:

- i. The remote e-voting shall commence on September 24, 2019, at 9.00 A.M. IST and end on September 26, 2019 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. September 21, 2019 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 / Members.
- 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	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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)	<p>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.</p> <p>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. 23 (v).</p>

- 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 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 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 changed login 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 Custodian 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 issued in favour of the Custodian, 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.

24. 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 24, 2019

Varsharani Katre
Company Secretary

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

Item No.03

The Board of Directors of the Company at its meeting held on February 08, 2019 has re-appointed Mr. Nandan M. Chandavarkar as a Joint Managing Director, for a period of 5 (five) years with effect from March 01, 2019.

It is proposed to seek the members' approval at the forthcoming Annual General Meeting, for the re-appointment of and remuneration payable to Mr. Nandan M. Chandavarkar as Joint Managing Director, in terms of the applicable provisions of the Act.

Mr. Nandan M. Chandavarkar is the Joint Managing Director of the Company since 2004. He is associated with the Company as a Director since 1993. He has graduated in Bachelor of Pharmacy Degree.

He is actively involved in Commercial, marketing operations of the Company. His professional knowledge and vast experience will be of immense benefit to the Company.

He is the Promoter of the Company and holds 53,54,532 shares of the Company in his name as on March 31, 2019.

The terms and conditions of his re-appointment including the remuneration payable to Mr. Nandan M. Chandavarkar, Joint Managing Director is laid out in the resolution mentioned in Item No. 3 above.

Mr. Nandan M. Chandavarkar satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for their re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Mr. Mohan A. Chandavarkar and Mr. Ashok A. Chandavarkar being related to Mr. Nandan M. Chandavarkar to the extent of their shareholding and Mr. Nandan M. Chandavarkar himself are deemed to be interested or concerned in the resolution as enumerated above.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36 of the SEBI Regulations.

Item No. 04

The Board of Directors of the Company at its meeting held on May 24, 2019 has re-appointed Mr. Ameya A. Chandavarkar as an Executive Director of the Company and designate him as 'Chief Executive Officer (CEO) - International Business & Executive Director,' for a period of 5 (five) years with effect from November 01, 2019.

It is proposed to seek the members' approval at the forthcoming Annual General Meeting, for the re-appointment of and remuneration payable to Mr. Ameya A. Chandavarkar as an Executive Director of the Company, designated as - 'Chief Executive Officer (CEO) - International Business & Executive Director,' in terms of the applicable provisions of the Act.

Mr. Ameya A. Chandavarkar Joined the Board as Wholetime Director of the Company in 2002. He is associated with the Company as a Director since 2000. He is Bachelor of Science in Information Systems and did Marketing Management from Florida Southern College, Lakeland, USA

He is actively involved in International operations, Consumer Healthcare and Information Technology of the Company. His professional knowledge and vast experience will be of immense benefit to the Company.

He is the Promoter of the Company and holds 1,05,40,983 shares of the Company in his name as on March 31, 2019.

The terms and conditions of his re-appointment including the remuneration payable to Mr. Ameya A. Chandavarkar, Chief Executive Officer (CEO) – International Business & Executive Director is laid out in the resolution mentioned in Item No. 4 above.

Mr. Ameya A. Chandavarkar satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for their re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Mr. Mohan A. Chandavarkar and Mr. Ashok A. Chandavarkar being related to Mr. Ameya A. Chandavarkar to the extent of their shareholding and Mr. Ameya A. Chandavarkar himself are deemed to be interested or concerned in the resolution as enumerated above.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36 of the SEBI Regulations.

Item No. 05

The Board of Directors of the Company at its meeting held on May 24, 2019 has re-appointed Ms. Nomita R. Chandavarkar as an Executive Director, for a period of 5 (five) years with effect from June 02, 2019.

It is proposed to seek the members' approval at the forthcoming Annual General Meeting, for the re-appointment of and remuneration payable to Ms. Nomita R. Chandavarkar as an Executive Director, in terms of the applicable provisions of the Act.

Ms. Nomita R. Chandavarkar Joined the Board as Wholetime Director of the Company in 2014. She pursued Bachelor of Commerce from University of Bombay.

She is actively involved in Human Resource and Corporate Social Responsibility activities of the Company. Her professional knowledge will be of beneficial to the Company.

She is the Promoter of the Company and holds 55,87,737 shares of the Company in her name as on March 31, 2019.

The terms and conditions of his re-appointment including the remuneration payable to Ms. Nomita R. Chandavarkar, Executive Director is laid out in the resolution mentioned in Item No. 5 above.

Ms. Nomita R. Chandavarkar satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for their re-appointment. She is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Mr. Mohan A. Chandavarkar and Mr. Ashok A. Chandavarkar being related to Ms. Nomita R. Chandavarkar to the extent of their shareholding and Ms. Nomita R. Chandavarkar herself are deemed to be interested or concerned in the resolution as enumerated above.

The relatives of Ms. Nomita R. Chandavarkar may be deemed to be interested in the resolution set out at Item No. 5 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 / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members

This Explanatory Statement may also be regarded as a disclosure under Regulation 36 of the SEBI Regulations.

Item No. 06

The Board of Directors of the Company at their meeting held on September 06, 2014, had appointed, Mrs. Swati S. Mayekar as an Additional, Non-Executive and Independent Director of the Company with effect from September 06, 2014. The said appointment was subsequently approved by shareholders in their meeting held on September 30, 2015

The term of CA. Swati Mayekar ended on September 06, 2019 and It is now proposed to re - appoint CA. Swati S. Mayekar as an Non Executive and Independent Director of the Company for a term of 5 (five) consecutive years upto September 05, 2024 and not liable to retire by rotation, in terms of all the applicable provisions of the Companies Act, 2013.

Mrs. Mayekar is a Fellow Member of the Institute of Chartered Accountants of India having qualified in the year 1979, Associate Member of Institute of Company Secretaries of India having qualified in the year 1979 and B.G.L (General) with first class in 1979. She is a Partner in Firm S Panse & Co. Chartered Accountants. She is also a Director in Uniphos Enterprises Limited, Encode Advanced Dentistry Private Limited and Prodigy Finvest Private Limited.

Mrs. Mayekar is the Chairperson of the Audit Committee and Risk Management Committee of the Company. She is also the member of the Nomination and Remuneration Committee of the Company. Mrs. Mayekar is not related to any Directors of the Company. She does not hold any shares of the Company in her name as on March 31, 2019.

Mrs. Mayekar is also not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as Director. The Company has also received declaration from Mrs. Swati S. Mayekar that she meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. In the opinion of the Board, Mrs. Swati S. Mayekar fulfills the conditions for re - appointment as an Independent Director as specified under the Companies Act, 2013 and the Listing Regulation. Mrs. Mayekar is independent of the management.

Mrs. Swati S. Mayekar is interested in the Resolution No. 6 of the Notice with regard to her appointment. The relatives of Mrs. Mayekar may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution. The Board recommends Special Resolution No. 6 for approval of the shareholders.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36 of the SEBI Regulations.

Item No. 07

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, had appointed, Mr. Melarkode Ganesan Parameswaran as an Additional, Non-Executive and Independent Director of the Company with effect from May 10, 2019, by passing a Circular Resolution dated May 10, 2019. His appointment is subject to the approval of the Members at the ensuing Annual General Meeting. The said appointment will be for a term of 5 (five) consecutive years upto May 09, 2024 and not liable to retire by rotation, in terms of all the applicable provisions of the Companies Act, 2013.

Mr. Melarkode Ganesan Parameswaran is an Independent Brand Strategist, Author and Founder of Brand-Building.com, a brand advisory. He was till recently ED and CEO of FCB Ulka Advertising, one of India's top five ad agencies. A Chemical Engineer from IIT Madras and an MBA from IIM Calcutta, in a 35+ year long career he has handled assignments in marketing, sales and advertising with companies like Rediffusion DY&R, Boots Company, UDI Yellow Pages and finally a 26 year long stint at FCB Ulka.

Over his marketing/advertising career he has worked on brands including Tata, Tropicana, Digene, Strepsils, Brufen, Santoor, Sundrop, TCS, ICICI Bank, Wipro, Tata Indica, Zee TV, Abbott's Pediasure, J&J, Amul, ITC's Sunfeast, GSK's Cobadex, among others.

Mr. Parameswaran has served as the President of Advertising Club Bombay [2003-05] and Advertising Agencies Association of India [2014-16]. He successfully completed his PhD from Mumbai University in 2012, and the Advanced Management Program from Harvard Business School in 2014. He is a CFI [Coaching Foundation of India] certified CEO Coach. He served

as a member of the Board of Governors of IIM Cal from 2007 to 2017; he received the Distinguished Alumnus Award from IIT Madras in 2009 and from IIM Calcutta in 2018.

Mr. Parameswaran is an author of nine books on branding, advertising and consumer behavior. His book, "Nawabs Nudes Noodles – India Through 50 Years of Advertising", was a Finalist in the Crossword Popular Book Awards 2017. His latest book "SPONGE – Leadership Lessons I Learnt from My Clients" was published in mid - 2018.

Mr. Parameswaran has been contributing articles to premier business publications and has been a speaker at TEDx, numerous industry forums, literary festivals and international forums including the Kellogg India Conference at Northwestern University and Cornell University; he is also a guest faculty at several business schools including MICA, ISB, IIMA and IIMC.

Mr. Parameswaran is currently an Adjunct Professor of Marketing at SPJIMR; he is also an Independent Director on the board of Galaxy Surfactants Ltd., THG Publishing P Ltd [The Hindu Group] and Qube Cinema Technologies P Ltd; he is a Brand Advisor/Coach to a few large and small companies, a CEO/Executive Coach to a few senior managers, and a Mentor to some exciting new age start-ups.

Mr. Melarkode Ganesan Parameswaran is not related to any Directors of the Company. He does not hold any shares of the Company in his name as on March 31, 2019.

Mr. Melarkode Ganesan Parameswaran is also not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director. The Company has also received declaration from Mr. Melarkode Ganesan Parameswaran, that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Mr. Melarkode Ganesan Parameswaran fulfills the conditions for appointment as Independent Director as specified in the Act and the SEBI Regulations. He is independent of the management.

The Board considers that the association with Mr. Melarkode Ganesan Parameswaran would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director. He shall bring with him immense experience to the Company in the areas of Marketing and Business Development.

Mr. Melarkode Ganesan Parameswaran is interested in the Resolution No. 7 of the Notice with regard to his appointment. His relatives may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the Resolution. The Board recommends the Ordinary Resolution set out Item No. 7 of the Notice for approval by the Members.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36 of the SEBI Regulations.

Item No. 08

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, has appointed, Ms. Usha Athreya Chandrasekhar as an Additional, Non-Executive and Independent Director of the Company with effect from May 10, 2019, by passing a Circular Resolution dated May 10, 2019. Her appointment is subject to the approval of the Members at the ensuing Annual General Meeting. The said appointment will be for a term of 5 (five) consecutive years upto May 09, 2024 and not liable to retire by rotation, in terms of all the applicable provisions of the Companies Act, 2013.

Usha Athreya Chandrasekhar is a lawyer by profession, and runs her own law firm, Athreya Associates established in 1996. It is one of the very few all women law firms that specialize in Intellectual Properties, which covers trademarks, patents, copyrights, designs, franchising, licensing, etc. She has an extensive chamber practice with an impressive list of clients, ranging from multinationals, pharmaceuticals, restaurateurs, retailers, infrastructure companies, fertilisers and chemicals, FMCG, Luxury brand, media and advertising companies, health care companies, academics, schools, web-retailers, event management companies, fashion designers and sports celebrities.

Innovation is a subject close to her heart. She is one of the very few qualified, trained, and certified drafters of patent specifications and is certified by the Federation of International Counsels for Industrial Property law and the Academy of the Institute of Patent Trademark Attorneys Australia. With her father's training in the field of creativity along with legal training in patenting has helped her help several young inventors develop and protect their innovations.

As an executive Committee Member of the Intellectual Property Law Practitioner's Association, she has been actively involved in the development of laws and rights pertaining to Intellectual Properties, and worked on committees reviewing various draft Bills on Patents, Copyrights, Trademarks and Designs. She is also on the panel of consultant lawyers for IIT Mumbai.

Ms. Usha is also on the visiting faculty of Institutes and Centers of Intellectual Property Education, such as the Institute of Patent Studies, and IIT, Mumbai.

In addition she is also a member of International Intellectual Property organizations like AIPPI and Asian Patent Attorneys Association (APAA).

Ms. Usha Athreya Chandrasekhar is not related to any Directors of the Company. She does not hold any shares of the Company in his name as on March 31, 2019.

Ms. Usha Athreya Chandrasekhar is also not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as Director. The Company has also received declaration from Ms. Usha Athreya Chandrasekhar that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Ms. Usha Athreya Chandrasekhar fulfills the conditions for appointment as Independent Director as specified in the Act and the SEBI Regulations. She is independent of the management.

The Board considers that the association with Ms. Usha Athreya Chandrasekhar would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director. She shall bring with him immense experience to the Company in the areas of Legal and Corporate affairs.

Ms. Usha Athreya Chandrasekhar is interested in the Resolution No. 8 of the Notice with regard to her appointment. Her relatives may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the Resolution.

The Board recommends the Ordinary Resolution set out Item No. 8 of the Notice for approval by the Members.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36 of the SEBI Regulations.

Item No. 09

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, has appointed, Dr. Mahesh Bijlani as an Additional, Non-Executive and Independent Director of the Company with effect from May 10, 2019, by passing a Circular Resolution dated May 10, 2019. His appointment is subject to the approval of the Members at the ensuing Annual General Meeting. The said appointment will be for a term of 5 (five) consecutive years upto May 09, 2024 and not liable to retire by rotation, in terms of all the applicable provisions of the Companies Act, 2013.

Dr. Mahesh Bijlani [MBBS, MS (Gen. Surgery), DNB (Gen. Surgery), FKAC (MIS) (Germany)] is a medical practitioner by profession for more than 25 years, having vast experience in the field of Laparoscopic Surgery, Bariatric Surgery and General Medication.

During this period of 1995 – 1999, while at KH&MRC, in 1996 he underwent training for Laparoscopic Surgery with Dr. Hemant Bhansali and post that set up the very first Department of Laparoscopic Surgery in Satara District at KH&MRC.

In pursuit of excellence he did a fellowship program at the University of Kiel, Germany for Laparoscopic Surgery and Endoscopy and was conferred a Fellowship in Minimally Invasive Surgery in May 1998. Since 1999 he has been a practising as a Consultant Surgeon specialised in Advanced Laparoscopic Surgery at Hinduja Hospital Khar, Asian Heart Institute, Mahavir Medical Research Centre, Bhartiya Arogya Nidhi Hospital and Womens Hospital.

Dr. Mahesh Bijlani is also associated with Indian Medical Association, Association of Surgeons, International Hepatobiliary Pancreatic Association, and Bandra Khar Medical Association.

Dr. Mahesh Bijlani is not related to any Directors of the Company. He does not hold any shares of the Company in his name as on March 31, 2019.

Dr. Mahesh Bijlani is also not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director. The Company has also received declaration from Dr. Mahesh Bijlani that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Dr. Mahesh Bijlani fulfills the conditions for appointment as Independent Director as specified in the Act and the SEBI Regulations. He is independent of the management.

The Board considers that the association with Dr. Mahesh Bijlani would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director. He shall bring with him immense experience to the Company in the areas of Legal and Marketing, Research and Business Development.

Dr. Mahesh Bijlani is interested in the Resolution No. 9 of the Notice with regard to his appointment. His relatives may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the Members.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36 of the SEBI Regulations.

Item No. 10

The Board of Directors at their meeting held on May 24, 2019, on the recommendation of the Audit Committee, had 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, 2019, on a remuneration of Rs. 4,75,000/- (Rupees Four Lakhs and Seventy 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 for passing an Ordinary Resolution as set out at Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019.

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. 10.

The Board recommends the Ordinary Resolution set out at Item No. 10 of the Notice for approval by the Members

Item No. 11

The Board of Directors at their meeting held on May 24, 2019, discussed on the treatment of forfeited shares lying with the Company.

In the past, the Board had forfeited 3,14,900/- shares of face value of Rs. 10/- each due to non-payment of call money of Rs. 7.5/- each by the shareholders out of which forfeiture of 400 shares was annulled afterwards on receipt of call money.

After split of the shares in the year 2002, at present there are 31,45,000 forfeited shares of Rs. 0.25/- each containing total amount of Rs. 7,86,250/- of forfeited capital.

While showing details of the equity share capital in the Balance sheet, the details of forfeited shares also needs to be shown till the time these shares are either re-issued or cancelled.

Considering very small quantum of the shares, it is proposed to cancel these shares.

Further, pursuant to Section 61(1)(e) of the Companies Act, 2013, a limited company having a share capital may, if so authorised by its articles, alter its memorandum in its general meeting to cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its issued share capital by the amount of the shares so cancelled.

Accordingly, the approval of the Members is sought for passing an Ordinary Resolution as set out at Item No. 11 of the Notice for cancellation of equity shares forfeited by the Company.

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. 11.

The Board recommends the Ordinary Resolution set out at Item No. 11 of the Notice for approval by the Members.

By Order of the Board

Place: Mumbai
Date: May 24, 2019

Varsharani Katre
Company Secretary

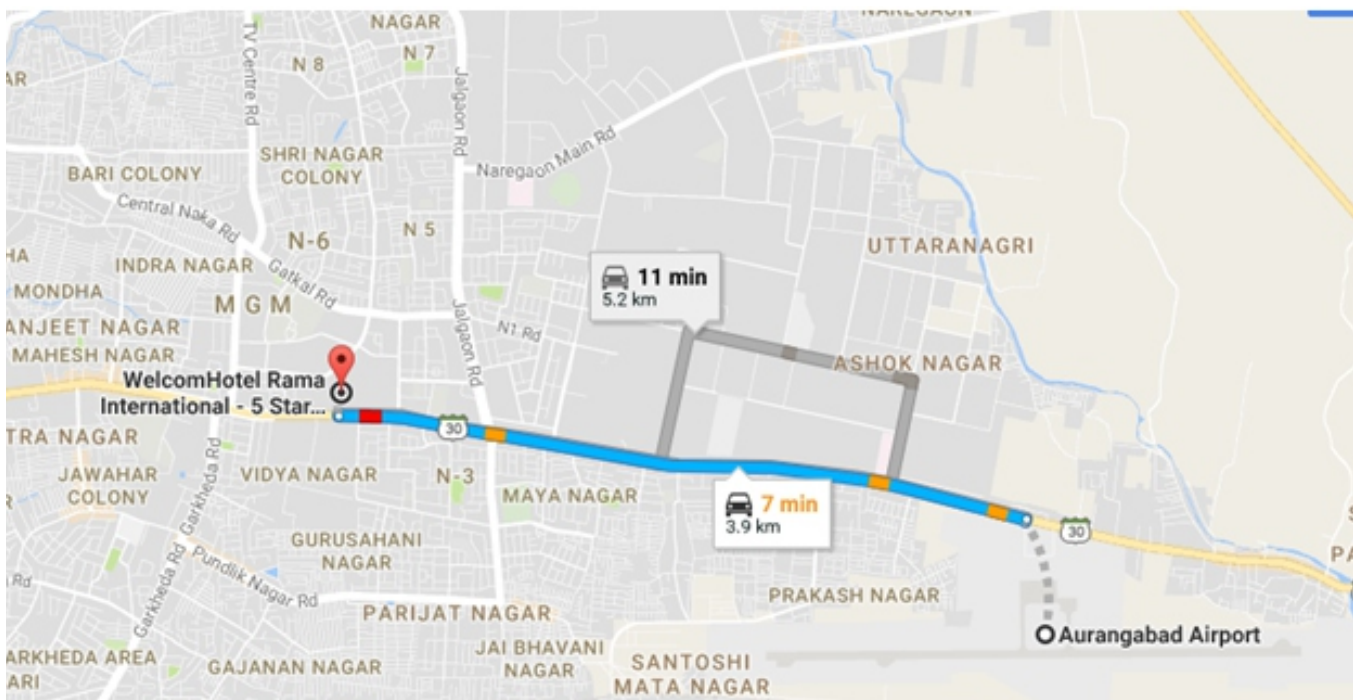
Route map for the venue of the 79th Annual General Meeting

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: 7.4 km : 3.9 km



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 Ninth Annual General Meeting of the Company, to be held on September 27, 2019 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:

S r. No.	Resolutions
1.	Adoption of the Audited Standalone and Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2019 together with the Reports of the Board of Directors and Auditors thereon.
2.	Re-appointment of Ms. Nomita R. Chandavarkar who retires by rotation and being eligible, offers herself for re-appointment
3.	Re-appointment of Mr. Nandan M. Chandavarkar as Joint Managing Director.
4.	Re-appointment of Mr. Ameya A. Chandavarkar as an Executive Director of the Company and designate him as 'Chief Executive Officer (CEO) - International Business & Executive Director'
5.	Re-appointment of Ms. Nomita R. Chandavarkar as an Executive Director.
6.	Re-appointment of CA. Swati Mayekar as an Independent directors of the Company.
7.	Appointment of Mr. Melarkode Ganesan Parameswaran (DIN:- 00792123) as a Non-Executive Independent director of the Company.
8.	Appointment of Ms. Usha Athreya Chandrasekhar (DIN:- 06517876) as a Non-Executive Independent director of the Company
9.	Appointment of Dr. Mahesh Bijlani (DIN: 0008447258) as a Non-Executive Independent director of the Company.
10.	Ratification of appointment and remuneration of the Cost Auditors for the Financial Year 2019 – 2020.
11.	Approval of cancellation of 3,14,500 Forfeited Equity Shares.

Signed this _____ day of _____ 2019.

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.



FDC Limited



**Delivering
Excellence**
Across The World

**ANNUAL
REPORT
2019**

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 | Friday, September 27, 2019 |
| 2. Venue and time | WelcomHotel Rama International
R-3, Chikalthana, Aurangabad - 431 210
at 10.00 a.m. |
| 3. Book closure | September 21, 2019 to September 27, 2019
(both days inclusive) |
| 4. Investors' complaints may be addressed to | The Secretarial Department
FDC Limited
142-48, Swami Vivekananda Road,
Jogeshwari (West), Mumbai - 400 102.
Tel.: (022) 2673 9100 / 2673 9215
E-mail ID.: investors@fdcindia.com
Website: www.fdcindia.com |

FDC Limited**CIN: L24239MH1940PLC003176****Registered Office:** B - 8, MIDC 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.**Late Anand L. Chandavarkar** (1905-1959)

Founder

Late Ramdas A. Chandavarkar (1933-2001)

Chairman Emeritus

DIRECTORS

CA Uday Kumar Gurkar

(Chairman of the Board, appointed w.e.f. April 01, 2019)

Mr. Mohan A. Chandavarkar

(Managing Director)

Mr. Nandan M. Chandavarkar

(Joint Managing Director)

Mr. Ashok A. Chandavarkar

Mr. Ameya A. Chandavarkar

Ms. Nomita R. Chandavarkar

CA. Swati S. Mayekar

Dr. Rahim H. Muljiani*

Dr. Satish S. Ugrankar*

CA Vinod G. Yennemadi*

Mr. Malarkode Ganesan Parameswaran[#]Ms. Usha Athreya Chandrasekhar[#]Dr. Mahesh Bijlani[#]

(* Resigned w.e.f. April 1, 2019)

([#] Appointed as an Additional Non-Executive,
Independent Director w.e.f. May 10, 2019)**CHIEF FINANCIAL OFFICER**

Mr. Sanjay Jain

COMPANY SECRETARY

Ms. Varsharani Katre

AUDITORS

B S R & 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 - 400 067.

CORRESPONDENCE ADDRESS

- C-3 SKYVISTAS, Near Versova Police Station, 106A, J.P. Road, Andheri (West), Mumbai - 400 053.

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.: support@sharexindia.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 79th Annual Report together with the Audited Accounts for the year ended March 31, 2019.

1. STANDALONE FINANCIAL RESULTS

	(Rupees in lakhs)	
Particulars	2018-2019	2017-2018
Revenue from operations (Net)	1,07,587.40	1,07,021.23
Other income	5,479.98	5,124.75
Total Income	1,13,067.38	1,12,145.98
Profit (before finance costs and depreciation/amortisation)	27,483.97	27,034.83
Finance costs	143.19	140.26
Depreciation and amortisation	3,313.77	3,503.90
Profit Before Exceptional items and Tax	24,027.01	23,390.67
Less: Exceptional items	397.11	-
Profit before tax	23,629.90	23,390.67
Less: Taxation		
- Current Tax	6,660.00	6,780.00
- Deferred Tax	(183.73)	(220.74)
Profit After Tax	17,153.63	16,831.41
Other Comprehensive Income/(Loss) for the year	(89.13)	(27.61)
Total Comprehensive Income/(Loss) for the year	17,064.50	16,803.80
Earnings per equity share (Basic & Diluted) (Face value Re.1)	9.84	9.47

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. BUYBACK OF SHARES

The Board of Directors of FDC Limited in their meeting held on May 24, 2019 had given their approval for Buy Back of the Company's fully paid-up equity shares of Re. 1/- each from the Tender offer through Stock Exchange route, of upto 3,430,000 (Thirty Four Lakhs Thirty Thousand only) fully paid up equity shares of face value of Re. 1/- each of the Company at a price of Rs. 350/- (Rupees Three Hundred Fifty only) per Share payable in Cash for an aggregate Buyback consideration not exceeding Rs. 120.05 Crores (Rupees One Hundred Twenty Crores Five Lakhs Only) excluding transaction cost, viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc., cost for the intermediaries appointed for the buyback and other incidental costs.

3. DIVIDEND

The Board of Directors of your Company, after considering relevant circumstances in Pharmaceutical industry and keeping in view the Company's Dividend Distribution Policy, has decided that it would be prudent, not to recommend any dividend for the year under review. As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, "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.

4. SHARE CAPITAL

During the year under review, the paid up Equity Share Capital of the Company as on March 31, 2019 is as follows:

Subscribed and Paid-up share capital	March 31, 2019	March 31, 2018
174,403,084 (Previous year- 174,403,084) Equity shares of Re. 1 each, fully paid-up	174,403,084	174,403,084
Add: 3,145,000 (Previous year - 3,145,000) Equity shares forfeited	786,250	786,250
Total	175,189,334	175,189,334

Cancellation of Equity Shares Forfeited by the Company

In the past, the Board had forfeited 314,900/- shares of face value of Rs. 10/- each due to non-payment of call money of Rs. 7.5/- each by the shareholders, out of which forfeiture of 400 shares was annulled afterwards on receipt of call money.

After split of the shares in the year 2002, at present there are 3,145,000 forfeited shares of Rs. 0.25/- each containing total amount of Rs. 786,250 of forfeited capital.

While showing details of the equity share capital in the Balance sheet, the details of forfeited shares also needs to be shown till the time these shares are either re-issued or cancelled. Considering very small quantum of the shares, it is proposed to cancel these shares.

The Company decides not to reissue the forfeited shares of the Company. In such a case, the Board will cancel the forfeited shares and transfer the amount received on such shares to capital reserve account or other such accounts as per the applicable provisions of Indian Accounting Standards and Companies Act, 2013, "Act".

5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The management of your company presents the analysis of performance of the Company for the financial year ended March 31, 2019 and its outlook for the future. This outlook is based on assessment of the current business environment. It may vary due to future economic and other developments, both in India and abroad.

A. Economic Overview:

When we met year ago economic activity was accelerating in almost all regions of the world and the global economy was projected to grow at 3.9 % in 2018 - 2019. One year later, much has changed: the escalation of US-China trade tensions, macroeconomic stress in Argentina and Turkey, disruptions to the auto sector in Germany, tighter credit policies in China, and financial tightening alongside the normalization of monetary policy in the larger advanced economies have all contributed to a significantly weakened global expansion, especially in the second half of 2018. With this weakness persist into 2019, the World Economic Outlook (WEO) projects a decline in growth in 2019 for 70 % of the global economy. Global growth, which peaked at close to 4 % in 2017, softened to 3.6 % in 2018, and is projected to decline further to 3.3 % in 2019.

(Source : IMF March, 2019)

India continues to be among the few growth economies, growth is projected to pick up to 7.3 % in 2019 and 7.5 % in 2020, supported by the continued recovery of investment and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy. Growth in India is expected to stabilize at just under 7.75 % over the medium term, based on continued implementation of structural reforms and easing of infrastructure bottlenecks.

In India, continued implementation of structural and financial sector reforms with efforts to reduce public debt remain essential to secure the economy's growth prospects. In the near term, continued fiscal consolidation is needed to bring down India's elevated public debt. This should be supported by strengthening Goods and Services Tax compliance and further reducing subsidies. Important steps have been taken to strengthen financial sector balance sheets, including through accelerated resolution of non-performing assets under a simplified bankruptcy framework. These efforts should be reinforced by enhancing governance of public sector banks. Reforms to hiring and dismissal regulations would help incentivize job creation and absorb the country's large demographic dividend; efforts should also be enhanced on land reform to facilitate and expedite infrastructure development.

The Indian Pharmaceutical industry continues to enjoy structural advantages which maintains global competitiveness and fuels industry growth.

Cost Efficiency: Low cost of production and R&D boosts efficiency of Indian pharma companies, leading to competitive exports. Indian pharma exports reached

US \$ 17.15 billion in FY19. India's cost of production is approximately 33 % lower than that of the US. India's ability to manufacture high quality, low priced medicines, presents a huge business opportunity for the domestic industry.

Economic Drivers: Increasing penetration of health insurance to drive expenditure on medicine. With increasing penetration of pharmacies, especially in rural India, OTC drugs will be readily available.

Increasing Investments: Increasing private sector investments in R&D and acquisitions are driving the sector's growth. In FY18, Indian pharma companies invested 8.8 % of their sales in R&D. Between 2008-18; the S&P BSE Healthcare Index has grown at 16.72 %. In 2017, Indian pharmaceutical sector witnessed 46 Merger & Acquisition (M&A) deals worth US\$ 1.47 billion.

Policy Support: Pharma Vision 2020 aimed at making India a global leader in end-to-end drug manufacturing. Under Budget 2019-20, allocation to the Ministry of Health and Family Welfare increased by 13.1 % to Rs. 61,398 crore (US\$ 8.98 billion). In this sector, 100 % FDI is allowed under automatic route.

(Source: PwC, McKinsey, Pharmaceuticals Promotion Council of India)

B. Industry Structure & development:

As per AIOCD-AWACS Report, the Indian Pharma market grew by 9.6% in 2018-19, the Total Sales reported where Rs. 130,506 crore from Rs. 119,386 crore in 2017-18. By 2020, India is likely to be among top three pharmaceutical markets by incremental growth and 6th largest market globally in absolute size.

India's domestic pharmaceutical market turnover reached Rs. 119,386 crore in 2017-18, growing 5.7 % year-on-year from Rs. 111,135 crore in 2016-17. In India, medicine spending is projected to grow by 9 % - 12 % over the next five years, India to become leader in one of the top 10 countries in terms of medicine spending. India's cost of production is significantly lower than that of the US and almost half of that of Europe. It gives a competitive edge to India over competitor's countries. The Ayurveda sector in India is expected to reach US \$ 4.4 billion by 2018 end and grow at 16 % CAGR till 2025. Increase in the size of middle class households coupled with the improvement in medical infrastructure and increase in the penetration of health insurance in the country will also influence in the growth of pharmaceuticals sector.

With 70 % of market share (in terms of revenues), generic drugs form the largest segment of the India pharmaceutical sector. Over the Counter (OTC) medicines and patented drugs constitute 21 % and 9 %, respectively. The share of generic drugs is expected to continue increasing; domestic generic drug market is expected to reach US \$27.9 billion in 2020. Due to their competence in generic drugs, growth in this market offers a great opportunity for Indian firms. Based on moving annual turnover, Anti-Infective (13.4%), Cardiac (12.6%), Gastrointestinal (11.4%) had the biggest market share in

the Indian pharma market in 2018-19. The highest growth in sales in 2018-19 were seen in Urology (16.4%), anti-Diabetic (14.8%), and Cardiac (13.2%).

(Source : AIOCD-AWACS March 19)

C. Opportunities in Healthcare:

Public healthcare Infrastructure: There has been strong push by the Government to enhance the quality of accessible high quality healthcare infrastructure. 6 more AIIMS have been proposed Super specialty blocks in 70 Medical Colleges & expansion of inpatient provision at District level are being made.

(Source: National Health Policy 17-18)

Metro healthcare Significant Expansion of cancer & chronic care infrastructure across PHCs, CHCs & District Hospital are being made

Improving Drug Procurement: Along with healthcare infrastructure the Government of India is also taking significant in improving drug accessibility to all sections of the Indian population. The Affordable Medicines & Reliable Implements for Treatment (AMRIT) scheme initiated to improve medical product accessibility for cancer and cardiovascular treatment is being expanded to all State Government Hospitals. The Jan-Aushadhi initiative aimed at making low cost generic medicines available has expanded to 3000 new outlets.

(Source: National Health Policy 17-18)

Clinical Trial Market: India is among the leaders in the clinical trial market. Due to a genetically diverse population and availability of skilled doctors, India has the potential to attract huge investments to its clinical trial market. Number of clinical trials in India increased by 400 % to 97 trials in 2017, compared with 13 trials approved in 2013.

(Source: PwC, McKinsey, Pharmaceuticals Promotion Council of India)

High-end drug: Due to increasing population and income levels, demand for high-end drugs is expected to rise. Growing demand could open up the market for production of high-end drugs in India.

(Source: PwC, McKinsey, Pharmaceuticals Promotion Council of India)

Penetration in Rural Market: With 70 % of India's population residing in rural areas, pharma companies have immense opportunities to tap this market. Demand for generic medicines in rural markets has seen a sharp growth. Various companies are investing in the distribution network in rural areas.

(Source: PwC, McKinsey, Pharmaceuticals Promotion Council of India)

CRAMS: The Contract Research and Manufacturing Services industry (CRAMS) – estimated at US \$ 17.27 billion in 2017-18, is expected to reach US \$ 20 billion by 2020. The market has more than 1,000 players.

(Source: PwC, McKinsey, Pharmaceuticals Promotion Council of India)

D. Outlook & Risks and concerns:

For past three years, Indian Pharma Companies have been going through a tough phase due to significant competitive intensity and pricing pressure in the US and regulatory hurdles in India in terms of demonetisation, GST implementation and lower prices.

(Source : ET Market – Outlook 2019)

Regulatory environment will continue to be unfavorable with Ban on Fixed Dose Combination & Pricing capping on essential drugs. Trade Generics gaining ground in Class III and IV towns. Small Propaganda Companies capturing regional shares. Increasing push for generics by the regulatory authorities.

(Source : AIOCD-AWACS SWOT of IPM Presentation)

Diagnostics Industry shows sluggish growth due to severe price competition & home-base diagnosis is increasingly important.

(Source : ET Market – Outlook 2019)

E. Financial performance and Operations review

During the year under review, your Company registered a standalone total income of Rs. 1,13,067.38 Lakhs as against Rs. 1,12,145.98 Lakhs in the previous year, thereby registering a growth of 0.83%.

The Earnings before Interest and Depreciation amounted to Rs. 27,483.97 Lakhs as against Rs. 27,034.83 Lakhs in the previous year. The Net Profit After Taxation stood at Rs. 17,153.63 Lakhs as against Rs. 16,831.41 Lakhs in the previous year.

During the year under review, your Company registered a consolidated total income of Rs. 113,416.59 Lakhs as against Rs. 113,405.02 Lakhs in the previous year, thereby registering a growth of 0.01 %.

F. Segment wise / Product wise performance

(i) Marketing:

In Therapy growth matrices, Cardiac, Anti-Diabetics, Neurological doing well with volume growth. Whereas Dermatological. Vitamins/ Minerals/ Nutritional & Anti Infective doing well with new product growth.

Acute remain the dominant therapy mainly driven by Value; whereas Chronic receives contribution from Volume as well. In last 5 year contribution of Anti Infective contribution reduce from 15 % to 13%. Where Anti Diabetics increase from 7 % to 9%. SGLT2 (Sodium Glucose Co-Transport-2) & Gliptins drive the Anti Diabetics growth & Telmisertan Combination & Sacubitril + Valsartan drive the growth of Cardiac therapy.

(Source : AIOCD-AWACS SWOT of IPM Presentation)

In FDC Ltd therapy growth metrics is doing well with new introduction in Ophthalmological & Dermatological. Dermatological & Pain / Analgesic doing well with volume growth 10.5 % & 35.9 % respectively. Dependency on Anti Infective is again increased. Maximum share gain with Gastro, Derma, Gynaec Therapy Areas. In 2018-19 Incremental value only from Anti Infective, Gastro-Intestinal, rest Therapy Areas steady or negative is a concern.

(Source : AIOCD-AWACS Mar 19)

(ii). Research and Development

The prime objective of the formulation R & D team at FDC is to develop quality products at affordable prices. A dedicated team of scientists is engaged in focused research for the development of diverse dosage forms. The team is continuously engaged and committed to develop and successfully introduce new products and newer technologies at the commercial scale. The new product development initiatives range from conventional orals to more complex and advanced dosage forms. For a sustainable future R & D efforts are have been steadily expanding the footprint of the organization across various key markets into ROW and regulated geographies of Europe and US.

The Research & Development (R & D) Centres located at Jogeshwari & Kandivali (Mumbai) 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 R & D Formulation team at FDC comprises of dedicated scientists engaged in focused research for the development of finished dosage forms. The team has been designing strategies to develop quality products at affordable prices. The group is committed to develop and has successfully introduced products employing newer technologies at the commercial scale. Also in the foray and designing, challenging complex generics for the regulated markets of US. Exhibit batches of ophthalmic products have been manufactured for registration in the US and UK. Several ophthalmic and solid oral products are in various stages of development for the US and UK markets.

• Synthetics

The Research and development centers located at Kandivali (Mumbai) is engaged in process development of niche products, particularly in area of Ophthalmic, Antihypertensive, Antifungal, Ant diabetic , Antihistaminic, Bronchodilator and New Chemical entity (NCE). The work on life cycle management of existing drug Substances 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, Green chemistry, Development of desired polymorphs, Usage of classical chemistry for development of chiral drugs, and to minimise effluents etc.

• 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 advanced 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 with complete stability study & MUM MUM 3 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

a. G-CSF Project

Your company has received a test license (Test Licence No : 201515686 dated 19-06-18) under Form 29 for product Filgrastim. This licence is to manufacture the product for purpose of examination, test or analysis. For the manufacture of Filgrastim batches for purpose of clinical trial we have submitted the Audit Compliance report to DCGI office, New Delhi against the last CDSCO Audit observation. We hope to receive the NOC to manufacture Clinical Trial batches for product Filgrastim (G-CSF) in due course of time.

As a part of compliance to the CDSO audit observation we have implemented the Quality Management System in R & D Biotechnology Department to meet the cGMP requirement. Standard Operating Procedures for - Process activities, Analytical Testing & Quality Control, Equipment operations, Quality Assurance and Miscellaneous activities have been prepared and made effective. All the Equipments have been shifted from the fifth floor facility to the new Bioprocess and Bioanalytical lab on ground floor and these have been installed and qualified accordingly. Area Qualification activity of R & D Bioprocess Area has been completed successfully. The new water system installed in the bioprocess area was subjected to validation and Phase I / Phase II validation activity for the same is completed whereas Phase III validation activity is underway.

b. Third Generation Thrombolyte Project

The external party M/s Premas has been successful in developing a refolding and purification strategy to provide purified product. The trials for the upstream processing have efficiently been executed at lab scale at our Bioprocess facility and are found to be effective. We have successfully taken fermentation trials (10L capacity) and downstream processing trial (lab scale) for Reteplase molecule in our Bioprocess facility.

We are in process of initiating the technology transfer of the developed downstream process. Furthermore standardization and validation studies will be conducted on the developed process before finalization.

c. Conversion of Non-sterile to sterile API (Lab scale):

Brinzolamide API was successfully sterilized In-house (Lab-scale) using strict aseptic techniques as per the synthesis process provided by R & D Synthesis lab. The above Brinzolamide samples were then subjected to Sterility testing by Corporate Microbiology and complete testing by R & D Synthesis lab. The sterility test result of sample complies with the test and the product meets the specifications of Brinzolamide API except the particle size.

For further aseptic process scale up and particle size reduction we need to procure equipment's suiting our requirement and meeting GMP norms.

d. Microbial Testing Lab

R & D Microbial Testing lab (MTL) is working in collaboration with R & D Organic Synthesis lab for development of new salt forms (Sodium, Potassium, acid, tetrazoles, Dimethylamine etc) of the existing NCE molecules with better water solubility and synthesizing higher quantities of the shortlisted molecules for further studies.

R & D MTL lab has performed primary screening of more than 90 molecules for their water solubility and antifungal activity. Three new molecules showing promising antifungal activity have been shortlisted and synthesized in higher quantities for testing. These molecules have been sent to external party for Animal toxicity studies. Based on the outcome of this study we plan to initiate pre-formulation work and future strategy for these NCE's.

(iii). Exports

Your Company's Annual Export turnover of Active Pharmaceutical Ingredients (API) and Finished Formulations for the financial year ending March 31, 2019 was Rs. 17,118.15 Lakhs as compared to Rs. 13,269.26 Lakhs in the last financial year 2017-18. The API business has registered Sales of Rs. 5,108.21 Lakhs in the current financial year. Your Company has filed new USDMF for Dorzolamide Hydrochloride USP (Process II). For Europe region, we have received Certificate of Suitability (CEP) Certification for API Fluconazole. We have also received approval for Olopatadine Hydrochloride from the New Zealand Health agency (MEDSAFE).

The Roha Plant was successfully audited by USFDA with no any 483 observations. Based on this inspection, this facility is considered to be in an acceptable state of compliance with regards to current good manufacturing practice (cGMP).

API Cinnarizine EP Drug Master File (DMF) has been submitted to Russian Agency. About 10 submissions for 3 APIs have been made to ROW markets. Existing 4 APIs DMFs were resubmitted in e-CTD format as a complete DMF, to Health Agencies.

On the finished dosage forms side, USA and UK markets continued to be the major contributors to the export turnover with sales of Rs. 2,954.86 Lakhs and Rs. 1,163.68 Lakhs respectively despite continued headwinds & pressure on pricing in the US Generics business from supply chain consolidation.

The Company's product portfolios of Ophthalmics and Oral Rehydration Salts drove export sales in FY19. Finished Formulations of the Company are now exported to about 33 countries.

The company received the Abbreviated New Drug Application (ANDA) Approval for Dorzolamide 2% Ophthalmic Solution 5 ml & 10 ml this year. The company plans to launch this product in the US market in the 3rd Quarter of financial year 2019-20 through its strategic marketing partner.

The company continues to export its Anti-Diarrheal product range to reputed global NGOs like UNICEF-Denmark & MSF-France/Belgium, thus maintaining its reputation of being one of their preferred suppliers for emergency supplies worldwide.

The company continues to work on filing additional ANDAs in the US market to support the existing basket of ophthalmic products to pursue its growth objectives in the Regulated markets. In the less Regulated markets, the Company is associated with leading regional companies in Asia, Africa, Latin America, CIS, and Middle East to expand its branded formulations business and continue efforts to open new markets for its range of formulations as well as APIs.

FDC International Ltd - UK, the 100% Subsidiary of FDC Limited-India registered a sales turnover of GBP 18.44 Lakhs by selling its products in the United Kingdom and the Netherlands.

G. 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.

H. Human Resources

Your Company believes that the employees are the most valuable assets and key drivers of business success and sustained growth. The Company believes in quality process, systems and compliance. Our Human Resource policies and practices are well aligned to meet our business objectives.

Your Company operates in a highly competitive environment. The Human resources attracts and retains the best talent for its operations across all locations. The company encourages and provides the platform to the individual to excel in their professional and personal goals along with the focus on a healthy work life balance. Your Company has in place a variety of initiatives to engage its employees including fitness programme.

Being future ready is one of the key processes for sustainable growth and Company is building synergy and cultural integration through coherent Leadership program for top leaders as a part of its core initiative. The Company has in-house Training and Development to help the sales team on products, scientific knowledge, selling techniques. Company has also conducted various programs on Managerial effectiveness to improve the individual competencies and leadership abilities for sales leadership. Your Company understands the importance of newer training technique and would be migrating from class room training to an e-learning platform for its sales team in the next financial year. The web based training will provide self paced learning through interactive ways.

In line with the requirement of SEBI listing regulations, your company has adopted a "Code of Conduct and work ethics policy and Whistle Blower Policy". The policy on Whistle Blower are uploaded on the company's website. i.e. www.fdcindia.com

I. 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.

6. 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.

7. AUDITORS REPORT

The Report given by B S R and Co LLP Statutory Auditors on the Financial Statements of the Company for the year ended March 31, 2019 is a part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in the said audit Report.

8. 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.

9. 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 and Joint venture.**

10. BUSINESS RESPONSIBILITY REPORT

As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report is annexed as "Annexure C".

11. 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, 2019, 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 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.

12. 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.

13. 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.

14. 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.

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Resignation of Directors:

Pursuant to the SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulation, 2018, Dr. Rahim Muljani, Dr. Satish Ugrankar and CA. Vinod Yennemadi, Independent Directors of the Company, ceased to be Directors of the Company with effect from April 01, 2019. The Board placed on record its deep appreciation for contributions on key issues. Further the Board has confirmed that there were no other reasons attributable or connected with the Company.

Appointment of Chairman of the Board:

Mr. Mohan A. Chandavarkar stepped down from the position of Chairman of the Board and CA. Uday Kumar Gurkar was appointed as Chairman of the Board w.e.f. April 01, 2019.

Appointment of Directors:

Upon recommendation of Nomination and Remuneration Committee, Mr. Melarkode Ganesan Parameswaran (DIN: 00792123), Ms. Usha Athreya Chandrasekhar (DIN: 06517876), and Dr. Mahesh Bijlani (DIN: 0008447258) were appointed by the Board of Directors as an Additional Non-Executive Independent

Director of the Company for a consecutive period of 5 (five) years w.e.f. May 10, 2019 subject to approval of the shareholders at the ensuing Annual General Meeting.

Above Independent Directors were appointed as an Independent Director ("ID") on May 10, 2019 upto the conclusion of Seventy Ninth Annual General Meeting in the calendar year 2019. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on May 24, 2019 approved their appointment as an ID of the Company, subject to approval of the shareholders at ensuing Annual General Meeting.

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. Based on disclosures provided by Directors, none of them are disqualified from being appointed as Directors under Section 164 of the Companies Act, 2013.

Retirement by rotation:

In accordance with provisions of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Nomita R. Chandavarkar, Whole time Director, retires by rotation at the 79th Annual General Meeting and being eligible, has offered herself 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 79th Annual General Meeting and the statement annexed thereto.

Re-appointment of Directors:

The Board of Directors on recommendation of the Nomination and Remuneration Committee, have approved re-appointment of:

1. Mr. Nandan M. Chandavarkar as a Joint Managing Director of the Company for a period of five years with effect from March 01, 2019, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.
2. Ms. Nomita R. Chandavarkar as an Executive Director, for a period of 5 (five) years with effect from June 02, 2019, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.
3. Mrs. Swati S. Mayekar as an Independent Director, for the second term for a period of 5 (five) years with effect from September 06, 2019, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.
4. Mr. Ameya A. Chandavarkar as an Executive Director of the Company, designated as Chief Executive Officer (CEO) - International Business - Executive Director for a period of 5 (five) years w.e.f. November 01, 2019, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

Profile of Directors seeking appointment / re-appointment:

As required under regulation 36(3) of the Listing Regulations, particulars of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting are annexed to the notice convening Seventy Ninth Annual General Meeting.

Key Managerial Personnel:

In terms of Section 203 of the Act, the following are the Key Managerial Personnel (KMP) of the Company as on March 31, 2019:

1. Mr. Mohan A. Chandavarkar, Managing Director *
2. Mr. Sanjay B. Jain, Chief Financial Officer
3. Ms. Varsharani Katre, Company Secretary

During the year, no KMP has been appointed or has retired or resigned.

* With effect from April 01, 2019 Mr. Mohan A. Chandavarkar has ceased to be the Chairman of the Company.

16. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Information pursuant to Rule 5(1), (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as "Annexure E".

17. CORPORATE GOVERNANCE

In terms of Regulation 34 of the SEBI (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.

18. 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.

19. 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.

20. MEETINGS OF THE BOARD AND COMMITTEES THEREOF

The information has been furnished in the Corporate Governance Report.

21. AUDIT COMMITTEE

The Audit committee reviews all the information that is required to be mandatorily reviewed by it under the Corporate Governance and other matters as per terms of reference to Audit Committee, inter-alia, covers all the matters specified under Section 177 of the Companies Act, 2013 and also all the matters listed under Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee of the Board as on March 31, 2019 comprises of 4 (Four) Non-Executive Independent Directors and 1 (One) Executive Director. CA. Swati S. Mayekar is the Chairperson of the Committee. Dr. Rahim H. Muljani, CA. Vinod G. Yennemadi, CA. Uday Kumar Gurkar and Mr. Mohan A. Chandavarkar are the other members of the committee. 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.

However with effect from May 10, 2019 Composition of Audit Committee has been changed, Dr. Rahim Muljani and CA. Vinod Yennemadi ceased to be member of Audit Committee pursuant to their resignations from the Board.

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.

22. 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.

23. FAMILIARISATION PROGRAMME 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/admin/images/Familiarisation_Programme_2018-19.pdf

24. 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

25. 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, 2019. 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

26. 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.

27. 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

A statement giving details of all Related Party Transactions is placed before the Audit Committee and the Board of Directors on a quarterly basis. Omnibus prior approval was also obtained from the Audit Committee and the Board on an annual basis for repetitive transactions.

Related Party Transactions as required under Accounting Standard are reported in the notes to financial statement. The particulars as required under Section 134(3)(h) of the Companies Act, 2013 are furnished as "Annexure - F" to this report.

28. 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.

29. AUDITORS AND AUDIT REPORTS**a. STATUTORY AUDITORS**

Auditor's Report for the year under review does not contain any qualifications, reservations or adverse remarks.

b. 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 Item No. 10 of Notice of the 79th Annual General Meeting of your Company.

The Cost Audit Report for the year ended March 31, 2018 was filed with the Ministry of Corporate Affairs on August 30, 2018 within the prescribed time.

c. 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) undertaken the Secretarial Audit of the Company for the year ended March 31, 2019. The Secretarial Audit Report is annexed as "Annexure G" to this Report. There is no qualification, reservation, adverse remark or disclaimer in the said Report.

30. DETAILS OF FRAUD REPORTED BY THE AUDITORS

During the year under review, the Statutory Auditors, Secretarial Auditors and Cost Auditors have not reported any instances of fraud committed in the Company by its officers or employees to the Audit Committee under section 143(12) and Rule 13 of the Companies (Audit and Auditors) Rules, 2014 of the Companies Act, 2013.

31. 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, improving water resources/ structure in the villages surrounding our Plants, Construction of Toilets at Schools/ Backward regions, etc. through Trust, Non-Governmental Organisation and directly by the Company.

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 H" to this report.

32. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92 of the Companies Act, 2013 and the Amendment made thereunder, the Form MGT 9 providing an extract of the Annual Return is annexed as an Annexure - I and also available on the website of the Company i.e. <http://www.fdcindia.com>

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

- a. 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.

Your 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 2011-2012 and onwards, are advised to write to the Company immediately for claiming dividends declared by the Company.

- b. In view thereof, after complying with the prescribed procedure, 47,714 shares on which dividend remained unclaimed for 7 (Seven) consecutive years, were transferred to IEPF account in the year 2018. Your Company has uploaded the details of such Shareholders whose shares are transferred to IEPF account on the website of the Company i.e. www.fdcindia.com. The procedure to claim the shares transferred to IEPF account has also been uploaded on the website.

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 24, 2019

CA. UDAY KUMAR GURKAR
Chairman of the Board

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, Rules framed 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 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 sale of investments.

Factors to be considered while declaring Dividend:

The decision regarding dividend pay-out 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:

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 pay-out in order to conserve cash outflows.
- c) Statutory Restrictions- The Board will keep in mind the restrictions imposed by the Companies Act, 2013 with regard to the declaration of dividend.

Internal Factors:-

Apart from the various external factors aforementioned, the Board will take into account various internal factors while declaring Dividend, which inter alia will 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; and
- g) Any other factor as deemed fit by the Board.

After taking into consideration the above factors, the Board shall endeavour to take a uniform decision with an objective to enhance shareholders wealth and 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 24, 2019

CA. UDAY KUMAR GURKAR
Chairman of the Board

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 Audited 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	
	Reporting Period for the Subsidiary	31 st March, 2019	31 st March, 2018
	% of Shareholding	100%	100%
	Reporting Currency	UK Pounds	UK Pounds
	Exchange Rate as on 31 st March, 2019	88.63	90.46
1.	Share capital	3.32	3.38
2.	Reserves and surplus	1311.67	1554.57
3.	Total Assets	1656.90	1962.6
4.	Total Liabilities	1656.90	1962.6
5.	Investments (other than in subsidiaries)	-	-
6.	Turnover	2818.72	2383.5
7.	Profit/ (Loss) before taxation	1053.62	835.78
8.	Provision for taxation	201.51	160.09
9.	Profit/ (Loss) after taxation	852.11	675.69
10.	Proposed / Interim Dividend	1063.56	-

Part "B"

(Rupees in lakhs)

Sr. No.	Particulars	FDC INC	
	Reporting Period for the Subsidiary	31 st March, 2019	31 st March, 2018
	% of Shareholding	100%	100%
	Reporting Currency	US Dollars	US Dollars
	Exchange Rate as on 31 st March, 2019	67.89	63.81
1.	Share capital	33.95	31.91
2.	Reserves and surplus	20.34	20.22
3.	Total Assets	55.3	53.08
4.	Total Liabilities	55.3	53.08
5.	Investments (other than in subsidiaries)	-	-
6.	Turnover	-	-
7.	Profit/ (Loss) before taxation	-0.84	-0.78
8.	Provision for taxation	0.34	0.32
9.	Profit/ (Loss) after taxation	-1.18	-1.1
10.	Proposed / Interim Dividend	-	-

Part "C" - Joint Ventures

(Rupees in Lakhs except share data)

Sr. No.	Particulars	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	
1.	Latest Audited Balance Sheet Date	31st March, 2019	31st March, 2018
2.	No. of Shares of Joint Venture held by the Company on the year end	159250	159250
3.	Amount of Investment in Joint Venture	11.30	11.30
4.	Extent of Holding %	49%	49%
5.	Description of how there is significant influence	There is significant influence due to percentage of shareholding in the Joint Venture	There is significant influence due to percentage of shareholding in the Joint Venture
6.	Reason why the Joint Venture is not consolidated	N.A	N.A
7.	Networth attributable to Shareholding as per latest audited Balance Sheet	(274.60)	(107.58)
8.	Profit/ Loss for the year considered in Consolidation	(205.68)	(47.72)
9.	Profit/ Loss for the year not considered in Consolidation	(214.07)	(49.67)

Notes:

(i) Names of Subsidiaries/ Joint Venutures 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

CA. UDAY KUMAR GURKAR
Chairman of the Board

MOHAN A. CHANDAVARKAR
Managing Director

SANJAY JAIN
Chief Financial Officer

VARSHARANI KATRE
Company Secretary

Place : Mumbai
Date : May 24, 2019

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, 2018 to March 31, 2019
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 Range, Oral Rehydration Salts (ORS), Energy Drink , Fluconazole & Vitcofol Range.
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 and Kandivali. The Company has 18 (Eighteen) Carrying and Forwarding Agents and 2 (Two) Central Warehouses across the Country.
10.	Markets served by the Company Local/State/National/ International/	India and 75 Countries for Exports

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (Rs)	1,751.89 Lakhs
2.	Total Turnover (Rs)	1,13,067.38 lakhs (Standalone)
3.	Total profit after taxes (Rs)	17,153.63 lakhs (Standalone)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company's total spending on CSR is 0.92% 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 H 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.	<p>a. Details of Director/Directors responsible for implementation of the BR Policy/ Policies:</p> <p>DIN Number : 00043344</p> <p>Name : Mr. Mohan A. Chandavarkar</p> <p>Designation : Managing Director</p>
	<p>b. Details of the BR Head :</p> <p>DIN Number : 00043344</p> <p>Name : Mr. Mohan A. Chandavarkar</p> <p>Designation : Managing Director</p> <p>Telephone number : 022-2673 9100</p> <p>Email ID : investors@fdcindia.com</p>

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

Principle –wise Index

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

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

Sr. No.	Questions	P1	P2	P3	P 4	P5	P6	P7	P8	P 9
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 2018-2019 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 2018-2019.

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. Antibiotic / Antibacterial System – Zifi, Zathrin & Flemiclav etc
- b. Antidiarrhoeal, Intest, Disinfectants – Electral & Enerzal etc
- c. Ophthalmologicals – Mosi, Lotim, Pyrimon, Zoxan, Pilocar (Top 5 Ophthalmic)
- d. Otologicals – OtekAC Neo

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 pharmaceuticals 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. However, the Company takes ongoing measures to reduce consumption of energy and water. Equally important though is the well-being of our community and the environment. So, we not only work to make our products affordable and accessible, but also take care to support the local economy and the global environment.

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

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

Yes, The Company has a well established procedure of Vendor Development. 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? Yes**

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:

Being in pharmaceutical business, recycling of products is not permitted. 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:**

5463 employees as on March 31, 2019

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

1199 employees as on March 31, 2019

3. Please indicate the number of permanent women employees:

221 employees as on March 31, 2019

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

4 employees as on March 31, 2019

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

There are unions of workers at few plants i.e Roha, Sinner, Waluj & Goa 1 & 2, these unions are registered under Trade Union Act 1926. However there is no association of staff at any sites including corporate office.

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

Around 4.47% 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% 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, a relationship based on mutual trust and understanding is what we aim to share with our stakeholders. 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, Your Company has identified some groups in this category. They include those who cannot afford quality health and education, communities from the lower social economic strata etc. FDC identifies their needs and addresses them to the extent possible. 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?

The Policy covers the Company, its subsidiaries and all suppliers and contractors. The Companies code of conduct and human resource practices cover most of these aspects. The Company does not hire child labour or forced labour and never discriminates between its employees

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

The Company did not receive any complaint from any stakeholder in the previous financial year relating 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 optimization of natural resources has always been a priority for the Company. The Environment Policy of the Company is available on the website 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 energy efficient initiatives at different locations which is 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 Policy)

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):**

Yes, 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. Efforts are also made to promote the use of generic medicines which would make medical treatment affordable to all.

Principle 8 (CSR)

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

The Company believes in the philosophy of giving back. Being in the pharmaceutical industry your Company's primary focus is healthcare. The Company has been contributing towards the rural development, education, nutritional programme, sanitation & hygiene 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 H** to the Directors' Report.

The Company would also undertake other need based initiatives in compliance with Schedule VII to the Companies Act, 2013.

- 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?**

Yes, your Company does regular impact assessment at intervals and takes feedback from the concerned organizations and agencies on the progress of the CSR projects.

- 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. 207.16 Lakhs on community development programmes namely towards education, nutritional programme and sanitation & hygiene. Please refer to **Annexure H** to Directors' report for details of the projects / activities undertaken during the year 2018-19.

- 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. Such steps are taken keeping in view the nature of community development measure. The details of the CSR activities are given under **Annexure H** 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, 2019. 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.

For and on behalf of the Board

Place : Mumbai
Date : May 24, 2019

CA. UDAY KUMAR GURKAR
Chairman of the Board

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, 2019

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

- Existing screw chillers replaced with Trane make energy efficient chillers thereby reduction in power consumption upto 20% at Goa I, II & Waluj Plants.
- 33 KV Express feeder - Due to un-interrupted power supply DG set operation is reduced thereby saving in diesel consumption upto 3000 litre / month at Goa III plant.
- DX type A.C. replaced with chilled water type A.C. at Waluj, Goa I, Roha & Sinner plants thereby reduction in power consumption and maintenance cost.
- At Sinner plant all CFL /FTL light fittings replaced with energy efficient LED fittings thereby reduction in power consumption upto 45%.

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

- Company is working on roof top solar system at Sinner, Goa & Nagpur location.
- Company is working on rain water harvesting project at Sinnar, Goa, Waluj & Baddi Plant.

(iii) Capital investment on energy conservation equipments:

The Company have spent Rs. 6.70 Crores on Capital Investment related with conservation of energy.

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

- Existing 3 rotary HFFS machine replaced with 2 linear HFFS machine in Sinner plant with consistent output, increased production capabilities and low power consumption with reduction in manpower for operation. This has resulted into increased production by 110%, reduction in power consumption by 25% and reduction in manpower by 20% approximately.
- Existing Roller compactor replaced with advance fully automatic roller compactor thereby enhanced productivity and quality at Baddi plant.
- Inline check weighers installed at Goa I plant to avoid human intervention with better weighing accuracy and auto rejection.

- AMF panels installed for auto changeover of source power thereby reduction in production downtime and diesel saving at Goa I & II plant.
- Two pole structure replace with VCB panel at Roha & Goa III to avoid accidental operational risk.

New Transformer with OLTC installed at Roha to maintain regulated power supply thereby reduction in production down time.

(ii) Benefits derived:

- Increased production capabilities and low power consumption with reduction in manpower for operation. This has resulted into increased production by 110%, reduction in power consumption by 25% and reduction in manpower by 20% approximately.
- Enhanced productivity and quality at Baddi plant.
- Reduction in production downtime and diesel saving at Goa I & II plants.
- Reduction in production down time.

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)

	2018-2019	2017-2018
a. *Capital	123.23	322.63
b. Recurring	2,901.07	2,487.02
c. Total	3,024.30	2,809.65
d. Total R&D expenditure as a percentage of total turnover *Including C.W.I.P.	2.81%	2.63%

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 24, 2019

CA. UDAY KUMAR GURKAR
Chairman of the Board

ANNEXURE E TO DIRECTORS REPORT**A. PARTICULARS UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.****(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2018-2019:**

Name	Designation	Ratio
Mr. Mohan A. Chandavarkar	Managing Director	89:1
Mr. Nandan M. Chandavarkar	Joint Managing Director	71:1
Mr. Ashok A. Chandavarkar	Wholetime Director	60:1
Mr. Ameya A. Chandavarkar	Wholetime Director	49:1
Ms. Nomita R. Chandavarkar	Wholetime Director	24:1
Dr. Rahim H. Muljiani	Independent Director	
Dr. Satish S. Ugrankar	Independent Director	
CA. Vinod G. Yennemadi	Independent Director	
CA. Swati S. Mayekar	Independent Director	
CA. Uday Kumar Gurkar	Independent Director	

Note: The remuneration to Independent Directors consists of Sitting fees and commission only.

(ii) The percentage increase / decrease in the remuneration of each Director, Chief Financial Officer and Company Secretary or Manager in the Financial Year:

Name	Designation	% Increase/(Decrease)
Mr. Mohan A. Chandavarkar	Managing Director	3.75
Mr. Nandan M. Chandavarkar	Joint Managing Director	-0.49
Mr. Ashok A. Chandavarkar	Wholetime Director	0.15
Mr. Ameya A. Chandavarkar	Wholetime Director	-0.25
Ms. Nomita R. Chandavarkar	Wholetime Director	-0.89
Mr. Sanjay B. Jain	Chief Financial Officer	16.82
Ms. Varsharani Katre	Company Secretary	15.12
Dr. Rahim H. Muljiani	Independent Director	
Dr. Satish S. Ugrankar	Independent Director	
CA. Vinod G. Yennemadi	Independent Director	
CA. Swati S. Mayekar	Independent Director	
CA. Uday Kumar Gurkar	Independent Director	

(iii) The percentage increase in the median remuneration of employees in the Financial Year: 7.05%**(iv) The number of permanent employees on the rolls of the Company :**

There were 5463 employees on the rolls of the Company as on March 31, 2019.

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof:

Average increase in managerial remuneration is 3.25% & for other than Managerial Personnel is 6.18%

(vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company: Yes

B. INFORMATION AS PER RULE 5 (2) & (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

- I Employed throughout the financial year, was in receipt of remuneration for that year, in the aggregate, was not less than one crore and two lakhs rupees.

Sr. No.	Name	Designation	Remuneration received * (Rs. in Lakhs)	Qualification	Total No. of Experience (Years)	Date of commencement of Appointment	Date of Birth	Age	Last Employment held	% of equity shares held
1.	Mr. Dilip V. Karnik	President (Technical & Operations)	1,16,40,000	Msc (Tech)	39	21/04/2007	01/11/1952	66	Indoco Remedies Ltd.	0.00

- ii) None of the employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month as per clause (ii) of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- iii) Employees mentioned above are neither relatives of any directors or managers of the Company, nor hold 2% or more of the paid-up equity share capital of the Company as per Clause (iii) of sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

For and on behalf of the Board

Place : Mumbai
Date : May 24, 2019

CA. UDAY KUMAR GURKAR
Chairman of the Board

ANNEXURE F TO DIRECTORS REPORT

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub - Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

The Company has not entered into any transaction with related parties which were not on an arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

The Company has not entered into any material contracts or transactions with related parties during the financial year 2018-19.

For and on behalf of the Board

Place : Mumbai
Date : May 24, 2019

CA. UDAY KUMAR GURKAR
Chairman of the Board

ANNEXURE G TO DIRECTORS REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March 2019

[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)**

We 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 our opinion thereon.

Based on our verification of the Company's 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 of the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 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, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; 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 (Depositories and Participants) Regulations, 2018 regarding Reconciliation of Share Capital.
 - h. 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.); and
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; the company had complied with all the respective provisions.
- 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.

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

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- ii. SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 entered into by the Company with BSE Limited and The National Stock Exchange of India Limited .

During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations and Guidelines Standards mentioned above:

We 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 / Committees thereof 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 atleast seven days in advance in compliance with the provisions of the Act and Secretarial Standards, 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.

We 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 my letter of even date which is annexed as Annexure I 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 24, 2019

ANNEXURE 1

To,
The Members,
FDC LIMITED

Our 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 records. 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 Account 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 the Corporate and other applicable laws, rules, regulations and norms 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 24, 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

**The Members of
FDC LIMITED**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of F D C LIMITED having CIN L24239MH1940PLC003176 and having registered office at B-8, MIDC Industrial Estate, Waluj, Aurangabad 431130 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SANJAY DHOLAKIA & ASSOCIATES**

(SANJAY DHOLAKIA)

Practising Company Secretary

Proprietor

Membership No. 2655/ CP No. 1798

Place: Mumbai

Date: May 24, 2019

ANNEXURE H TO DIRECTORS REPORT**CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2018-2019****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 and other socio-economic activities, under its corporate social responsibility activities, which has benefitted the society to some extent. Your Company also dedicatively helped the society by donating for through Parijnan Foundation, under its ambit of CSR.

The major contributions made during the Financial Year 2018-19 are provided separately followed by **Annexure-H**.

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 |
| e. | CA. Uday Kumar Gurkar | - | Independent Director # |

*Ceased to be a member w.e.f. April 01, 2019

#Appointed as member w.e.f. May 10, 2019.

3. Average net profit of the Company for last 3 (Three) financial years: Rs. 22,434.38 Lakhs**4. Prescribed CSR Expenditure 2 (Two) percent of the amount as in item 3 above: Rs. 448.69 Lakhs****5. Details of CSR spent during the financial year 2018-2019:**

- a. Total amount to be spent in the financial year: Rs. 448.69 Lakhs
- b. Total amount spent for the financial year: Rs. 207.17 Lakhs
- c. Amount unspent, if any: Rs. 241.52 Lakhs

d. Manner in which the amount spent during the financial year mentioned here under :

(Rupees in lakhs)

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Area where projects or programs was undertaken	Amount outlay (budget) Project or programs wise (Rs.) in the year 2017-2018 & 2018-2019	Amount spent on the projects or programs till the 31st March, 2019	Amount spent on the projects or programs till the 31st March, 2019	Cumulative expenditure till the 31st March, 2019 (Rs.)	Amount spent: Direct or through implementing agency
1	Toilet Project at Late Digambarao Padvi Ashram Shala, Ambiste	Socio-Economic Activities	Palghar	10,00,000	-	10,00,000	10,00,000	Directly by the Company
2	FDC Comprehensive Rural Development Project through MITTRA	Socio-Economic Activities	Sinnar, Nashik, Maharashtra	64,79,990	-	51,63,310	51,63,310	Through Maharashtra Institute of Technology Transfer for Rural Areas (MITTRA)
3	Construction of School Parijnanashram Vidyalaya Karla, Pune, FY- 2018-2020	Socio-Economic Activities	Karla, Pune	5,00,00,000	-	75,00,000	75,00,000	Through Shree Trust
4	Arvind Eye Care System	Socio-Economic Activities	Theni, Tamil Nadu	10,20,000	6,00,000	-	6,00,000	Through Govel Trust
5	Nutritional Program at Late Digambarao Padvi Ashram Shala, Ambiste	Socio-Economic Activities	Palghar	25,00,000	-	13,00,000	13,00,000	Directly by the Company
6	Medical Care through SUPPORT (Society undertaking Poor People's Onus for Rehabilitation)	Socio-Economic Activities	Mumbai	28,93,000	-	14,46,500	14,46,500	Through SUPPORT Trust
7	Disaster Relief - Kerala Flood	Socio-Economic Activities	Kerala	35,86,768	-	35,86,768	35,86,768	Directly by the Company
8	Nutritional Program at Late Digambarao Padvi Ashram Shala, Ambiste - (Project 2017-2018) Note: Rs. 20,00,000 has been paid in the F.Y 2017-2018 and Rs. 5,00,000 in the F.Y 2018-2019	Socio-Economic Activities	Palghar	25,00,000	20,00,000	5,00,000	25,00,000	Directly by the Company
10	for repairing dormitory/hall and to build borewell in premises of "Late Digambarao Padvi Ashram Shala" situated at Ambiste, Wada, Dist.- Palghar.	Socio-Economic Activities	Palghar	12,82,000	-	2,20,000	2,20,000	Directly by the Company
			Total	7,12,61,758	26,00,000	2,07,16,578	2,33,16,578	

- 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**

Your Company could not spend upto 2% of the net profits as stipulated in the Companies Act, 2013, as in addition to the existing projects undertaken by the Company, it did not come across other appealing activities / projects for the benefit of the society. However, your Company is exploring other CSR initiatives, that can be undertaken during the year.

- 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 24, 2019

CA. UDAY KUMAR GURKAR
Chairman of the Board

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Major Contribution towards CSR Activities

1

Contribution towards Rural Development

Through the CSR theme '**FDC Comprehensive Rural Development Project**, we are glad to contribute to social change in India.

Your Company has collaborated with **MITTRA and BAIF** for carrying out **Rural Development Programmes** in the villages namely Manegaon, Aatkawade, Baragaon Pimpri and Maparwadi surrounding Sinnar, Nashik, and Maharashtra through its Project titled FDC Comprehensive Rural Development Project.

Under the said Project, various activities such as Water and Soil based interventions, Water resource development, Renovation of Existing drinking water structures, Women Empowerment, etc, are being carried out in the Villages.



As on
31st March 2019,
your Company have
spent Rs. 51,63,310/-
on social activities w.r.t.
Rural Development.



2 Contribution towards Nutrition Programme

To promote education and other essentials to the less privileged, your Company has associated with the “Late Digambarrao Padvi Ashram Shala” Ambiste, Wada, Dist.-Palghar. for financing the programme/activities of the Trust for promotion of education to all and empowerment of the differently abled and under-privileged class of the society and Nutrition programmes for the School Children.

As on 31st March 2019, your Company have spent Rs. 18,00,000/- on such nutritional programmes



3 Contribution towards Medical Care Programmes



**Medical session conducted
at the Day Care Center
by the Medical Incharge**

FDC's programme through 'SUPPORT' focuses on rehabilitation of Drugs usage by street children. The program continues to prove beneficial to all the residential children as they are showing normal growth in height and weight.

FDC's support ensures tangible security to the medical care program to continue the steady supply of medicines, diagnostic facilities and prompt medical attention at SUPPORT. This had a great impact on children's health. The supplementary nutrition adds to the rise in the health quotient of the children availing treatment. The supplementary nutrition has also resulted in lesser number of respiratory tract infections and gastro intestinal infections

As on 31st March 2019, your Company have spent Rs. 14,46,500/- on medical activities in rural areas.

FDC's Parijnanashrama Vidyalaya Programme, aims to provide good quality education to underprivileged children in rural India, with a special focus on the girl child. It aims to transform the children into educated, confident, responsible and self reliant citizens with a deep sense of commitment to the society. The goal is to provide excellent quality of education to children in remote areas.

The school Building 'Parijnanashrama Vidyalaya' at Karla, is under progress. The Construction is estimated to be completed in the year 2020.

As on 31st March 2019, your Company have spent Rs. 75,00,000/- on School project.



FDC Aimed to bridge the digital divide and empower the youths through technology awareness amongst students. Nelson Mandela used to say, "When learning and teaching continually improves, everything improves".

To create awareness about technology amongst children, your Company has distributed 11 Computer sets to 3 School across Maharashtra during the Financial Year 2018-19, this will result in enhancement of Computer knowledge amongst rural kids.



5 Contribution towards Healthcare and Sanitation

Your Company firmly believes in **"Cleanliness is next to Godliness"**.

Poor Healthcare facilities can cause a great deal of sickness and deaths among the people living the below poverty line. Lack of access to Toilet facilities often makes it difficult for people to improve sanitation. Using Toilets not only provides safety, privacy and comfort but it also protects the health of the whole community



With this aim, and jointly in partnership with various Organisation, your Company has contributed in constructing Toilets in various places across Maharashtra.

As on 31st March 2019, your Company have spent Rs. 10,00,000/- on social activities.

ANNEXURE I TO DIRECTORS REPORT**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED MARCH 31, 2019**

[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: support@sharexindia.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)
3.	Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd., Republic of South Africa	Not Applicable	Joint Venture	49%	2(06)

D. SHAREHOLDING PATTERN
i) Category wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2018				No. of Shares held at the end of the year 31-03-2019				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1). INDIAN									
(a). Individual	94020613	-	94020613	53.910	94020613	-	94020613	53.910	-
(b). Central Govt.	-	-	-	-	-	-	-	-	-
(c). State Govt(s).	-	-	-	-	-	-	-	-	-
(d). Bodies Corpp.	26439648	-	26439648	15.160	26439648	-	26439648	15.160	-
(e). FIINS / BANKS.	-	-	-	-	-	-	-	-	-
(f). Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	120460261	-	120460261	69.070	120460261	-	120460261	69.070	-
(2). FOREIGN									
(a). Individual NRI / For Ind	-	-	-	-	-	-	-	-	-
(b). Other Individual	-	-	-	-	-	-	-	-	-
(c). Bodies Corporates	-	-	-	-	-	-	-	-	-
(d). Banks / FI	-	-	-	-	-	-	-	-	-
(e). Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(f). Any Other Specify	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	120460261	-	120460261	69.070	120460261	-	120460261	69.070	-
(B) 1. PUBLIC SHAREHOLDING									
(a). Mutual Funds	6214304	10000	6224304	3.569	8358294	-	8358294	4.793	1.224
(b). Banks / FI	4161	-	4161	0.002	16156	-	16156	0.009	0.007
(c). Central Govt.	-	-	-	-	-	-	-	-	-
(d). State Govt.	1044226	-	1044226	0.599	-	-	-	-	-0.599
(e). Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f). Insurance Companies	-	-	-	-	773138	-	773138	0.443	0.443
(g). FIs	376338	-	376338	0.216	15772348	-	15772348	9.044	8.828
(h). Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i). Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	7639029	10000	7649029	4.386	24919936	0	24919936	14.289	9.903
2. NON-INSTITUTIONS									
(a). Bodies Corporation									
(i). Indian	3124712	1000	3125712	1.792	2667503	-	2667503	1.530	-0.262
(ii). Overseas	-	-	-	-	-	-	-	-	-
(b). Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	12859703	2468064	15327767	8.789	12531044	2139864	14670908	8.412	-0.377
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	9417711	-	9417711	5.400	9507681	-	9507681	5.452	0.052
(c). Other (specify)									
Non Resident Indians	1675561	-	1675561	0.961	1873214	-	1873214	1.074	0.113
Overseas Corporate Bodies	16697756	-	16697756	9.574	-	-	-	-	-9.574
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	49287	-	49287	0.028	30870	-	30870	0.018	-0.010
Trusts	-	-	-	-	23325	-	23325	0.013	0.013
NBFCs Reg. With RBI	-	-	-	-	675	-	675	-	-
IEPF	-	-	-	-	248711	-	248711	0.143	0.143
Sub-total (B) (2):-	43824730	2469064	46293794	26.544	26883023	2139864	29022887	16.642	-9.902
Total Public Shareholding (B)=(B)(1)+ (B)(2)	51463759	2479064	53942823	30.930	51802959	2139864	53942823	30.931	0.001
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	0.000
Grand Total (A+B+C)	171924020	2479064	174403084	100.00	172263220	2139864	174403084	100.00	-

(ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 01-04-2018			Shareholding at the end of the year 31-03-2019			% 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	MEERA RAMDAS CHANDAVARKAR	33624370	19.280	0	33624370	19.28	0	0.000
2	SANDHYA MOHAN CHANDAVARKAR	19031473	10.912	0	0	0	0	-10.912
3	NANDAN MOHAN CHANDAVARKAR #	0	0.000	0	19031473	10.912	0	+10.912
4	MOHAN ANAND CHANDAVARKAR	18701621	10.723	0	0	0	0	-10.723
5	NANDAN MOHAN CHANDAVARKAR *	0	0.000	0	18701621	10.723	0	+10.723
6	LEO ADVISORS PVT LTD	15863730	9.096	0	15863730	9.096	0	0.000
7	VIRGO ADVISORS PVT LTD	10575918	6.064	0	10575918	6.064	0	0.000
8	AMEYA ASHOK CHANDAVARKAR	10540983	6.044	0	10540983	6.044	0	0.000
9	NOMITA RAMDAS CHANDAVARKAR	5587737	3.204	0	5587737	3.204	0	0.000
10	NANDAN MOHAN CHANDAVARKAR	5354532	3.070	0	5354532	3.07	0	0.000
11	ADITI C BHANOT	1179897	0.677	0	1179897	0.677	0	0.000

Holding in capacity of Trustee of Sandhya Mohan Chandavarkar Trust

* Holding in capacity of Trustee of Mohan Anand Chandavarkar Trust

(iii) Change in Promoters Shareholding (Please specify, if there is no change)

Sr. No.	Shareholders Name	Shareholding			Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares	% of total Shares of the Company	Date			Number of Shares	% of total Shares of the Company
1	SANDHYA MOHAN CHANDAVARKAR - Closing Balance	19031473	10.912	01-04-2018 30-11-2018	-19031473	Off Market Sale	0	0
2	MOHAN ANAND CHANDAVARKAR - Closing Balance	18701621	10.723	01-04-2018 30-11-2018	-18701621	Off Market Sale	0	0

(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 (01-04-2018 to 31-03-2019)	
							No. of Shares	% of total Shares of the Company
1	PINEBRIDGE INVESTMENTS GF MAURITIUS -Closing Balance	6884005	3.947	01-04-2018 31-03-2019		No Change	6884005	3.947
2	RELIANCE CAPITAL TRUSTEE CO. LTD-A/ -Closing Balance	3487953	2	01-04-2018 04-05-2018 30-11-2018 22-02-2019 31-03-2019	10000 1200000 1500	Buy Buy Buy	3497953 4697953 4699453 4699453	2.006 2.694 2.695 2.695
3	FIDELITY PURITAN TRUST-FIDELITY LOW -Closing Balance	3141164	1.801	01-04-2018 31-08-2018 07-09-2018 14-09-2018 21-09-2018 28-09-2018 05-10-2018 12-10-2018 19-10-2018 31-03-2019	-15823 -26185 -83430 -14562 -19273 -27138 -24250 -29339	Sold Sold Sold Sold Sold Sold Sold Sold Sold	3125341 3099156 3015726 3001164 2981891 2954753 2930503 2901164 2901164	1.792 1.777 1.729 1.721 1.710 1.694 1.680 1.663 1.663
4	ENAM INFRASTRUCTURE TRUSTEESHIP SER -Closing Balance	1739721	0.998	01-04-2018 31-03-2019		No Change	1739721	0.998
5	JAYASHREE VIVEK CHANDAVARKAR -Closing Balance	1738000	0.997	01-04-2018 31-03-2019		No Change	1738000	0.997
6	UTI - CHILDRENS CAREER BALANCED PLA -Closing Balance	1826673	1.047	01-04-2018 06-04-2018 13-04-2018 20-04-2018 11-05-2018 18-05-2018 29-06-2018 10-08-2018 17-08-2018 24-08-2018 31-08-2018 07-09-2018 14-09-2018 19-10-2018 02-11-2018 14-12-2018 31-12-2018 04-01-2019 18-01-2019 25-01-2019 01-02-2019 29-03-2019 31-03-2019	-20000 -22274 -14399 -18861 -16465 -22059 -30000 -79566 -25000 -10000 -13985 -30000 -50000 -30000 -15288 -10362 -10986 -4842 -8323 -133742 -56562	Sold Sold	1806673 1784399 1770000 1751139 1734674 1712615 1682615 1603049 1578049 1568049 1554064 1524064 1474064 1444064 1428776 1418414 1407428 1402586 1394263 1260521 1203959 1203959	1.036 1.023 1.015 1.004 0.995 0.982 0.965 0.919 0.905 0.899 0.891 0.874 0.845 0.828 0.819 0.813 0.807 0.804 0.799 0.723 0.690 0.690
7	ASHOK SHRINATH KALBAG -Closing Balance	980000	0.562	01-04-2018 31-03-2019		No Change	980000	0.562
8	VIJAYA DEVIDAS KAMATH -Closing Balance	924000	0.530	01-04-2018 31-03-2019		No Change	924000	0.530
9	UTI - PHARMAAND HEALTHCARE FUND -Closing Balance	480505	0.276	01-04-2018 29-06-2018 21-09-2018 01-02-2019 08-02-2019 15-02-2019 22-02-2019 01-03-2019 31-03-2019	34462 -16583 136156 18072 100000 111396 50000	Buy Sold Buy Buy Buy Buy Buy Buy	514967 498384 634540 652612 752612 864008 914008 914008	0.295 0.286 0.364 0.374 0.432 0.495 0.524 0.524
10	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE PHARMA FUND -Closing Balance	0	0	01-04-2018 28-12-2018 01-03-2019 31-03-2019	800000 88246	Buy Buy	800000 888246 888246	0.459 0.509 0.509
11	SUDHA SURESH NILESHWAR -Closing Balance	786598	0.451	01-04-2018 31-03-2019		No Change	786598	0.451
12	FIDELITY NORTHSTAR FUND -Closing Balance	773210	0.443	01-04-2018 31-03-2019		No Change	773210	0.443

(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 (01-04-2018 to 31-03-2019)	
							No. of Shares	% of total Shares of the Company
1	SATISH SHRIPAD UGRANKAR -Closing Balance	330606	0.190	01-04-2018 15-02-2019 31-03-2019	1500	Buy	332106 332106	0.190 0.190
2	VINOD YENNEMEDI -Closing Balance	13627	0.008	01-04-2018 31-03-2019		No Change	13627	0.008
3	GAURI VINOD YENNEMADI -Closing Balance	5842	0.003	01-04-2018 31-03-2019		No Change	5842	0.003
4	PRITI VINOD YENNEMADI -Closing Balance	1934	0.001	01-04-2018 31-03-2019		No Change	1934	0.001
5	RAVINDRA Y CHITTAL -Closing Balance	2000	0.001	01-04-2018 31-03-2019		No Change	2000	0.001
6	GIRISH CHINUBHAI SHAREDALAL -Closing Balance	10000	0.006	01-04-2018 31-03-2019		No Change	10000	0.006
7	RAHIM HUSEINALI MULJIANI -Closing Balance	4000	0.002	01-04-2018 31-03-2019		No Change	4000	0.002
8	FOUZIA RAHIM MULJIANI -Closing Balance	2000	0.001	01-04-2018 31-03-2019		No Change	2000	0.001

E. INDEBTEDNESS

	Secured Loans	Unsecured Loans	Deposits
Indebtedness at the beginning of the financial year			
i) Principal Amount	-	69.48	-
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	-	-
Total (i+ii+iii)	-	69.48	
Change in Indebtedness during the financial year			
• Addition	-	-	-
• Reduction	-	9.03	-
Net Change	-	9.03	-
Indebtedness at the end of the financial year			
i) Principal Amount	-	60.45	-
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not paid	-	-	-
Total (i+ii+iii)	-	60.45	-

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	103.87	80.96	56.08	50.81	24.78	316.50
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.70	3.02	1.97	2.33	0.00	9.02
	(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	113.37	90.70	90.70	68.02	34.01	396.80
	- others, specify...	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	Total (A)	218.95	174.68	148.75	121.16	58.79	722.33

Ceiling as per the Act: Rs. 2267.45 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	Dr. Rahim H. Muljani	Dr. Satish S. Ugrankar	CA. Vinod G. Yennemadi	CA. Swati S. Mayekar	CA. Uday Kumar Gurkar	Total Amount
1.	Independent Directors						
	• Fee for attending board / committee meetings	1.40	0.45	1.40	1.40	1.05	5.70*
	• Commission	2.00	2.00	2.00	2.00	2.00	10.00
	• Others, please specify	-	-	-	-	-	-
	Total (1)						
2.	Other Non-Executive Directors						
	• Fee for attending board / committee meetings	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (2)						
	Total (B) = (1+2)	3.40	2.45	3.40	3.40	3.05	15.70
	Total Managerial Remuneration (A+B)	-	-	-	-	-	732.33

Over all Ceiling as per the Act: Rs. 2494.20 lakhs being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013.

* Sitting fees is not included while calculating total managerial remuneration

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	66.17	23.67	89.84
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.32	-	3.32
	(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, specify...	-	-	-
	- Others, please specify	-	-	-
	Total	69.49	23.67	93.16

G. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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 a Non-Executive Independent Chairman and consist of the following Directors as on March 31, 2019, as indicated below:

Name of the Director	Category
Mr. Mohan A. Chandavarkar (DIN : 00043344) Mr. Nandan M. Chandavarkar (DIN : 00043511) Mr. Ashok A. Chandavarkar (DIN : 00042719) Mr. Ameya A. Chandavarkar (DIN : 00043238) Ms. Nomita R. Chandavarkar (DIN : 00042332)	Promoters and Executive Directors
Dr. Satish S. Ugrankar (DIN : 00043783) Dr. Rahim H. Muljiani (DIN : 00043975) CA. Vinod G. Yennemadi (DIN : 00137039) CA. Swati S. Mayekar (DIN : 00245261) CA. Uday Kumar Gurkar (DIN : 01749610)	Non-Executive Independent Directors

* Pursuant to amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Dr. Satish S. Ugrankar, Dr. Rahim H. Muljiani, and CA. Vinod G. Yennemadi ceased to be Non-Executive Independent Director with effect from April 01, 2019.

Mr. Melarkode Ganesan Parameswaran (DIN : 00792123), Dr. Mahesh Bijlani (DIN : 08447258) & Ms. Usha Athreya Chandrasekhar (DIN : 06517876) were appointed as an Additional Non-executive Independent Directors with effect from May 10, 2019.

Also, In accordance with amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Mohan A. Chandavarkar ceased to be Chairman of the Board and CA. Uday Kumar Gurkar was appointed as Chairman of the Board with effect from April 01, 2019.

(B). Board Meetings held during the financial year ended March 31, 2019

Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
May 25, 2018	10	10
August 01, 2018	10	10
November 14, 2018	10	9
February 08, 2019	10	9

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 07, 2018
	May 25, 2018	August 01, 2018	November 14, 2018	February 08, 2019	
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	Present
Dr. Satish S. Ugrankar	Present	Present	Present	Absent	Present
Dr. Rahim H. Muljani	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	Absent	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	Name of the Other Companies where He / She is a Director	**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	-		-	-
Dr. Satish S. Ugrankar #	1	Emkay Global Financial Services Ltd.	1	-
Dr. Rahim H. Muljani	-		-	-
CA. Vinod G. Yennemadi	-		-	-
CA. Swati S. Mayekar #	1	Uniphos Enterprises Limited	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.

Dr. Satish Ugrankar is a member of Audit Committee in Emkay Global Financial Services Ltd. and CA. Swati Mayekar is member of Audit Committee and Stakeholder Relationship Committee in Uniphos Enterprises Limited.

(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 08, 2019.

The Independent Directors reviewed and assessed the performance of the Non-Independent Directors, including the 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.

Dr. Satish S. Ugrankar was absent for the said meeting, rest 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
Dr. Satish S. Ugrankar	3,32,106
Dr. Rahim H. Muljani	4,000
CA. Vinod G. Yennemadi	8,794
CA. Swati S. Mayekar	-
CA. Uday Kumar Gurkar	-

Dr. Satish S. Ugrankar, Dr. Rahim H. Muljani, and CA. Vinod G. Yennemadi ceased to be Non-Executive Independent Director of the Company with effect from April 01, 2019

(G). Directors appointed/ resigned during the year ended March 31, 2019

During the Financial year 2018 – 2019, there is no change in directorship of the Company.

However Dr. Satish S. Ugrankar, Dr. Rahim H. Muljani, and CA. Vinod G. Yennemadi ceased to be Non-Executive Independent Director with effect from April 01, 2019 and Mr. Melarkode Ganesan Parameswaran (DIN : 00792123), Dr. Mahesh Bijlani (DIN : 08447258) & Ms. Usha Athreya Chandrasekhar (DIN : 06517876) were appointed as Additional Non-executive Independent Directors with effect from May 10, 2019.

(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, 2019. 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 which is duly amended from time to time. 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/ Familiarisation Programmes of Independent Directors

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/Familiarisation_Programme_2018-19.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, 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 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 respect to the performance.

(O). Matrix Specifying Board Competence

The Table below shows competencies which are taken into Consideration required in context of Business for its effective functions. Competence of Board includes experience, expertise, knowledge, skills, of Board of Directors.

Competency	Definition
Leadership	Includes Vast Leadership Experience, Practical understanding of organization, Key role in strategic planning and risk management.
Financial Analysis	Ability to comprehend, interpret and guide on Financial statements, Audit committee presentations and other Business Matters.
Business Strategy	Ability to understand, review and guide Strategy by analyzing the Company's competitive position and benchmarking taking into account market and industry trends.
Technical & Production	Includes periodical review of manufacturing of Pharmaceuticals products, Active involvement in Research and Development activities, Knowledge of supply chain activities etc.
Sales & Marketing	Experience in developing strategies to improve sales and Market share. Build brand and enhance enterprise reputation.
Technology	Means Significant background in technology, Active participation in evaluation of technological trends, generate disruptive innovation and helps in creating dynamic business model.
Global Business	Includes Driving business success in markets around the world with an understanding of diverse business environment.

Comprehensive chart stating core skills / expertise / competencies identified by the Board of Directors in the context of its business and sector available with the Board are as follows:

Sr. No.	Name	Qualification	Area of Expertise
1	Mr. Mohan A. Chandavarkar	Bachelor of Science (Hons.)	Financial Analysis, Leadership, Business Strategy, Technical & Production, Sales & Marketing.
2	Mr. Nandan M. Chandavarkar	Bachelor of Pharmacy	Financial Analysis, Business Strategy, Technical & Production, Sales & Marketing.
3	Mr. Ashok A. Chandavarkar	Bachelor of Engineering (Mechanical)	Financial Analysis, Business Strategy, Technical & Production

4	Mr. Ameya A. Chandavarkar	Bachelor of Science in Information Systems, Marketing Management from Lakeland, USA and MBA from France and Singapore	Financial Analysis, Business Strategy, Technical & Production, Information Technology and Global Business
5	Ms. Nomita R. Chandavarkar	B.com	Financial Analysis and Business Strategy
6	Dr. Satish S. Ugrankar	M.B.B.S, M.S(Orth), D'ORTH., F.C.P.S.	Business Strategy, (Pharmaceuticals) Sales & Marketing
7	Dr. Rahim H. Muljani	M.B.B.S (D.O.M.S) (F.I.C.S.)	Business Strategy (Pharmaceuticals) Sales & Marketing
8	CA. Vinod G. Yennemadi	Fellow Member of the Institute of Chartered Accountants in England and Wales and also an Associate Member of Institute of Chartered Accountants in India	Financial Analysis, and Business Strategy
9	CA. Swati S. Mayekar	Fellow Member of Institute of Chartered Accountants in India and an Associate Member of the Institute of Company Secretaries of India	Financial Analysis, Corporate Law
10	CA. Uday Kumar Gurkar	Fellow Member of Institute of Chartered Accountants in India and an Associate Member of the Institute of Company Secretaries of India	Financial Analysis, Business Strategy,

However Dr. Satish S. Ugrankar, Dr. Rahim H. Muljani, and CA. Vinod G. Yennemadi ceased to be Non-Executive Independent Director with effect from April 01, 2019 and Mr. Melarkode Ganesan Parameswaran (DIN : 00792123), Dr. Mahesh Bijlani (DIN : 08447258) & Ms. Usha Athreya Chandrasekhar (DIN : 06517876) were appointed as Additional Non-executive Independent Directors with effect from May 10, 2019.

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 4 (Four) Non-Executive Independent 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, CA. Uday Kumar Gurkar and Mr. Mohan A. Chandavarkar are the other members of the committee.

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

However with effect from May 10, 2019 Composition of Audit Committee has been changed, After Re-constitution, Dr. Rahim Muljani and CA. Vinod Yennemadi ceased to be member of Audit 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 25, 2018	5	5
August 01, 2018	5	5
November 14, 2018	5	4
February 08, 2019	5	5

(iv). Attendance of Directors at the Committee meetings

Name of the Director	Attendance at the Committee Meetings held on			
	May 25, 2018	August 01, 2018	November 14, 2018	February 08, 2019
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
CA. Uday Kumar Gurkar	Present	Present	Absent	Present

* Dr. Rahim H. Muljani and CA. Vinod G. Yennemadi ceased to be member of Committee with effect from April 01, 2019

(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) Non-Executive Independent Directors. The said committee functions under the chairmanship of CA Vinod G. Yennemadi and Dr. Rahim H. Muljiani, 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.

However the Company has Re-Constituted the Committee with effect from May 10, 2019, due to resignation of CA Vinod G. Yennemadi, Dr. Rahim H. Muljiani and Dr. Satish S. Ugrankar. As per new constitution CA. Swati Mayekar holds Chairmanship of the Committee and Mr. Melarkode Ganesan Parameswaran, Dr. Mahesh Bijlani, CA. Uday Kumar Gurkar & Ms. Usha Athreya Chandrasekhar were appointed as members of 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
May 25, 2018	4	4
February 08, 2019	4	3

(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*	2
Dr. Rahim H. Muljiani*	2
Dr. Satish S. Ugrankar*	1
CA. Swati S. Mayekar	2

*Dr. Satish S. Ugrankar, Dr. Rahim H. Muljiani, and CA. Vinod G. Yennemadi ceased to be members of Committee with effect from April 01, 2019

(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. Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 and conditions of the (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the detailed statements / questionnaire circulated with the agenda, the Independent Directors in their separate meeting held on February 08, 2019 had reviewed the performance of Non-Independent Directors, except the director being evaluated.

(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://www.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.)	Super annuation	Total (Rs.)
Mr. Mohan A. Chandavarkar	89,94,000	1,70,419	6,19,200	1,13,37,247	7,74,000	2,18,94,866
Mr. Ashok A. Chandavarkar	48,55,320	1,97,027	3,34,524	90,69,797	4,18,155	1,48,74,823
Mr. Nandan M. Chandavarkar	69,30,000	3,02,032	5,18,400	90,69,797	6,48,000	1,74,68,229
Mr. Ameya A. Chandavarkar	43,50,000	2,32,545	3,24,900	68,02,348	4,06,125	1,21,15,918
Ms. Nomita R. Chandavarkar	23,06,000	0	1,71,600	34,01,174	0	58,78,774

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, 2019	Re – Appointed in the Board meeting held on February 08, 2019, For a period of 5 years commencing from April 01, 2019
Mr. Ashok A. Chandavarkar	February 29, 2016	For a period of 5 years commencing from February 29, 2016
Mr. Nandan M. Chandavarkar	March 01, 2019	For a period of 5 years commencing from March 01, 2019
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.)
Dr. Satish S. Ugrankar*	2,00,000	45,000	-	2,45,000
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	45,000	60,000	3,05,000
Total	10,00,000	2,70,000	3,00,000	15,70,000

*Dr. Satish S. Ugrankar, Dr. Rahim H. Muljiani, and CA. Vinod G. Yennemadi ceased to be member of Committee with effect from April 01, 2019.

(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) Non-Executive Independent 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.

However with effect from April 01, 2019 subsequent to resignation of Dr. Rahim Muljiani from the Board, he ceased to be member of Stakeholder Relationship Committee. The Board has appointed Ms. Usha Athreya Chandrasekhar, Non-Executive Independent Director, as a Chairperson of Committee with effect from May 10, 2019.

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
April 13, 2018	3	3
July 13, 2018	3	3
October 11, 2018	3	3
January 14, 2019	3	3

(iv). Attendance of Directors at the Committee meetings

Name of the Director	Attendance at the Committee Meetings held during the year
Dr. Rahim H. Muljiani *	4
Mr. Mohan A. Chandavarkar	4
Mr. Ashok A. Chandavarkar	4

* Dr. Rahim Muljiani ceased to be member of Stakeholder Relationship Committee. The Board has appointed Ms. Usha Athreya Chandrasekhar as a Chairperson of Committee with effect from May 10, 2019.

i. Number of complaints received and resolved

During the year under review, the Company had received 12 (Twelve) 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 March 31, 2019.

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 March 31, 2019. 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 total 4 members includes 3 (Three) Executive Directors and 1 (One) Non-Executive Independent 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.

CA. Vinod G. Yennemadi ceased to be member of Committee with effect from April 01, 2019. CA. Uday Kumar Gurkar was appointed as member of Nomination and Remuneration Committee on May 10, 2019.

(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 25, 2018	4	4
November 14, 2018	4	4
February 08, 2019	4	4

(iv). Attendance of Directors at the Committee meetings

Name of the Director	Attendance at the Committee Meetings held on		
	May 25, 2018	November 14, 2018	February 08, 2019
Mr. Mohan A. Chandavarkar	Present	Present	Present
Mr. Ashok A. Chandavarkar	Present	Present	Present
CA. Vinod G. Yennemadi*	Present	Present	Present
Ms. Nomita R. Chandavarkar	Present	Present	Present

* CA. Vinod G. Yennemadi ceased to be member of Committee with effect from April 01, 2019.

(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 CA. Swati S. Mayekar, Independent and Non-Executive Director and Chairperson, Mr. Ameya A. Chandavarkar, Executive Director and Mr. Dilip V. Karnik, President- Technical & Operations. The Company Secretary acts as a Secretary to the Committee.

(ii). Committee meetings held during the year

There was no meeting of Risk management Committee held during the Financial Year 2018-2019.

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 24, 2019. 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
2015-16	WelcomHotel Rama International R-3, Chikalthana Aurangabad - 431 210 Maharashtra	September 17, 2016	10.00 a.m.	Yes, 1 (One) resolution was passed.
2016-17	WelcomHotel Rama International R-3, Chikalthana Aurangabad - 431 210 Maharashtra	August 19, 2017	10.00 a.m.	Yes, 2 (Two) resolutions were passed.
2017-18	WelcomHotel Rama International R-3, Chikalthana Aurangabad - 431 210 Maharashtra	September 07, 2018	10.00 a.m.	Yes, 1 (One) resolution was passed.

(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 Limited and National Stock Exchange Limited 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 Information' 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.

7. GENERAL SHAREHOLDER INFORMATION**(A). Annual General Meeting**

Date : September 27, 2019

Time : 10.00 a.m.

Venue : WelcomHotel,
Rama International,
R-3, Chikalthana,
Aurangabad - 431210,
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, 2019	August 03, 2019
Unaudited results of the second quarter and half year ending September 30, 2019	November 08, 2019
Unaudited results of the third quarter and nine months ending December 31, 2019	February 07, 2020
Audited results for the year ending March 31, 2020	May 22, 2020

(D). Dividend Payments

Not applicable

(E). Dates of book closure

September 21, 2019 to September 27, 2019 (both days inclusive)

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

BSE Limited	National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers	Exchange Plaza, Bandra Kurla Complex
Dalal Street, Mumbai- 400 001	Bandra (East), Mumbai- 400 051
Stock Code: 531599	Stock Code: FDC EQ

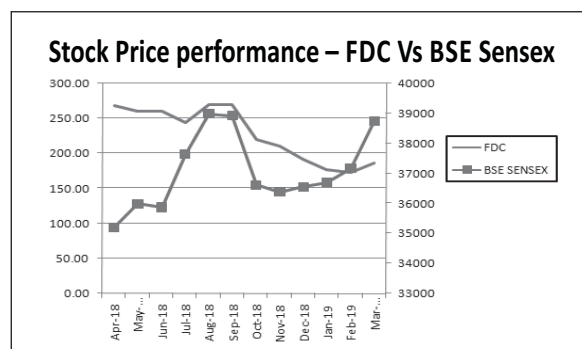
The ISIN Number of the Company on both the National Security Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') is INE258B01022.

The Company has paid the Annual Listing Fees to both the Stock Exchanges for the Financial Year 2019-2020.

(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 2018-2019

Month & Year	BSE		NSE	
	High	Low	High	Low
April, 2018	267.50	240.10	269.50	239.10
May, 2018	260.40	227.70	263.75	220.10
June, 2018	260.00	208.95	264.70	210.15
July, 2018	244.50	219.50	246.00	219.00
August, 2018	269.40	232.30	268.00	232.00
September, 2018	268.80	212.00	269.20	210.00
October, 2018	219.95	182.95	218.00	181.10
November, 2018	210.00	184.00	206.00	184.00
December, 2018	192.00	169.50	191.30	170.90
January, 2019	177.10	153.35	177.60	153.75
February, 2019	173.00	148.20	173.85	148.30
March, 2019	187.00	163.55	185.85	161.60

(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.: support@sharexindia.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, 2019

Sr. No.	Category	No. of Shareholders	No. of Shares	% of Share holding
A.	Promoters & Promoters Group	9	12,04,60,261	69.07
B.	Public			
(I)	Institutional Investors			
	Mutual Funds & UTI	6	83,58,294	4.79
	Foreign Portfolio Investors	59	1,54,52,904	8.86
	Financial Institutions/ Banks	3	16,156	0.01
	Insurance Companies	2	773,138	0.44
(II)	Non Institutional Investors			
	Indian Public	25,735	2,35,12,953	13.48
	NBFCs registered with RBI	2	675	0.00
	IEPF	1	2,48,711	0.14
	Foreign Portfolio Investor	19	3,19,444	0.18
	HUF	749	6,65,636	0.38
	Private Corporate Bodies	356	26,67,503	1.53
	NRI/OCBs	681	18,73,214	1.07
	Clearing Members	48	30,870	0.02
	Trusts	4	23,325	0.01
	GRAND TOTAL	27,674	17,44,03,084	100.00

(L). Distribution of Shareholding as on March 31, 2019

Equity shares of face value of Re.1 each	Shareholders		Equity shares	
	Number	% to Total	Number	% to Total
Upto 5,000	27,166	98.164	1,09,16,465	6.259
5,001 to 10,000	282	1.019	2059097	1.181
10,001 to 20,000	102	0.369	1435567	0.823
20,001 to 30,000	25	0.090	605503	0.347
30,001 to 40,000	9	0.033	320440	0.184
40,001 to 50,000	9	0.033	399054	0.229
50,001 to 1,00,000	20	0.072	1508106	0.865
Above 1,00,001	61	0.220	157158852	90.112
Total	27674	100.00	17,44,03,084	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, 2019, 17,22,63,220 equity shares aggregating to 98.78% 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 2018-2019, 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. 37 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(I) 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 Regulation 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. 44 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). During the year ended March 31, 2019, the Company does not have any material listed/unlisted subsidiary companies as defined in Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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

As on Year ending March 31, 2019, Mr. Mohan Anand Chandavarkar (Managing Director) was the Chairman of the Board.

However with effect from April 01, 2019, CA. Uday kumar Gurkar (Non – Executive, Independent Director) appointed as Chairman of the Board.

(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

As on Year ending March 31, 2019, the Position of Chairman and CEO / Managing Director was not separate, However with effect from April 01, 2019 Mr. Mohan Anand Chandavarkar (Managing Director) ceased to be Chairman of the Board and CA. Uday Kumar Gurkar (Non – Executive Independent Director) was appointed as Chairman of the Board.

(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 24, 2019

MOHANA. CHANDAVARKAR
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, 2019, as envisaged in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Mumbai
Date : May 24, 2019

MOHAN A. CHANDAVARKAR
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, 2019 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, if any, 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 24, 2019

MOHAN A. CHANDAVARKAR
Managing Director

SANJAY B. JAIN
Chief Financial Officer

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 2018

To the Members of
FDC Limited

1. This certificate is issued in accordance with the terms of our agreement dated 4 October 2018 and addendum to the engagement letter dated 10 March 2019.
2. This report contains details of compliance of conditions of corporate governance by FDC Limited ('the Company') for the year ended 31 March 2019 as stipulated in regulations 17-27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 2018 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2019.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
7. 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.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it 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 for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vikas R. Kasat
Partner
Membership No: 105317
UDIN: 19105317AAAAAY2772

Place : Mumbai
Date : May 24, 2019

AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF FDC LIMITED

INDEPENDENT AUDITORS' REPORT

To the Members of FDC Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of FDC Limited ("the Company"), which comprise the standalone balance sheet as at 31st March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Description of Key Audit Matters

Revenue recognition

The Company recognises revenue from the sales of pharmaceutical products when control over goods is transferred to a customer. The actual point in time when revenue is recognised varies depending on the specific terms and conditions of the sales contracts entered into with customers. The Company has a large number of customers operating in various geographies and sales contracts with customers have a variety of different terms relating to the recognition of revenue, the entitlement to sales discounts, the right of return and price adjustments.

We have identified recognition of revenue as a key audit matter as revenue is a key performance indicator and there is a risk of revenue being fraudulently overstated arising from pressure to achieve performance targets as well as meeting external expectations.

Litigations, claims and contingencies

See note 40 to the standalone financial statements

The Company operates in multiple jurisdictions in the pharmaceutical industry which is heavily regulated, resulting in increased exposure to litigation risk. The Company is involved in a number of litigations/ legal actions.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

How the matter was addressed in our audit

Our procedures included the following:

- Assessing the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards;
- Evaluating the design, testing the implementation and operating effectiveness of the Company's internal controls including general IT controls and key IT application controls over recognition of revenue and measurement of discounts and schemes in the system;
- Performing substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during and after the year and verifying the underlying documents, which included sales invoices/ contracts and dispatch/shipping documents. Obtaining and assessing appropriateness of positions for returns and incentives;
- Testing controls over review of contracts and revenue recognition; and
- Assessing manual journals posted to revenue to identify unusual items not already covered.

How the matter was addressed in our audit

Our procedures included the following:

- Evaluating the design and testing the operating effectiveness of controls in respect of the recognition and measurement of provisions towards litigation and claims;

These provisions are based on judgements and accounting estimates made by management reflect in determining the likelihood and magnitude of an unfavorable outcome on the claims. Accordingly, unexpected adverse outcomes could significantly impact the Company's reported profit and balance sheet position.

- Corroborating management's assessment by making enquiries with the in-house legal compliance officer;
- verifying correspondence, orders and appeals in respect of open litigation;
- Obtaining confirmations from external lawyers where relevant and/ or evaluating legal opinions obtained by the management;
- We have also involved our direct tax experts to evaluate management's assessment of possible outcome of dispute;
- Evaluating significant adjustments to legal provisions recorded during the year to determine if they were indicative of management bias; and
- Evaluating adequacy of disclosures given in the financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ('the Order'), issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order to the extent applicable.

(A) 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 purposes 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of

cash flows dealt with by this Report are in agreement with the books of account;

- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
 - e) On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164(2) of the Act; and
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' 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 as at 31st March 2019 on its financial position in its standalone financial statements – Refer note 40 to the standalone financial statements;
 - ii) The Company did not have any other long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March 2019; and
 - iv) The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31st March 2019.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

VIKAS R. KASAT

Partner

Membership No: 105317

Place : Mumbai

Date : May 24, 2019

Annexure A to the Independent Auditors' Report – 31st March 2019

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2019, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner at reasonable intervals. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. Pursuant to the programme, certain fixed assets were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has applied to the relevant authorities, for transfer of freehold land acquired pursuant to the Scheme of amalgamation with Anand Synthochem Limited, in its name. Title deeds of other immoveable properties (other than leasehold land) as disclosed in note 2 to the standalone financial statements, are held in the name of the Company. In respect of leasehold lands, we have verified the lease agreements duly registered with the appropriate authorities as disclosed in note 2 to the standalone financial statements.
- (ii) The inventory, except for stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and these have been properly dealt with in the books of accounts.
- (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 Act. Accordingly, paragraph 3(iii) (a), (b) and (c) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us, the Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of the loans and investments made. The Company has not provided any guarantees and security to the parties covered under Section 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed

there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148 (1) of the Act in relation to products manufactured, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable.

Also, refer note 41 to the standalone financial statements.

- (b) According to the information and explanations given to us, there are no dues of, Duty of Customs which have not been deposited with the appropriate authorities on account of dispute. According to the information and explanations given to us, there are no dues of Income Tax, Goods and Service Tax, Duty of Excise, Service Tax and Value Added Tax as at 31st March 2019, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the Statute	Nature of the Dues	Amount of demand under dispute (Rs. in lakhs)	Amount paid under protest (Rs. in lakhs)	Amount under dispute not deposited (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Gujarat Sales Tax Act / Uttar Pradesh Sales Tax Act / West Bengal Sales Tax Act / Maharashtra Sales Tax Act	Tax / Penalty / Interest	71.70	11.71	59.99	A.Y. 2002-03, 2003-04	Sales Tax Appellate Tribunal
		27.10	14.11	12.98	A.Y. 2010-11	Joint Commissioner (Appeals)
		19.10	-	19.10	A.Y. 2002-03, 2003, 2006-07	Revisional Board - Commercial Tax
Central Excise Act / Service Tax	Duty / Penalty / Interest	56.98	-	56.98	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
GST	Duty / Penalty / Interest	19.55	-	19.55	April 2017 - June 2017	Asst. Comm. CGST
		34.12	-	34.12	April 2005 - Sep 2005	Asst. Commissioner of Service Tax
Central Excise Act / Service Tax	Duty / Penalty / Interest	28.56	-	28.56	April 2005 – Sep 2006	High Court
Income-tax Act, 1961	Tax / Interest / Penalty	2,499.68	2,101.50	398.18	A.Y. 2009-10, 2010-11, 2012-13, 2013-14, 2015-16, 2016-17, 2017-18, 2018-19	Commissioner of Income tax (Appeals)

- (viii) In our opinion and according to the information and explanations given to us, and based on the records of the Company, the Company has not defaulted in the repayment of dues to the government. The Company does not have any loans or borrowings from any banks, financial institutions or debenture holders during the year.
- (ix) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where

applicable and details of such transactions have been disclosed in the standalone financial statements as required by applicable accounting standards.

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

VIKAS R. KASAT
Partner
Membership No: 105317

Place : Mumbai
Date : May 24, 2019

Annexure B to the Independent Auditors' Report on the standalone financial statements of FDC Limited for the year ended 31st March 2019

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of FDC Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March 2019, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were 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

with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 standalone 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 Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A Company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For BSR & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

VIKAS R. KASAT
Partner
Membership No: 105317

Place : Mumbai
Date : May 24, 2019

BALANCE SHEET AS AT 31ST MARCH 2019

PARTICULARS	Note No.	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
I. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	2	67,203.25	66,462.46
(b) Capital work-in-progress	2	1,238.14	988.54
(c) Other intangible assets	2	643.83	512.73
(d) Intangible assets under development	2	-	295.94
(e) Financial assets			
(i) Investments	3	17,932.69	7,440.41
(ii) Loans	4	580.22	565.63
(iii) Other financial assets	5	3.17	33.54
(f) Income tax assets (net)	6	1,485.26	1,204.06
(g) Other non-current assets	7	552.60	429.44
Total Non-current assets		89,639.16	77,932.75
2. Current assets			
(a) Inventories	8	17,273.40	15,965.41
(b) Financial assets			
(i) Investments	9	40,592.77	39,715.75
(ii) Trade receivables	10	8,352.07	7,670.86
(iii) Cash and cash equivalents	11	1,436.26	1,994.23
(iv) Bank balances other than (iii) above	12	133.92	117.58
(v) Loans	13	72.61	374.21
(vi) Other financial assets	14	522.84	540.36
(c) Other current assets	15	4,523.95	4,440.06
Total Current assets		72,907.82	70,818.46
TOTAL ASSETS		162,546.98	148,751.21
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	16	1,751.89	1,751.89
(b) Other equity	17	141,552.34	124,487.84
Total Equity		143,304.23	126,239.73
LIABILITIES			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	49.01	60.45
(ii) Other financial liabilities	19	138.60	152.10
(b) Provisions	24	39.00	36.00
(c) Deferred tax liabilities (net)	20	1,332.50	1,516.23
Total Non-current liabilities		1,559.11	1,764.78
2. Current liabilities			
(a) Financial liabilities			
(i) Trade payables	21		
(A) Total outstanding dues of Micro and small enterprises		1,188.21	-
(B) Total outstanding dues of creditors other than Micro and small enterprises		6,531.65	9,695.08
(ii) Other financial liabilities	22	5,520.51	6,173.63
(b) Other current liabilities	23	567.99	502.32
(c) Provisions	24	2,475.26	2,756.94
(d) Current tax liabilities (net)	25	1,400.02	1,618.73
Total Current liabilities		17,683.64	20,746.70
TOTAL EQUITY AND LIABILITIES		162,546.98	148,751.21

Significant accounting policies
The accompanying notes are an integral part of the
standalone financial statements

1.3
1 to 55

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN: 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

VIKAS R. KASAT
Partner
Membership No : 105317
Place : Mumbai
Date : May 24, 2019

SANJAY JAIN
Chief Financial Officer
Membership No : 110009
Place : Mumbai
Date : May 24, 2019

VARSHARANI KATRE
Company Secretary
Membership No : 8948

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

PARTICULARS	Note No.	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
I. Revenue from operations	26	107,587.40	107,021.23
II. Other income	27	5,479.98	5,124.75
III. Total Income (I+II)		113,067.38	112,145.98
IV. Expenses			
Cost of materials consumed	28	29,997.36	27,427.42
Purchase of stock-in-trade		6,644.19	7,850.55
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(2,192.66)	(279.98)
Excise duty		-	801.62
Employee benefits expense	30	22,427.06	21,546.69
Finance costs	31	143.19	140.26
Depreciation and amortization expense	32	3,313.77	3,503.90
Other expenses	33	28,707.46	27,764.85
Total Expenses		89,040.37	88,755.31
V. Profit before exceptional items and tax (III-IV)		24,027.01	23,390.67
VI. Exceptional items	47	397.11	-
VII. Profit before tax (V-VI)		23,629.90	23,390.67
VIII. Tax expense:	25		
(1) Current tax		6,660.00	6,780.00
(2) Deferred tax		(183.73)	(220.74)
Total Tax expense		6,476.27	6,559.26
IX. Profit for the year (VII-VIII)		17,153.63	16,831.41
X. Other Comprehensive Income	35		
(i) Items that will not be reclassified subsequently to profit or loss		(109.93)	(54.94)
(ii) Income tax relating to items that will not be reclassified to profit or loss		20.80	27.33
Other Comprehensive Income for the year (net of tax)		(89.13)	(27.61)
XI. Total Comprehensive Income for the year (net of tax) (IX+X)		17,064.50	16,803.80
XII. Earnings per equity share	34		
Par Value Re.1 per share (Previous year Re.1 per share)			
(1) Basic (Rs.)		9.84	9.47
(2) Diluted (Rs.)		9.84	9.47

Significant accounting policies
The accompanying notes are an integral part of the
standalone financial statements

1.3
1 to 55

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN: 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

VIKAS R. KASAT
Partner
Membership No : 105317

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No : 8948

Place : Mumbai
Date : May 24, 2019

Place : Mumbai
Date : May 24, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

PARTICULARS	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before exceptional items and tax	24,027.01	23,390.67
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	3,313.77	3,503.90
Interest expenses	107.58	108.75
Interest income	(544.24)	(280.16)
Net gain on disposal of property, plant and equipment	(21.44)	(63.38)
Dividend income	(2,352.90)	(3,053.72)
Net (gain)/ loss on sale of investments	(345.74)	635.01
Fair value gain on financial instruments	(1,672.64)	(933.80)
Unrealised foreign exchange loss/ (gain) on restatement	145.85	(102.85)
Bad debts	-	3.99
Allowances for credit loss	16.01	-
Provision for doubtful debts no longer required, written back	(0.68)	(4.19)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	22,672.57	23,204.22
Working capital adjustments:		
Increase in inventories	(1,307.99)	(2,343.12)
(Increase)/ Decrease in trade receivables	(786.33)	168.34
Decrease/ (Increase) in financial assets	86.26	(88.79)
Increase in other assets	(123.53)	(2,237.22)
(Decrease)/ Increase in provision	(317.41)	220.71
(Decrease)/ Increase in trade and other payables	(2,685.16)	2,626.33
CASH GENERATED FROM OPERATIONS	17,538.42	21,550.47
Income tax paid (net)	(7,159.91)	(6,774.57)
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES (A)	10,378.51	14,775.90
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(4,272.96)	(3,698.00)
Proceeds from disposal of property, plant and equipment	52.33	103.43
Purchase of financial instruments	(77,560.65)	(68,426.20)
Proceeds from sale of financial instruments	68,148.03	70,727.54
Repayment/ (Renewal) of inter corporate deposit given	25.00	-
Decrease/ (Increase) in fixed and margin deposits	11.64	(1.55)
Loan given to joint venture	(86.11)	-
Dividend income	2,352.90	3,053.72
Interest received	399.89	255.68
NET CASH FLOW (USED IN)/ GENERATED FROM INVESTING ACTIVITIES (B)	(10,929.93)	2,014.62
CASH FLOWS FROM FINANCING ACTIVITIES		
Buyback of equity shares	-	(12,005.00)
Expenses incurred for buyback of equity shares	-	(115.31)
Repayment of sales tax deferral loan	(9.03)	(9.15)
Dividend (including dividend distribution tax)	-	(4,815.83)
Amount deposited in bank accounts towards unpaid dividend	2.39	1.96
NET CASH FLOW (USED IN) FINANCING ACTIVITIES (C)	(6.64)	(16,943.33)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	(558.06)	(152.81)
Net foreign exchange differences on cash and cash equivalents	0.09	(18.68)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (Refer note 11)	1,994.23	2,165.72
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Refer note 11)	1,436.26	1,994.23

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**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 Statement of Cash Flow comprises of the following Balance Sheet items.

Particulars	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Cash on hand	8.64	11.93
Balances with banks:		
On current accounts	1,061.34	752.30
On deposit accounts (with original maturity of 3 months or less)	366.28	1,230.00
	1,436.26	1,994.23

2. The Statement of Cash Flows have been prepared under the indirect method as set out in Ind AS 7 - Statement of Cash Flows.
3. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

Rupees in lakhs							
Particulars	Note No.	31st March 2018	Cash flows	Non-cash changes			31st March 2019
				Acquisition	Foreign exchange movement	Fair value change	
Borrowings Deferred sales tax loans	18	69.48	(9.03)	-	-	-	60.45

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

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

VIKAS R. KASAT
Partner
Membership No : 105317

Place : Mumbai
Date : May 24, 2019

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN: 00043344

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

Place : Mumbai
Date : May 24, 2019

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

VARSHARANI KATRE
Company Secretary
Membership No : 8948

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019**(A) Equity share capital**

Particulars	No. in lakhs	Rupees in lakhs
Balances as at 1st April 2017	1,786.19	1,786.19
Less: 3,430,000 Equity shares of Re.1 each bought back	(34.30)	(34.30)
Balances as at 31st March 2018	1,751.89	1,751.89
Changes during the year	-	-
Balances as at 31st March 2019	1,751.89	1,751.89

(B) Other equity

Rupees in lakhs

Particulars	Reserves and Surplus				Other Comprehensive Income	Total Equity
	Retained Earnings	General Reserves	Securities Premium	Capital Redemption Reserve	Equity Instruments through OCI	
Balances as at 1st April 2018	92,442.48	31,955.84	-	34.30	55.22	124,487.84
Profit for the year	17,153.63	-	-	-	-	17,153.63
Other comprehensive income/ (loss) for the year (net of taxes) (Refer note 35)	(38.73)	-	-	-	(50.40)	(89.13)
Total Comprehensive Income for the year	17,114.90	-	-	-	(50.40)	17,064.50
Balances as at 31st March 2019	109,557.38	31,955.84	-	34.30	4.82	141,552.34

Rupees in lakhs

Particulars	Reserves and Surplus				Other Comprehensive Income	Total Equity
	Retained Earnings	General Reserves	Securities Premium	Capital Redemption Reserve	Equity Instruments through OCI	
Balances as at 1st April 2017	80,593.84	43,887.94	72.90	-	31.20	124,585.88
Profit for the year	16,831.41	-	-	-	-	16,831.41
Other comprehensive income/ (loss) for the year (net of taxes) (Refer note 35)	(51.63)	-	-	-	24.02	(27.61)
Total Comprehensive income for the year	16,779.78	-	-	-	24.02	16,803.80
Dividends (including Dividend distribution tax) (Refer note 36)	(4,815.83)	-	-	-	-	(4,815.83)
Expenses for buyback of equity shares (Refer note 17)	(115.31)	-	-	-	-	(115.31)
Premium paid on buyback of equity shares	-	(11,897.80)	(72.90)	-	-	(11,970.70)
Transfer from General reserves on equity shares bought back	-	(34.30)	-	34.30	-	-
Balances as at 31st March 2018	92,442.48	31,955.84	-	34.30	55.22	124,487.84

The above statement of changes in equity should be read in conjunction with the accompanying note 17 to the standalone financial statements.

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

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN: 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

VIKAS R. KASAT
Partner
Membership No : 105317

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No : 8948

Place : Mumbai
Date : May 24, 2019

Place : Mumbai
Date : May 24, 2019

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

1.1 CORPORATE INFORMATION

FDC Limited (the "Company") is a public listed Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its equity shares are listed on two recognised stock exchanges Bombay Stock Exchange and National Stock Exchange 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 standalone financial statements for the year ended 31st March, 2019 were authorised for issue by the Company's board of directors on 24th May 2019.

1.2 BASIS OF PREPARATION AND MEASUREMENT

Statement of compliance

These standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amended Rules, 2016, and the relevant provisions and amendments, as applicable. The standalone financial statements have been prepared on accrual basis under the historical cost convention except certain financial instruments and defined benefit plans which have been measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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 standalone financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information have been presented in Indian Rupees (INR) and all amount have been rounded-off to the nearest lakhs, unless 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 upon transfer of control of goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers.

Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/ incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from 1st April 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

The Company has adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. 1st April, 2018). Accordingly, the comparative information in the standalone statement of profit and loss is not restated. Impact on adoption of Ind AS 115 is not material.

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 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 Company accounts for sales returns by recording an allowance for sales returns concurrent with the recognition of revenue at the time of 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) as set out in Ind AS 109. 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 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 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 in statement of profit and loss as incurred. In respect of additions to/ deletions from the plant, property and equipment, depreciation is provided on pro-rata reference to the month of addition/ deletion of the Assets.

Subsequent expenditures related to an item of Property, plant and 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 disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in standalone financial statements.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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 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.

Gain or Loss on disposal

Any gain or losses on disposal of property, plant and equipment is recognised in the standalone statement of profit and loss.

Estimated useful life's of the assets are as follows:

Nature of Tangible Assets	Useful Life (No. of Years) As per Companies Act, 2013	Useful Life (No. of Years) As estimated by the Company
Plant and Machinery	8	7.5 to 15
Building	30 to 60	30 to 60
Laboratory Testing Machines	10	10
Office Equipments	5	5
Furniture, Fixtures and fittings	10	10
Computers and Peripherals	3 to 6	3 to 6
Vehicles	8	6
Electrical Installations	10	10
Leasehold Land	Over the period of lease	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 asset's 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 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 OTHER INTANGIBLE ASSETS

Other 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.

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

Nature of Other Intangible Assets	Useful Life (No. of years) As estimated by the Company	Amortisation method used
Software and Trademarks	5 to 10	Amortised on straight-line basis

e FINANCIAL INSTRUMENTS

A Financial instrument is any contract that gives rise to a 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 the case of financial assets not recorded at fair value through profit or 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 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 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, Company 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 or 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 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 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 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 has 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 'pass through' 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 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 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 Receivables 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) recognised during the period is recognised as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. 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 or 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 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 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/ declared buyback NAV 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 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 applicable taxes, 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.

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.

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.

The Company fully contributes all ascertained liabilities to the FDC Limited Gratuity Trust (the Trust). Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by laws of India.

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. Remeasurement are not reclassified to the statement of profit and loss in subsequent periods. Net interest and other expenses related to defined benefits plan 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 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 EXPENSES

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an other 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.

l INVESTMENTS IN SUBSIDIARIES

A subsidiary is an entity that is controlled by the Company.

The Company accounts for the investments in equity shares of subsidiaries at cost in accordance with Ind AS 27- Separate Financial Statements.

m 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 capitalised 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.

n EARNING PER SHARE

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

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

o 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 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) 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.

p 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.

q CONTINGENT LIABILITIES 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 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 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 is disclosed in the financial statements.

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

r 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's chief operating decision maker is the Managing Director of the Company.

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.

s 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 flows 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 Company's cash management.

t 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.

u EXCEPTIONAL ITEMS

The Company discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying operating performance of the Company and provides consistency with the Company internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Company. Exceptional item can include, but are not restricted to, impairment loss on investments/ long term loans exchange gain/ (loss) on long term borrowings/ assets and changes in fair value of derivative contracts.

v POLICY FOR STATEMENT OF CASH FLOWS

The Company's statement of cash flows are prepared using the Indirect method, whereby profit/ loss for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value.

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.

1.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of standalone 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 as 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 products 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 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 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.

Useful life of property, plant and equipment and other intangible assets

As described in Note 1.3 (c and d), the Company reviews the estimated useful lives and residual values of property, plant and equipment and other intangible assets at the end of each reporting period. During the current financial year, the management has reassessed the useful lives of certain property, plant and equipment and other intangible assets and the impact of the change is not material for the year. There were no changes in residual values of the property, plant and equipment and other intangible assets.

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 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. 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 STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

2. Property, plant and equipment, Other Intangible Assets, Capital work-in-progress and Intangible assets under development.

Rupees in lakhs

PARTICULARS	GROSS CARRYING VALUE			DEPRECIATION/ AMORTISATION			NET CARRYING VALUE		
	As at 31.03.2018	Additions	Deletions/ Adjustments	As at 31.03.2019	As at 31.03.2018	For the year	Deletions/ Adjustments	As at 31.03.2019	As at 31.03.2018
PROPERTY, PLANT AND EQUIPMENT									
Leasehold land	333.26	-	-	333.26	23.39	7.60	-	30.99	309.87
Leasehold Improvements	385.32	-	1.37	383.95	30.84	76.21	0.59	277.49	354.48
Freehold land * \$	41,544.78	-	-	41,544.78	-	-	-	-	41,544.78
Buildings **	12,837.52	177.71	6.54	13,008.69	1,247.48	403.09	2.74	1,647.83	11,360.86
Plant and machinery	8,782.13	2,263.56	12.03	11,033.66	3,747.75	1,134.08	9.80	4,872.03	5,034.38
Laboratory testing machines	2,570.39	408.06	(248.14)	3,226.59	910.94	302.50	(143.26)	1,356.70	1,659.45
Electrical installations	1,050.04	134.24	(28.81)	1,213.09	490.51	125.00	(20.42)	635.93	559.53
Furniture, fixtures and fittings	2,143.98	208.00	(3.62)	2,355.60	862.81	230.85	(2.40)	1,096.06	1,281.17
Office equipments	2,014.26	399.37	(0.56)	2,414.19	1,118.82	387.72	(0.65)	1,507.19	895.44
Vehicles	326.22	126.60	-	452.82	195.86	59.19	-	255.05	130.36
R & D Assets									
Freehold land	449.09	-	-	449.09	-	-	-	-	449.09
Buildings	1,120.24	-	-	1,120.24	66.07	27.36	-	93.43	1,054.17
Equipments	2,535.09	115.99	294.29	2,356.79	1,028.49	312.82	167.87	1,173.44	1,506.60
Furniture and fixtures	222.04	80.09	43.95	258.18	128.94	75.52	31.89	172.57	93.10
Total of Property, plant and equipment (A)	76,314.36	3,913.62	77.05	80,150.93	9,851.90	3,141.94	46.16	12,947.68	66,462.46
OTHER INTANGIBLE ASSETS									
Marketing Rights/ Trademarks	59.39	6.99	-	66.38	49.99	2.52	-	52.51	9.40
Software	854.84	295.94	-	1,150.78	351.51	169.31	-	520.82	503.33
Total of Other Intangible Assets (B)	914.23	302.93	-	1,217.16	401.50	171.83	-	573.33	512.73
Total (A+B)	77,228.59	4,216.55	77.05	81,368.09	10,253.40	3,313.77	46.16	13,521.01	66,975.19
Capital work- in- progress									
Intangible assets under development									

* 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. 3,272.60 lakhs (Previous year-Rs. 3,272.60 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.

The Company has not capitalised any borrowing cost during the current year (Previous year - Rs. Nil)

The Company has not recognised any impairment loss during the current year (Previous year - Rs. Nil)

No property, plant and equipment is pledged as security by the Company.

2. Property, plant and equipment, Other Intangible Assets, Capital work-in-progress and Intangible assets under development.

Rupees in lakhs

PARTICULARS	GROSS CARRYING VALUE			DEPRECIATION/ AMORTISATION			NET CARRYING VALUE	
	As at 31.03.2017	Additions	Deletions/ Adjustments	As at 31.03.2018	For the year	Deletions/ Adjustments	As at 31.03.2018	As at 31.03.2017
PROPERTY, PLANT AND EQUIPMENT								
Leasehold land	333.26	-	-	333.26	15.79	-	309.87	317.47
Leasehold improvements	3.99	381.33	-	385.32	0.29	-	354.48	3.70
Freehold land * \$	41,544.78	-	-	41,544.78	-	-	41,544.78	41,544.78
Buildings **	12,819.76	43.29	25.53	12,837.52	843.08	1.35	11,590.04	11,976.68
Plant and machinery	7,978.55	805.20	1.62	8,782.13	2,428.46	1.01	5,034.38	5,550.09
Laboratory testing machines	2,128.77	449.46	7.84	2,570.39	634.60	7.04	1,659.45	1,494.17
Electrical installations	873.47	176.29	(0.28)	1,050.04	355.59	1.16	559.53	517.88
Furniture, fixtures and fittings	1,558.27	583.51	(2.20)	2,143.98	604.55	(0.74)	1,281.17	953.72
Office equipments	1,654.14	359.37	(0.75)	2,014.26	724.82	(0.62)	895.44	929.32
Vehicles	308.49	19.84	2.11	326.22	135.70	2.11	130.36	172.79
R & D Assets								
Freehold land	449.09	-	-	449.09	-	-	449.09	449.09
Buildings	1,120.24	-	-	1,120.24	35.44	-	1,054.17	1,084.80
Equipments	2,387.77	159.12	11.80	2,535.09	692.90	(2.36)	1,506.60	1,694.87
Furniture and fixtures	135.39	92.22	5.57	222.04	61.94	2.24	93.10	73.45
Total of Property, plant and equipment (A)	73,295.97	3,069.63	51.24	76,314.36	6,533.16	11.19	66,462.46	66,762.81
OTHER INTANGIBLE ASSETS								
Marketing Rights/ Trademarks	59.39	-	-	59.39	47.53	-	9.40	11.86
Software	854.84	-	-	854.84	180.00	-	503.33	674.84
Total of Other Intangible Assets (B)	914.23	-	-	914.23	227.53	-	512.73	686.70
Total (A+B)	74,210.20	3,069.63	51.24	77,228.59	6,760.69	11.19	66,975.19	67,449.51
Capital work- in- progress								
Intangible assets under development							988.54	336.27
							295.94	295.94

* 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. 3,272.60 lakhs (Previous year-Rs. 3,272.60 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.

The Company has not capitalised any borrowing cost during the current year (Previous year - Rs. Nil)

The Company has not recognised any impairment loss during the current year (Previous year - Rs. Nil)

No property, plant and equipment is pledged as security by the Company.

3. Investments

UNQUOTED**Investments stated at cost****Investments in fully paid-up equity instruments in subsidiaries**

374,085 (Previous year - 374,085) Equity Shares of FDC International, UK of GBP 0.01 each (Rs. 75.24)

500 (Previous year - 500) Equity Shares of FDC Inc., of USD 100 each

Investments in fully paid-up equity instruments in joint venture entity

159,250 (Previous year - 159,250) Equity Shares of Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd., of ZAR 1 each

Less: Provision for impairment in the value of investments

Investments stated at amortised cost

Investment in Government Securities (Refer note below)

National Savings Certificates

35 (Previous year - 35) Govt. of India G.P. Notes - face value of Rs. 2,000

Investments stated at fair value through other comprehensive income

Investments in fully paid-up equity instruments

Investments stated at fair value through profit or loss

Investments in units of mutual funds

Sub Total (C) = (A+B)

QUOTED**Investments stated at amortised cost**

Investments in fully paid-up bonds

Investments stated at fair value through other comprehensive income

Investments in fully paid-up equity instruments

Sub-Total (F) = (D+E)

Total (C+F)

Aggregate book value of quoted investment

Aggregate market value of quoted investments

Aggregate value of unquoted investments

Aggregate amount of impairment in value of investments

Non-Current	
31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
0.00	0.00
22.00	22.00
22.00	22.00
11.30	11.30
(11.30)	-
-	11.30
0.07	0.07
0.02	0.02
0.09	0.09
0.63	0.63
22.72	34.02
10,120.83	5,250.14
10,120.83	5,250.14
10,143.55	5,284.16
7,634.46	1,951.17
7,634.46	1,951.17
154.68	205.08
154.68	205.08
7,789.14	2,156.25
17,932.69	7,440.41
7,789.14	2,156.25
7,789.14	2,156.25
10,143.55	5,284.16
11.30	-

Note: National Savings Certificates of the value of Rs. 0.04 lakhs (Previous year - Rs. 0.04 lakhs) and Government of India G.P. notes of the value of Rs. 0.02 lakhs (Previous year - Rs. 0.02 lakhs) have been lodged with the Excise authorities. National Savings Certificates of Rs. 0.03 lakhs (Previous year - 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 2019	31st March 2018
a. Subsidiaries		
FDC International Limited, UK	100%	100%
FDC Inc., USA	100%	100%
b. Joint Venture		
Fair Deal Corporation Pharmaceuticals SA (Pty) Limited, South Africa	49%	49%

4. Loans*

	Non-Current	
	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Unsecured, considered good		
Loans to employees	10.20	11.24
Security deposits	570.02	554.39
	<u>580.22</u>	<u>565.63</u>

* There is no amount due from director, other officers of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

5. Other financial assets

	Non-Current	
	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Unsecured, considered good		
Margin money deposits	3.17	33.54
	<u>3.17</u>	<u>33.54</u>

6. Income tax assets (net)

	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Income tax paid [Net of provision - Rs. 21,357.47 lakhs (Previous year - Rs. 19,375.92 lakhs)]	1,485.26	1,204.06
	<u>1,485.26</u>	<u>1,204.06</u>

7. Other non-current assets

	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Unsecured, considered good		
Capital advances	484.91	382.16
Prepaid expenses	67.69	47.28
	<u>552.60</u>	<u>429.44</u>

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

	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Raw materials [Including stock in transit Rs. Nil (Previous year - Rs.94.06 lakhs)]	4,119.14	5,019.24
Packing materials [Including stock in transit Rs. Nil (Previous year- Rs. 21.96 lakhs)]	1,688.79	1,673.36
Work-in-progress	2,169.30	1,881.42
Finished goods [Including stock in transit Rs. 872.21 lakhs (Previous year - Rs. 233.47 lakhs)]	7,966.28	6,024.96
Stock in trade [Including stock in transit Rs. Nil (Previous year - Rs. 12.30 lakhs)]	1,329.89	1,366.43
	<u>17,273.40</u>	<u>15,965.41</u>

During the year ended 31st March 2019, Rs.722.89 lakhs (Previous year - Rs.322.34 lakhs) was charged to the statement of profit & loss on account of damaged and slow moving inventories.

9. Investments

	Current	
	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
UNQUOTED		
Investments stated at fair value through profit or loss		
Investments in mutual funds	40,192.57	39,715.75
Investments in fully paid up non-convertible debentures	400.20	-
	<u>40,592.77</u>	<u>39,715.75</u>
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate value of unquoted investments	40,592.77	39,715.75
Aggregate amount of impairment in value of investments	-	-

10. Trade receivables

	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Unsecured, considered good	8,352.07	7,670.86
Credit impaired	122.41	107.08
	<u>8,474.48</u>	<u>7,777.94</u>
Less : Allowance for credit loss	(A) (B) <u>122.41</u>	<u>107.08</u>
	<u>(A-B) 8,352.07</u>	<u>7,670.86</u>

Movement in expected credit loss allowance

	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Balance at the beginning of the year	107.08	111.27
Less : Amount collected and hence reversal of provision	0.68	0.20
Less : Balance written off during the year	-	3.99
Add : Provision made during the year	16.01	-
Balances at the end of the year	<u>122.41</u>	<u>107.08</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 44. Trade receivables are non-interest bearing and are generally on terms of 8 to 120 days.

11. Cash and cash equivalents

	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Cash on hand	8.64	11.93
Balances with banks:		
In current accounts	1,061.34	752.30
In deposit accounts (with original maturity of 3 months or less)	366.28	1,230.00
	<u>1,436.26</u>	<u>1,994.23</u>

12. Bank balance other than cash and cash equivalents

	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Margin money deposits*	25.69	6.96
On unpaid dividend account	108.23	110.62
	<u>133.92</u>	<u>117.58</u>

*Margin money deposits are given as security against bank guarantee with original maturity of more than 3 months but less than 12 months.

13. Loans

		Current	
		31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Unsecured, considered good			
Inter corporate deposits		-	25.00
Loans/ advances to employees		34.99	47.31
Security deposits		37.62	20.81
Loans to related parties (Refer note 44)		-	281.09
Credit impaired			
Loans to related parties (Refer note 44)		317.00	-
		(A) 389.61	374.21
Less: Impairment of loan to related parties		(B) 317.00	-
		(A-B) 72.61	374.21

14. Other financial assets

		Current	
		31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Unsecured, considered good			
Export benefit receivable		358.34	463.68
Interest accrued on investments and others (Refer note 44)		164.50	76.68
Credit impaired			
Interest accrued on loan to related parties (Refer note 44)		50.39	-
		(A) 573.23	540.36
Less: Impairment of interest accrued on loan to related parties		(B) 50.39	-
		(A-B) 522.84	540.36

15. Other current assets

		31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Unsecured, considered good			
Advances to suppliers		649.69	744.13
Prepaid expenses		578.52	491.69
Balances with statutory/ government authorities		3,295.74	3,185.01
Reimbursement of expenses receivable from FDC SA (Pty) Ltd. (Refer note 44)		-	19.23
Credit impaired			
Reimbursement of expenses receivable from FDC SA (Pty) Ltd. (Refer note 44)		18.42	-
Balances with statutory/ government authorities		25.69	25.69
		(A) 4,568.06	4,465.75
Less: Impairment of expenses receivable from FDC SA (Pty) Ltd.		(B) 18.42	-
Less: Allowance for doubtful advances		(C) 25.69	25.69
		(A-B-C) 4,523.95	4,440.06

Break-up of Financial assets carried at amortised cost

	Non-Current		Current	
	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Investments (Refer note 3) (Excluding investments in subsidiaries and joint venture)	7,634.55	1,951.26	-	-
Loans (Refer note 4 and 13)	580.22	565.63	72.61	374.21
Trade receivables (Refer note 10)	-	-	8,352.07	7,670.86
Cash and cash equivalents (Refer note 11)	-	-	1,436.26	1,994.23
Bank balance other than cash and cash equivalents (Refer note 12)	-	-	133.92	117.58
Other financial assets (Refer note 5 and 14)	3.17	33.54	522.84	540.36
Total financial assets carried at amortised cost	8,217.94	2,550.43	10,517.70	10,697.24

16. Share capital

Authorised share capital

294,200,000 (Previous year - 294,200,000) Equity shares of Re.1 each
 3,000 (Previous year - 3,000) 8% Non-Cumulative Redeemable
 Preference shares of Rs. 100 each

Issued share capital

177,548,084 (Previous year - 177,548,084) Equity shares of Re. 1 each,
 fully paid-up

Subscribed and Paid-up share capital

174,403,084 (Previous year - 174,403,084) Equity shares of Re. 1 each,
 fully paid-up
 Add: 3,145,000 (Previous year - 3,145,000) Equity shares forfeited

Total

31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
2,942.00	2,942.00
3.00	3.00
2,945.00	2,945.00
1,775.48	1,775.48
1,775.48	1,775.48
1,744.03	1,744.03
7.86	7.86
1,751.89	1,751.89

Notes:**a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period**

	31st March 2019		31st March 2018	
	No. in lakhs	Rupees in lakhs	No. in lakhs	Rupees in lakhs
At the beginning of the period	1,744.03	1,744.03	1,778.33	1,778.33
Less: Share capital bought back	-	-	34.30	34.30
Outstanding at the end of the period	1,744.03	1,744.03	1,744.03	1,744.03

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 2019, the amount of per share dividend proposed as distribution to equity shareholders is Rs. Nil (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 2019 No. in lakhs	31st March 2018 No. in lakhs
Equity shares bought back by the Company	34.30	64.30

The Company had completed the buyback of 34,30,000 equity shares having face value of Re.1 each at a price of Rs.350 per share on 29th March 2018. The number of equity shares post buyback stands reduced to 17,44,03,084 shares having face value of Re.1 each. Accordingly, the paid up share capital also stands reduced to Rs. 17,44,03,084 excluding forfeited shares.

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

	31st March 2019		31st March 2018	
	No. of Shares	%	No. of Shares	%
Equity shares of Re. 1 each fully paid				
Meera Ramdas Chandavarkar	33,624,370	19.28	33,624,370	19.28
Sandhya Mohan Chandavarkar	Nil	Nil	19,031,473	10.91
Mohan Anand Chandavarkar	Nil	Nil	18,701,621	10.72
Sandhya Mohan Chandavarkar Trust	19,031,473	10.91	Nil	Nil
Mohan Anand Chandavarkar Trust	18,701,621	10.72	Nil	Nil
Leo Advisors Private Limited	15,863,730	9.10	15,863,730	9.10
Virgo Advisors Private Limited	10,575,918	6.06	10,575,918	6.06
Ameya Ashok Chandavarkar	10,540,983	6.04	10,540,983	6.04

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.

17. Other equity

	31st March 2019	31st March 2018
	Rupees in lakhs	Rupees in lakhs
Capital Redemption Reserve		
Opening Balance	34.30	-
Add: Transfer from General Reserve on buyback of Equity Shares	-	34.30
Closing Balance (A)	34.30	34.30
Securities Premium		
Opening Balance	-	72.90
Less: Premium paid on buyback of Equity Shares	-	(72.90)
Closing Balance (B)	-	-
General Reserve		
Opening Balance	31,955.84	43,887.94
Less: Premium paid on buyback of Equity Shares	-	(11,897.80)
Less: Transfer to Capital Redemption Reserve on buyback of Equity Shares	-	(34.30)
Closing Balance (C)	31,955.84	31,955.84
Retained Earnings		
Opening Balance	92,442.48	80,593.84
Add : Profit for the year	17,153.63	16,831.41
Less: Remeasurement losses of defined benefit plans	(38.73)	(51.63)
Less: Expenses relating to buyback of equity shares *	-	(115.31)
Less: Dividend on Equity Shares (including Dividend distribution tax)	-	(4,815.83)
Closing Balance (D)	109,557.38	92,442.48
Other Comprehensive Income		
Opening Balance	55.22	31.20
Less/ Add: Net (loss)/ gain on Equity Shares carried at fair value through OCI	(50.40)	24.02
Closing Balance (E)	4.82	55.22
Total (A+B+C+D+E)	141,552.34	124,487.84

*Refer note 16

Nature and purpose of Reserves:

(a) Capital Redemption Reserve

As per Companies Act, 2013, capital redemption reserve is created when Company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

(b) Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(c) General Reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by the transfer from one component of equity to another and is not item of other comprehensive income.

(d) Retained Earnings

Retained earnings are the profits/ (losses) that the Company has earned till date, less any transfer to general reserve, dividends or other distribution paid to shareholders.

18. Borrowings

	Non-Current	
	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Deferred sales tax loans (unsecured) (Refer note below)	60.45	69.48
Less: Amount disclosed under "other financial liabilities" (Refer note 22)	11.44	9.03
	49.01	60.45

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.

19. Other financial liabilities

	Non-Current	
	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Equalisation of lease rent	138.60	152.10
	138.60	152.10

20. Deferred tax liabilities (net)

	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Deferred tax liability		
Depreciation	2,332.60	2,362.37
Less: Deferred tax asset		
Provision for doubtful debts/ advances	51.75	46.39
Provision for Impairment of receivables from FDC SA (Pty) Ltd.	138.76	-
Liabilities disallowed under Section 43B of IT Act, 1961	780.60	645.93
Expenses debited in statement of profit and loss but allowed for tax purpose in the following year	28.99	153.82
	1,000.10	846.14
Net deferred tax liability	1,332.50	1,516.23

21. Trade payables

	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Total outstanding dues of Micro and small enterprises	1,188.21	-
Total outstanding dues of creditors other than Micro and small enterprises	6,531.65	9,695.08
	7,719.86	9,695.08

Note:

- (A) Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 is provided as under for the year 2018-19, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act:

	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
(a) The principal amount remaining unpaid to any supplier due at end of each accounting year	39.17	-
(b) The interest due on the amount remaining unpaid to any supplier at end of each accounting year	1.09	-
(c) The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the year	1.09	-
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of its suppliers.

- (B) Terms and conditions of the creditors other than Micro and small enterprises:
Trade Payables are non interest bearing and are normally settled on 30-360 days terms.

22. Other financial liabilities

	Current	
	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Other financial liabilities carried at amortised cost		
Current maturities of long-term borrowings (Refer note 18)	11.44	9.03
Unpaid dividend (Refer note below)	108.23	110.62
Sundry deposits	1,149.92	1,183.14
Employee benefit payable	3,229.58	3,603.91
Due to directors	406.81	425.13
Equalisation of lease rent	13.50	13.50
Bank overdraft	12.49	262.23
Other payables (includes disputed liabilities, trade advances, etc.)	588.54	566.07
	5,520.51	6,173.63

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.

23. Other current liabilities

	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Advance from customers	201.77	153.42
Statutory dues payable	366.22	348.90
	567.99	502.32

24. Provisions

For Employee benefits (Refer note 42)
For Others

31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
1,010.01	1,302.94
1,504.25	1,490.00
2,514.26	2,792.94

Rupees in lakhs

Balance as on 1st April 2018
Provision made during the year
Provision utilised during the year
Balance as on 31st March 2019

Gratuity benefits	Compensated absences	Sales returns	Total
325.13	977.81	1,490.00	2,792.94
214.07	369.53	1,558.47	2,142.07
(630.47)	(246.06)	(1,544.22)	(2,420.75)
(91.27)	1,101.28	1,504.25	2,514.26
Current Non-current			
(91.27) -	1,101.28 -	1,465.25 39.00	2,475.26 39.00

Rupees in lakhs

Balance as on 1st April 2017
Provision made during the year
Provision utilised during the year
Balance as on 31st March 2018

Gratuity benefits	Compensated absences	Sales returns	Total
163.17	867.43	1,490.00	2,520.60
252.99	343.19	1,428.20	2,024.38
(91.03)	(232.81)	(1,428.20)	(1,752.04)
325.13	977.81	1,490.00	2,792.94
Current Non-current			
325.13 -	977.81 -	1,454.00 36.00	2,756.94 36.00

25. Current tax liabilities (net)

Tax payable [Net of Income Tax paid - Rs. 31,737.56 lakhs
and (Previous year Rs. 26,861.21 lakhs)]

31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
1,400.02	1,618.73
1,400.02	1,618.73

Income tax expense recognised in Statement of Profit and Loss

Current tax
Current tax on profits for the year
Deferred tax

2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
6,660.00	6,780.00
(183.73)	(220.74)
6,476.27	6,559.26

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

Tax on Remeasurement losses on defined benefit plans

2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
20.80	27.33
20.80	27.33

Income tax expense reconciliation

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
Profit before tax	23,629.90	23,390.67
Applicable tax rate	34.944%	34.608%
Tax as per applicable tax rate	8,257.23	8,095.04
Current tax on adjustments for earlier years	-	-
Tax on income not considered for tax purpose	(584.49)	(323.17)
Tax on exempt income	(475.78)	(1,064.14)
Tax incentives	(623.79)	(385.90)
Tax on additional allowances for capital loss/ (gain)	(120.82)	219.76
Others (net)	23.92	17.67
Income tax expense charged to the Statement of Profit and Loss	6,476.27	6,559.26

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

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
Increase/ (decrease) in Deferred tax liability		
Depreciation	(29.77)	(165.65)
	(29.77)	(165.65)
Less: Increase/ (decrease) in Deferred tax asset		
Provision for doubtful debts/ advances	5.36	(1.01)
Provision for impairment of receivables from FDC SA (Pty) Ltd.	138.76	-
Liabilities disallowed under Section 43B of the IT Act, 1961	134.67	49.11
Expenses debited in statement of profit and loss but allowed for tax purpose in the following year	(124.83)	6.99
	153.96	55.09
Net deferred tax (income) recognised in Statement of Profit and Loss	(183.73)	(220.74)

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 2023	115.60
	115.60

Break-up of Financial liabilities carried at amortised cost

	Non-Current		Current	
	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Borrowings (Refer note 18 and 22)	49.01	60.45	11.44	9.03
Trade payables (Refer note 21)	-	-	7,719.86	9,695.08
Other financial liabilities (Refer note 19 and 22)	138.60	152.10	5,509.07	6,164.60
Total financial liabilities carried at amortised cost	187.61	212.55	13,240.37	15,868.71

26. Revenue from operations

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
Sale of products (Refer note 45 and 53)	106,768.26	105,855.27
Other operating revenue (Refer note 45)	819.14	1,165.96
	<u>107,587.40</u>	<u>107,021.23</u>
<u>Other operating revenue</u>		
Export incentive	580.71	459.52
Other miscellaneous receipts	238.43	706.44
	<u>819.14</u>	<u>1,165.96</u>

27. Other income

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
a) Interest income on financial asset carried at amortised cost		
Current investments	17.73	21.89
Non-current investments	307.12	133.26
Others (Refer note below)	219.39	125.01
b) Dividend Income on		
Current investments	1,248.43	3,053.72
Non-current investments	1,104.47	-
c) Others		
Net gain on sale of investments	345.74	-
Fair value gain on financial instruments at fair value through profit or loss	1,672.64	933.80
Net exchange gain on foreign currency transactions	267.17	363.99
Net gain on disposal of property, plant and equipment	21.44	63.38
Other non operating income (Includes rental income, miscellaneous provisions written back)	275.85	429.70
	<u>5,479.98</u>	<u>5,124.75</u>

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

**28. Cost of materials consumed
(Raw materials and Packing materials)**

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
Inventory at the beginning of the year	6,692.60	4,629.46
Add: Purchases	29,112.69	29,490.56
	<u>35,805.29</u>	<u>34,120.02</u>
Less: Inventory at the end of the year	5,807.93	6,692.60
	<u>29,997.36</u>	<u>27,427.42</u>

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

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
Inventory at the end of the year		
Finished goods	7,966.28	6,172.41
Stock in trade	1,329.89	1,218.98
Work-in-progress	2,169.30	1,881.42
	<u>11,465.47</u>	<u>9,272.81</u>
Inventory at the beginning of the year		
Finished goods	6,172.41	6,155.07
Stock in trade	1,218.98	1,366.43
Work-in-progress	1,881.42	1,471.33
	<u>9,272.81</u>	<u>8,992.83</u>
	<u>(2,192.66)</u>	<u>(279.98)</u>
Changes in Inventories		
Finished goods	(1,793.87)	(17.34)
Stock in trade	(110.91)	147.45
Work-in-progress	(287.88)	(410.09)
	<u>(2,192.66)</u>	<u>(279.98)</u>

30. Employee benefits expense

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
Salaries, wages and bonus (Refer note 42)	20,409.42	19,484.55
Contribution to provident and other funds (Refer note 41 and 42)	1,515.67	1,556.92
Staff welfare expenses	501.97	505.22
	<u>22,427.06</u>	<u>21,546.69</u>

31. Finance costs

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
Interest expense	107.58	108.75
Bank charges	35.61	31.51
	<u>143.19</u>	<u>140.26</u>

32. Depreciation and amortisation expense

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
Depreciation on property, plant and equipment	3,141.94	3,329.93
Amortisation of intangible assets	171.83	173.97
	<u>3,313.77</u>	<u>3,503.90</u>

33. Other expenses

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
Processing charges	1,292.12	1,266.26
Power, fuel and water charges	2,459.60	2,198.37
Repairs and maintenance		
Building	663.93	482.26
Plant and Machinery	711.92	603.87
Others	1,072.35	897.78
Labour Contract expenses	1,253.08	1,153.74
Stores and spares	1,225.42	1,466.46
Pharma miscellaneous expenses	1,880.96	1,637.18
Rent (including lease rent) (Refer note 46)	543.72	576.61
Rates and taxes	80.82	88.43
Insurance	200.19	222.70
Travelling and conveyance	4,279.19	4,512.81
Communication expenses	231.99	201.06
Carriage, freight and forwarding	2,402.52	2,211.27
Advertisement and sales promotion	1,654.68	1,141.21
Publicity expenses	2,961.14	3,380.63
Sales tax/ Value added tax/ GST Paid	177.46	153.34
Commission	696.12	709.92
Auditors' remuneration		
As audit fee	34.00	34.00
For other services	7.03	3.26
Out of pocket expenses	2.62	2.89
Legal and Professional Charges	470.30	404.73
Directors sitting fees	5.70	6.27
Bad debts	-	3.99
Allowances for credit loss	16.01	-
Donation	21.43	49.33
CSR Expenditure (Refer note 49)	207.17	117.94
Loss on sale of investments (net)	-	635.01
Miscellaneous expenses	4,155.99	3,603.53
	28,707.46	27,764.85

34. Earnings per share (EPS)

	2018-2019	2017-2018
Profit for the year (Rupees in lakhs)	17,153.63	16,831.41
Weighted average number of shares	17,44,03,084	17,78,04,892
Nominal value per share (Rupees)	1.00	1.00
Earning per share - Basic (Rupees)	9.84	9.47
- Diluted (Rupees)	9.84	9.47

35. Components of Other Comprehensive Income**During the year ended 31st March 2019**

	Rupees in lakhs		
	Retained Earnings	FVTOCI Reserve	Total
Remeasurement losses on defined benefit plans (net of tax)	(38.73)	-	(38.73)
Loss on FVTOCI financial assets (net)	-	(50.40)	(50.40)
	(38.73)	(50.40)	(89.13)

During the year ended 31st March 2018

	Rupees in lakhs		
	Retained Earnings	FVTOCI Reserve	Total
Remeasurement losses on defined benefit plans (net of tax)	(51.63)	-	(51.63)
Gain on FVTOCI financial assets (net)	-	24.02	24.02
	(51.63)	24.02	(27.61)

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

Final dividend for the year ended 31st March 2017 - Rs. 2.25 per equity share
Tax on final dividend

The following dividend on equity shares are proposed by the Company:

Proposed dividend for the year ended 31st March 2019 - Rs. Nil per equity share
(Previous year - Rs. Nil per equity share)
Tax on proposed dividend

2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
-	4,001.27
-	814.56
-	4,815.83
-	-
-	-
-	-

37. 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 it's strategic and operational objectives.

The Company, through it's 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 reviews the interest rate movements in the market in order to optimise the Company's interest income. The Company does not have any exposure to any interest bearing debt instruments.

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 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 Rupees in lakhs	Effect on Equity Rupees in lakhs
31st March 2019	+1% -1%	36.58 (36.58)	23.92 (23.92)
31st March 2018	+1% -1%	18.88 (18.88)	12.35 (12.35)

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 contractual undiscounted payments.

Rupees in lakhs

Particulars	31st March 2019			31st March 2018		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Trade payables	7,719.86	-	7,719.86	9,695.08	-	9,695.08
Borrowings	11.44	49.01	60.45	9.03	60.45	69.48
Other Financial Liabilities	5,509.07	138.60	5,647.67	6,164.60	152.10	6,316.70

38. 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 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Financial assets:				
FVTOCI financial investments	155.31	205.71	155.31	205.71
FVTPL financial investments	50,713.60	44,965.89	50,713.60	44,965.89
Total	50,868.91	45,171.60	50,868.91	45,171.60

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 2017	31.20
Re-Measurement recognised in OCI	24.02
As at 31st March 2018	55.22
Re-Measurement recognised in OCI	(50.40)
As at 31st March 2019	4.82

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 measured at fair value as on 31st March 2019:

Rupees in lakhs

Financial assets	As on 31st March 2019	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
<u>Investments</u>				
Mutual Funds	50,313.40	50,313.40	-	-
Non-Convertible debentures	400.20	-	400.20	-
Quoted equity Instruments	154.68	154.68	-	-
Unquoted equity Instruments	0.63	-	-	0.63
Total	50,868.91	50,468.08	400.20	0.63

The following table represents the fair value hierarchy of Financial assets measured at fair value as on 31st March 2018:

Rupees in lakhs

Financial assets	As on 31st March 2018	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
<u>Investments</u>				
Mutual Funds	44,965.89	44,965.89	-	-
Quoted equity Instruments	205.08	205.08	-	-
Unquoted equity Instruments	0.63	-	-	0.63
Total	45,171.60	45,170.97	-	0.63

There have been no transfers between Level 1 and Level 2 during the period.

39. 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 2019 and 31st March 2018.

The Company maintains a strong capital base and the primary objective of 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, 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.

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

	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
<u>Contingent liabilities</u>		
a. <u>Disputed tax matters</u>		
Income tax (Appealed by the Company)	926.81	1,160.77
Excise duty (Appealed by the Company)	140.21	116.02
Sales tax (Appealed by the Company)	120.46	120.46
b. In respect of guarantees given by banks	348.48	519.36
c. Letter of credit issued by bankers	67.64	303.15
d. Estimated amount of duty payable on export obligation against outstanding advances licences	31.59	25.36
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 Drugs (Prices Control) Order, 1995. The Company had filed writ petition before the Hon'ble Supreme Court of India for stay of 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 a revision petition with NPPA, hence no provision is considered necessary in respect of the amount majorly being the interest component.	559.29	517.02
<u>Commitments</u>		
Estimated amount of capital contracts remaining to be executed and not provided for (net of advances paid)	894.59	428.09

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 financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statement. 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 2019 (Previous year - Rs. 2,250.00 lakhs).

41. Contribution to Provident Fund as per Supreme Court Judgment

The Hon'ble Supreme Court of India ("SC") by their order dated 28th February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. As per the management, the liability for the period from date of the SC order to 31st March 2019 is not significant. Further in the view of the pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts.

42. 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 30) as under:

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
Employer's Contribution to Provident Fund	425.90	411.26
Employer's Contribution to Pension Scheme	451.17	476.32
Employer's Contribution to Superannuation Fund	67.91	63.85

Defined Benefit Plan

The employees' gratuity fund scheme managed by trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The Company irrevocably contributes funds to a separate Gratuity Trust which is recognised by Income Tax authorities.

Rupees in lakhs

	Gratuity	
	Funded Plan	
	31st March 2019	31st March 2018
I. Change in Benefit Obligation		
Liability at the beginning of the year	1,914.93	1,620.59
Interest Cost	137.49	108.09
Current Service Cost	190.73	171.51
Past Service Cost	-	70.61
Benefit Paid	(159.54)	(155.08)
Actuarial (gain)/ loss arising from changes in demographic assumptions	(24.95)	-
Actuarial (gain)/ loss arising from changes in financial assumptions	112.55	(33.14)
Actuarial (gain)/ loss arising from changes in experience adjustments	2.08	132.35
Liability at the end of the year	2,173.29	1,914.93
II. Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	1,589.80	1,457.42
Return on Plan Assets	114.15	97.21
Contributions	690.00	170.00
Benefit Paid	(159.54)	(155.08)
Actuarial gain/ (loss) on Plan Assets	30.15	20.25
Fair Value of Plan Assets at the end of the year	2,264.56	1,589.80
III. Amount recognised in the Balance Sheet		
Liability at the end of the year	(2,173.29)	(1,914.93)
Fair Value of Plan Assets at the end of the year	2,264.56	1,589.80
Amount recognised in the Balance Sheet	91.27	(325.13)
IV. Net Interest Cost for Current Period		
Interest Cost	137.49	108.09
Interest Income	(114.15)	(97.21)
Net Interest Cost for Current Period	23.34	10.88
V. Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	190.73	171.51
Net Interest Cost for Current Period	23.34	10.88
Past Service Cost	-	70.61
Expense recognised in the Statement of Profit and Loss	214.07	253.00
VI. Expenses recognised in the Other Comprehensive Income (OCI)		
Actuarial (gain)/ loss on Obligation for the period	89.68	99.21
Return on Plan Assets, excluding Interest Income	(30.15)	(20.25)
Net Expense recognised in the OCI	59.53	78.96
VII. Investment Details		
Government of India Assets	112.27	112.27
Corporate Bonds	15.00	30.24
Public Sector Bonds	619.92	628.63
State Government	1,299.30	670.51
Equity	166.87	136.87
Others	51.20	11.29
Total	2,264.56	1,589.81
VIII. Actuarial Assumptions		
Discount Rate Current	6.96%	7.18%
Rate of Return on Plan Assets Current	6.96%	7.18%
Employee Attrition rate-field	20 to 40%	30.00%
Employee Attrition rate-others	10 to 30%	15.00%
Salary Escalation Current	8.00%	7.00%

	Gratuity	
	Funded Plan	
	31st March 2019	31st March 2018
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	376.34	448.33
Between 2 and 5 years	1,001.00	1,020.19
Sum of Years 6 To 10 years	960.24	705.42
Sum of Years 11 and above	921.26	379.47
X. Sensitivity Analysis for significant assumptions		
Benefit obligation as at the end of the year	2,173.29	1,914.93
Increase/ (decrease) in Present Value of Benefit Obligations as at the end of the year :		
Effect of +1% change in Rate of Discounting	(97.22)	(61.17)
Effect of -1% change in Rate of Discounting	107.68	66.29
Effect of +1% change in Rate of Salary Increase	99.23	62.62
Effect of -1% change in Rate of Salary Increase	(92.14)	(59.26)
Effect of +1% change in Rate of Employee Turnover	(9.01)	(3.90)
Effect of -1% change in Rate of Employee Turnover	9.55	3.90

XI. Salary Escalation Rate

The estimates of future supply 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. 117.09 lakhs to gratuity in next year (Previous year - Rs. 515.85 lakhs).

The liability for Leave Encashment as at the year end is Rs. 990.15 lakhs (Previous year - Rs. 871.17 lakhs) and provision for sick leave as at the year end is Rs. 111.13 lakhs (Previous year - Rs. 106.64 lakhs).

43. 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	2018-2019	90,334.14	17,253.26	107,587.40
	2017-2018	93,641.68	13,379.55	107,021.23
Carrying amount of Non Current Assets by location of assets	31st March 2019	69,637.82	-	69,637.82
	31st March 2018	68,689.11	-	68,689.11

Non Current Assets for this purpose consists of Property, plant and equipment, capital work-in-progress, 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.

44. 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 Pharmaceuticals SA (Pty) Limited

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

- | | |
|---|-----------------------------------|
| - Mr. Mohan A. Chandavarkar | Managing Director |
| - Mr. Ashok A. Chandavarkar | Executive Director |
| - Mr. Nandan M. Chandavarkar | Joint Managing Director |
| - Mr. Ameya A. Chandavarkar | Executive Director |
| - Ms. Nomita R. Chandavarkar | Executive Director |
| - Dr. Rahim H. Muljani (Resigned w.e.f. 01.04.2019) | Independent Director |
| - Dr. Satish S. Ugrankar (Resigned w.e.f. 01.04.2019) | Independent Director |
| - Mr. Vinod G. Yennemadi (Resigned w.e.f. 01.04.2019) | Independent Director |
| - Ms. Swati S. Mayekar | Independent Director |
| - Mr. Uday Kumar Gurkar | Chairman and Independent Director |
| - Mr. Sanjay Jain | Chief Financial Officer |
| - Ms. Varsharani Katre | Company Secretary |

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

- Anand Chandavarkar Foundation
- Leo Advisors Private Limited
- Virgo Advisors Private Limited
- SFA Events Private Limited
- Shree Trust

Post-employment benefit plans:

- FDC Employees Gratuity Fund
- FDC Employees Superannuation Fund

Nature of transactions:

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
1. <u>Sale of goods</u>		
FDC International Limited	1,427.64	986.81
2. <u>Interest Income</u>		
Fair Deal Corporation Pharmaceuticals SA (Pty) Limited	16.12	18.36
3. <u>Dividend Income</u>		
FDC International Limited, UK	1,102.60	-
4. <u>Donation Paid</u>		
Anand Chandavarkar Foundation	20.00	8.00
5. <u>Corporate Social Responsibility</u>		
Shree Trust	75.00	-
6. <u>Sales Promotional Expenses incurred</u>		
SFA Events Private Limited	22.15	14.00
7. <u>Managerial Remuneration*</u>		
Mr. Mohan A. Chandavarkar	218.95	211.03
Mr. Ashok A. Chandavarkar	148.75	148.53
Mr. Nandan M. Chandavarkar	174.68	175.54
Mr. Ameya A. Chandavarkar	121.16	121.46
Ms. Nomita R. Chandavarkar	58.79	59.31
Dr. Rahim H. Muljani	3.40	3.55
Dr. Satish S. Ugrankar	2.45	2.60
Mr. Vinod G. Yennemadi	3.40	3.55
Ms. Swati S. Mayekar	3.40	3.55
Mr. Uday Kumar Gurkar	3.05	2.95
Mr. Sanjay Jain	70.77	64.68
Ms. Varsharani Katre	23.67	20.56
	832.47	817.31
8. <u>Loan granted</u>		
Fair Deal Corporation Pharmaceuticals SA (Pty) Limited	86.11	-
9. <u>Dividend on equity shares paid</u>		
Mr. Mohan A. Chandavarkar	-	427.96
Mr. Nandan M. Chandavarkar	-	122.53
Mr. Ameya A. Chandavarkar	-	241.21
Ms. Nomita R. Chandavarkar	-	127.87
Dr. Rahim H. Muljani	-	0.09
Dr. Satish S. Ugrankar	-	9.04
Mr. Vinod G. Yennemadi	-	0.31
Ms. Sandhya M. Chandavarkar	-	435.50
Ms. Meera R. Chandavarkar	-	769.26
Ms. Aditi C. Bhanot	-	27.00
Leo Advisors Private Limited	-	363.02
Virgo Advisors Private Limited	-	242.01
	-	2,765.80
10. <u>Buyback of Shares</u>		
Mr. Mohan A. Chandavarkar	-	1,115.23
Mr. Nandan M. Chandavarkar	-	319.31
Mr. Ameya A. Chandavarkar	-	628.59
Ms. Nomita R. Chandavarkar	-	333.21
Dr. Satish S. Ugrankar	-	22.34
Mr. Vinod G. Yennemadi	-	1.22
Ms. Sandhya M. Chandavarkar	-	1,134.90
Ms. Meera R. Chandavarkar	-	2,005.11
Ms. Aditi C. Bhanot	-	70.36
Leo Advisors Private Limited	-	946.00
Virgo Advisors Private Limited	-	630.67
	-	7,206.94

Note: * Including perquisites, contribution to Provident fund and other funds but excludes gratuity and compensated absences as the provision is computed for the Company as a whole and separate figures are not available.

Outstanding amount of Related Parties:

	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
1. <u>Outstanding balances receivable against sales included in Trade Receivables</u>		
FDC International Limited	120.82	114.44
2. <u>Outstanding balances against loans granted included in Current portion of Financial Assets -Loans</u>		
Fair Deal Corporation Pharmaceuticals SA (Pty) Limited*	317.00	281.09
3. <u>Outstanding balances against interest on loan granted included in Current portion of Other Financial Assets</u>		
Fair Deal Corporation Pharmaceuticals SA (Pty) Limited*	50.39	40.42
4. <u>Outstanding Reimbursement of expense receivable included in Other Current Assets</u>		
Fair Deal Corporation Pharmaceuticals SA (Pty) Limited*	18.42	19.23
5. <u>Outstanding balances payable included in Other Financial Liabilities</u>		
Mr. Mohan A. Chandavarkar	116.41	118.61
Mr. Ashok A. Chandavarkar	92.20	94.89
Mr. Nandan M. Chandavarkar	93.07	94.89
Mr. Ameya A. Chandavarkar	69.57	71.17
Ms. Nomita R. Chandavarkar	35.32	35.58
Dr. Rahim H. Muljani	2.00	2.00
Dr. Satish S. Ugrankar	2.00	2.00
Mr. Vinod G. Yennemadi	2.00	2.00
Ms. Swati S. Mayekar	2.00	2.00
Mr. Uday Kumar Gurkar	2.00	2.00
Mr. Sanjay Jain	3.30	-
Ms. Varsharani katre	1.44	-
	421.31	425.14

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. 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.

*For the year ended 31st March 2019, the Company has recorded for impairment of Rs.397.11 lakhs receivables from Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd. relating to amounts owed by related parties (Previous year - Rs. Nil).

45. Disclosure under Ind AS 115 - Revenue from contracts with customers

The Company is engaged into manufacturing of Pharmaceutical products. There is no impact on the Company's revenue on applying Ind AS 115 from the contract with customers.

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
A) Disaggregation of revenue from contracts with customers		
1) <u>Revenue from contracts with customers</u>		
<u>Sale of products (transferred at point in time)</u>		
Domestic sales		
Formulation	89,346.97	92,372.07
Bulk Drugs	303.14	213.94
Sub total (a)	89,650.11	92,586.01
Export Sales		
Formulation	9,883.35	7,759.55
Bulk Drugs	5,108.21	3,924.69
	14,991.56	11,684.24
Profit share - Formulation	2,126.59	1,585.02
Sub total (b)	17,118.15	13,269.26
Total (a+b)	106,768.26	105,855.27
2) <u>Other operating revenue</u>		
Export incentive	580.71	459.52
Other miscellaneous receipts	238.43	706.44
	819.14	1,165.96
Total Revenue	107,587.40	107,021.23
B) Sales by performance obligations		
Upon shipment	8,450.76	3,678.44
Upon delivery	96,190.91	100,591.81
Profit share - Formulation	2,126.59	1,585.02
	106,768.26	105,855.27
C) Reconciliation of revenue from contract with customer		
Revenue from contract with customer as per the contract price	109,396.15	108,874.54
Adjustments made to contract price on account of :		
a) Discounts/ Rebates/ Incentives/ Late delivery charges	798.11	1,262.50
b) Sales Returns/ Credits/ Reversals	1,829.78	1,756.77
Revenue from contract with customer	106,768.26	105,855.27
Other operating revenue	819.14	1,165.96
Revenue from operations	107,587.40	107,021.23

46. 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. 33). Lease rent debited to Statement of Profit and Loss is Rs. 543.72 lakhs (Previous Year - Rs. 576.61 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 subleases. Future minimum rent payable under non cancellable operating lease are as follows :

	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Within one year	526.50	526.50
After one year but not for more than five years	1206.56	1733.06
More than five years	-	-

47. Exceptional items

Exceptional item in the statement of profit and loss for the year ended 31st March 2019 includes an impairment loss of Rs.397.11 lakhs towards investment made, loan given and other receivables from the joint venture, being excess of its carrying value over the estimated recoverable amount considering the business outlook.

48. Revenue expenditure on research and development (including depreciation and amortisation) aggregating to Rs.2,901.07 lakhs (Previous year - Rs.2,487.02 lakhs) is included under relevant heads in the Statement of Profit and Loss.

49. 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.448.69 lakhs (Previous year - Rs.415.97 lakhs).
b. Amount spent during the year is given hereunder:

Rupees in lakhs

Sr. No.	Particulars of Activity	2018-2019	2017-2018
(i)	Construction/ acquisition of any asset	-	-
(ii)	On purpose other than (i) above	207.17	117.94
	Total	207.17	117.94

50. 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 2019		31st March 2018	
	Loan Given	Outstanding	Loan Given	Outstanding
<u>Intercompany Deposit given and utilised for business operation by recipient</u> - Oboi Laboratories Limited (repayable within 12 months with interest @ 11% p.a.)	-	-	25.00	25.00
<u>Loan given to joint venture for working capital/ business operations</u> - Fair Deal Corporation Pharmaceuticals SA (Pty) Limited* (repayable on demand)	86.11	317.00	-	281.09
<u>Investments</u> Details required under Section 186(4) have been disclosed in note 4 and 13 of the standalone financial statements * For the year ended 31st March 2019, the Company has recorded for impairment of loan given to Fair Deal Corporation Pharmaceuticals SA (Pty) Limited (Refer note 44 and 47)				

51. The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

52. Amendments to the Indian Accounting Standards (Ind AS)

The MCA vide notification dated 11th October, 2018 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. The Company has incorporated appropriate changes in the above results.

IND AS 116 - Leases

The new standard on leases sets out the principles for the recognition, measurement, presentation and disclosure of the leases. The core objective of this standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represent those transactions.

The Company is required to adopt Ind AS 116, Leases from 1st April, 2019. Ind AS 116 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company has completed an initial assessment of the potential impact on its standalone financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the standalone financial statements in the period of initial application is not reasonably estimable as at present.

- the total assets and liabilities on the balance sheet will increase with a decrease in net total assets, due to the depreciation of right of use assets being on a straight line basis whilst the lease liability reduces by the principal amount of repayments;

- Interest expense will increase due to the unwinding of the effective interest rate implicit in the lease liability. Interest expense will be greater earlier in a lease's life, due to the higher principal value, causing profit variability over the term of lease. This effect may be partially mitigated due to the number of leases held by the Company at various stages of their terms; and
- operating cash flows will be higher and financing cash flows will be lower, as repayment of the principal portion of all lease liabilities will be classified as financing activities.

The Company plans to apply Ind AS 116 initially on 1st April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1st April 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1st April 2019 and identified as leases in accordance with Ind AS 17.

Additional amendments to IND AS

In addition to the above, the following amendments to existing standards have been issued, are not yet effective and are not expected to have a significant impact on the Company's standalone financial statements:

- Amendments to Ind AS 103, Business Combinations, and Ind AS 111, Joint Arrangements: This interpretation clarifies how an entity accounts for increasing its interest in a joint operation that meets the definition of a business.
- Amendments to Ind AS 109, Financial Instruments: amendments relating to the classification of particular pre payable financial assets.
- Amendments to Ind AS 12, Income Taxes, clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income or equity. Further Appendix C, uncertainty over income tax treatments has been added to clarify how entities should reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination.
- Amendment to Ind AS 19, Employee Benefits - The amendment to Ind AS 19 clarifies that on amendment, curtailment or settlement of a defined benefit plan, the current service cost and net interest for the remainder of the annual reporting period are calculated using updated actuarial assumptions – i.e. consistent with the calculation of a gain or loss on the plan amendment, curtailment or settlement. This amendment also clarifies that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. The entity then determines the effect of the asset ceiling after plan amendment, curtailment or settlement. Any change in that effect is recognised in other comprehensive income (except for amounts included in net interest).
- Amendments to Ind AS 23, Borrowing Costs, clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction.

Impact on adoption of above changes in standards is not material.

53. Effective from 1st July, 2017, Sales are recorded net of GST whereas earlier sales were recorded gross of excise duty which formed part of expenses.
54. The disclosures regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December 2016 has not been made in this standalone financial statement since the requirement does not pertain to financial year ended 31st March 2019.
55. Previous year figures have been regrouped/ reclassified wherever necessary to correspond with current year classification/ disclosures.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

VIKAS R. KASAT
Partner
Membership No : 105317

Place : Mumbai
Date : May 24, 2019

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN: 00043344

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

Place : Mumbai
Date : May 24, 2019

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

VARSHARANI KATRE
Company Secretary
Membership No : 8948

AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FDC LIMITED

INDEPENDENT AUDITORS' REPORT

To the Members of FDC Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the consolidated financial statements of FDC Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries FDC International Limited and FDC Inc. (Holding Company and its subsidiaries together referred to as "the Group") and its joint venture Fair Deal Corporation Pharmaceuticals SA (Pty) Limited which comprise the Consolidated Balance Sheet as at 31st March 2019, and the Consolidated Statement of Profit and Loss (including Other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 of such subsidiaries and joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 as at

31st March 2019, of its net Consolidated Profit and Other comprehensive income, Consolidated Changes in Equity and Consolidated Cash Flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained and evidence obtained by other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Description of Key Audit Matters

Revenue recognition

The Group recognises revenue from the sales of pharmaceutical products when control over goods is transferred to a customer. The actual point in time when revenue is recognised varies depending on the specific terms and conditions of the sales contracts entered into with customers. The Group has a large number of customers operating in various geographies and sales contracts with customers have a variety of different terms relating to the recognition of revenue, the entitlement to sales discounts, the right of return and price adjustments.

We have identified recognition of revenue as a key audit matter as revenue is a key performance indicator and there is a risk of revenue being fraudulently overstated arising from pressure to achieve performance targets as well as meeting external expectations Litigations, claims and contingencies.

The Group operates in multiple jurisdictions in the pharmaceutical industry which is heavily regulated, resulting in increased exposure to litigation risk. The Group is involved in a number of litigations/ legal actions.

How the matter was addressed in our audit

Our procedures included the following:

- Assessing the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards;
- Evaluating the design, testing the implementation and operating effectiveness of the Group's internal controls including general IT controls and key IT application controls over recognition of revenue and measurement of discounts and schemes in the system
- Performing substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during and after the year and verifying the underlying documents, which included sales invoices / contracts and dispatch/shipping documents. Obtaining and assessing appropriateness of positions for returns and incentives
- Testing controls over review of contracts and revenue recognition

These provisions are based on judgements and accounting estimates made by management reflect in determining the likelihood and magnitude of an unfavorable outcome on the claims. Accordingly, unexpected adverse outcomes could significantly impact the Group's reported profit and balance sheet position.

- Assessing manual journals posted to revenue to identify unusual items not already covered by us; Our procedures included the following:
- Evaluating the design and testing the operating effectiveness of controls in respect of the recognition and measurement of provisions towards litigation and claims;
- Corroborating management's assessment by making enquiries with the in-house legal compliance officer;
- verifying correspondence, orders and appeals in respect of open litigation;
- Obtaining confirmations from external lawyers where relevant and/ or evaluating legal opinions obtained by the management;
- Evaluating significant adjustments to legal provisions recorded during the year to determine if they were indicative of management bias; and
- Evaluating adequacy of disclosures given in the financial statements.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the Consolidated State of Affairs, Consolidated Profit and Other comprehensive income, Consolidated Statement of Changes in Equity and Consolidated Cash Flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards

(Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group (Holding Company and subsidiaries) and its joint venture or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Company and subsidiaries) as well as joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements, of which

we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (b) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- a) We did not audit the financial statements two subsidiaries whose financial statements reflect total assets of Rs. 1,753 lakhs as at 31st March 2019, total revenues of Rs. 2,910 lakhs and net cash flows amounting to Rs. (263.32) lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated annual financial statements also include the Group's share of net loss (and Other comprehensive income) of Rs. 205.68 lakhs for the year ended 31st March 2019, in respect of one joint venture whose financial statements have not been audited by us. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture 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 is based solely on the audit reports of the other auditors to

the extent they have been derived from such annual financial statements is based solely on the report of such other auditors.

Certain of these subsidiaries and joint venture 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 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 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 on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, 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.

Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and joint venture as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - On the basis of the written representations received from the directors of the Holding Company as on 31st March 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) The internal financial controls with reference to financial statements is not applicable to FDC International Limited and FDC Inc, foreign subsidiaries of the Holding Company and Fair Deal Corporation Pharmaceuticals SA (Pty) Limited, foreign joint venture of the Holding Company. With respect to adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 reports of the other auditors on separate financial statements of the subsidiaries and joint venture as noted in the 'Other Matters' paragraph:
- The consolidated financial statements disclose the impact of pending litigations as at 31st March 2019 on the consolidated financial position of the Group and its joint venture. Refer note 40 to the consolidated financial statements;
 - The Group and its joint venture did not have any material foreseeable losses on long term contracts including derivative contracts during the year ended 31st March 2019;
 - There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31st March 2019; and
 - The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31st March 2019.
- C. With respect to the matter to be included in the Audit Report under Section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

VIKAS R. KASAT

Partner

Membership No: 105317

Place : Mumbai

Date : May 24, 2019

Annexure A to the Independent Auditor's Report on the consolidated financial statements of FDC Limited for the year ended 31st March 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2019, we have audited the internal financial controls with reference to consolidated financial statements of FDC Limited (hereinafter referred to as "the Holding Company") as of that date.

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31st March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. 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 respective 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the consolidated financial statements. 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 with reference to consolidated financial statements were 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

with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements 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 controls with reference to consolidated financial statements 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 with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

VIKAS R. KASAT

Partner

Membership No: 105317

Place : Mumbai

Date : May 24, 2019

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2019

PARTICULARS	Note No.	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
I. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	2	67,574.70	66,851.57
(b) Capital work-in-progress	2	1,238.14	988.54
(c) Other intangible assets	2	643.83	512.73
(d) Intangible assets under development	2	-	295.94
(e) Financial assets			
(i) Investments	3	17,910.69	7,407.11
(ii) Loans	4	580.22	565.63
(iii) Other financial assets	5	3.17	33.54
(f) Income tax assets (net)	6	1,485.26	1,204.06
(g) Other non-current assets	7	552.60	429.44
Total Non-current assets		89,988.61	78,288.56
2. Current assets			
(a) Inventories	8	17,378.89	16,048.86
(b) Financial assets			
(i) Investments	9	40,592.77	39,715.75
(ii) Trade receivables	10	8,752.98	8,166.45
(iii) Cash and cash equivalents	11	1,991.63	2,812.92
(iv) Bank balances other than (iii) above	12	133.92	117.58
(v) Loans	13	72.61	374.21
(vi) Other financial assets	14	522.84	540.36
(c) Other current assets	15	4,554.21	4,456.55
Total Current assets		73,999.85	72,232.68
TOTAL ASSETS		163,988.46	150,521.24
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	16	1,751.89	1,751.89
(b) Other equity	17	142,771.71	125,859.13
Total Equity		144,523.60	127,611.02
LIABILITIES			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	49.01	60.45
(ii) Other financial liabilities	19	138.60	152.10
(b) Provisions	24	39.00	36.00
(c) Deferred tax liabilities (net)	20	1,332.50	1,516.23
Total Non-current liabilities		1,559.11	1,764.78
2. Current liabilities			
(a) Financial liabilities			
(i) Trade payables	21		
(A) Total outstanding dues of Micro and small enterprises		1,188.21	-
(B) Total outstanding dues of creditors other than Micro and small enterprises		6,573.18	9,731.86
(ii) Other financial liabilities	22	5,519.92	6,173.98
(b) Other current liabilities	23	647.43	703.52
(c) Provisions	24	2,475.26	2,756.94
(d) Current tax liabilities (net)	25	1,501.75	1,779.14
Total Current liabilities		17,905.75	21,145.44
TOTAL EQUITY AND LIABILITIES		163,988.46	150,521.24

Significant accounting policies
The accompanying notes are an integral part of the consolidated financial statements

1.4

1 to 58

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN: 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

VIKAS R. KASAT
Partner
Membership No : 105317

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No : 8948

Place : Mumbai
Date : May 24, 2019

Place : Mumbai
Date : May 24, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

PARTICULARS	Note No.	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
I. Revenue from operations	26	109,069.75	108,308.57
II. Other income	27	4,346.84	5,096.45
III. Total Income (I + II)		113,416.59	113,405.02
IV. Expenses:			
Cost of materials consumed	28	29,997.36	27,427.42
Purchases of stock-in-trade		6,731.53	8,049.58
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(2,214.70)	(269.38)
Excise duty		-	801.62
Employee benefits expense	30	22,557.45	21,666.63
Finance costs	31	143.83	140.49
Depreciation and amortisation expense	32	3,323.88	3,513.97
Other expenses	33	28,896.81	27,963.74
Total Expenses		89,436.16	89,294.07
V. Profit before Share of (loss) of joint venture, exceptional items and tax (III- IV)		23,980.43	24,110.95
VI. Share of (loss) of joint venture (net of tax)		(205.68)	(47.72)
VII. Profit before exceptional items and tax (V+VI)		23,774.75	24,063.23
VIII. Exceptional items	49	111.21	-
IX. Profit before tax (VII-VIII)		23,663.54	24,063.23
X. Tax expense:	25		
(1) Current tax		6,868.39	6,933.06
(2) Deferred tax		(183.73)	(220.74)
Total Tax expense		6,684.66	6,712.32
XI. Profit for the year (IX-X)		16,978.88	17,350.91
XII. Other comprehensive income	35		
A (i) Items that will not be reclassified subsequently to profit or loss		(109.93)	(54.94)
(ii) Income tax relating to items that will not be reclassified to profit or loss		20.80	27.33
B (i) Items that will be reclassified to profit or loss		22.83	204.13
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year (net of tax)		(66.30)	176.52
XIII. Total Comprehensive income for the year (net of tax) (XI +XII)		16,912.58	17,527.43
XIV. Earnings per equity share:	34		
Par value Re. 1 per share (Previous year Re. 1 per share)			
(1) Basic (Rs.)		9.74	9.76
(2) Diluted (Rs.)		9.74	9.76

Significant accounting policies
The accompanying notes are an integral part of the consolidated financial statements

1.4

1 to 58

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN: 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

VIKAS R. KASAT
Partner
Membership No : 105317

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No : 8948

Place : Mumbai
Date : May 24, 2019

Place : Mumbai
Date : May 24, 2019

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2019

PARTICULARS	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before exceptional items and tax	23,774.75	24,063.23
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	3,323.88	3,513.97
Interest expense	108.01	108.75
Interest income	(544.24)	(280.16)
Net gain on disposal of property, plant and equipment	(21.44)	(63.38)
Dividend income	(1,250.30)	(3,053.72)
Net (gain)/ loss on sale of investments	(345.74)	635.01
Fair value gain on financial instruments	(1,672.64)	(933.80)
Share of loss of joint venture	205.68	47.72
Translation adjustment on consolidation	(282.88)	172.96
Unrealised foreign exchange loss/ (gain) on restatement	169.11	(108.57)
Bad debts	-	3.99
Allowances for credit loss	16.01	-
Provision for doubtful debts no longer required, written back	(0.68)	(4.19)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	23,479.52	24,101.81
Working capital adjustments:		
Increase in inventories	(1,330.03)	(2,332.52)
Increase in trade receivables	(689.38)	(535.80)
Decrease/ (Increase) in financial assets	86.26	(88.79)
Increase in other assets	(137.30)	(2,228.38)
(Decrease)/ Increase in trade and other payables	(2,421.80)	2,668.49
(Decrease)/ Increase in provisions	(338.21)	193.38
CASH GENERATED FROM OPERATIONS	18,649.06	21,778.19
Income tax paid (net)	(7,406.18)	(6,793.89)
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES (A)	11,242.88	14,984.30
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and other intangible assets	(4,272.96)	(3,701.71)
Proceeds from disposal of property, plant and equipment	52.33	103.43
Purchase of financial instruments	(77,560.65)	(68,426.20)
Proceeds from sale of financial instruments	68,148.03	70,727.54
Repayment/ (Renewal) of inter corporate deposit given	25.00	-
Decrease/ (Increase) in fixed and margin deposits	11.64	(1.55)
Loan given to joint venture	(86.11)	-
Dividend income	1,250.30	3,053.72
Interest received	399.89	255.68
NET CASH FLOW (USED IN)/ GENERATED FROM INVESTING ACTIVITIES (B)	(12,032.53)	2,010.91
CASH FLOWS FROM FINANCING ACTIVITIES		
Buyback of equity shares	-	(12,005.00)
Expenses incurred for buyback of equity shares	-	(115.31)
Repayment of sales tax deferral loan	(9.03)	(9.15)
Dividend (including dividend distribution tax)	-	(4,815.83)
Amount deposited in bank accounts towards unpaid dividend	2.39	1.96
NET CASH FLOW USED IN FINANCING ACTIVITIES (C)	(6.64)	(16,943.33)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	(796.29)	51.88
Net foreign exchange differences on cash and cash equivalents	(25.00)	50.59
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (Refer note 11)	2,812.92	2,710.45
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Refer note 11)	1,991.63	2,812.92

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2019**Notes to the Consolidated Statement of Cash Flows:**

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

Particulars	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Cash on hand	8.80	12.10
Balances with banks:		
On current accounts	1,616.55	1,570.82
On deposit accounts (with original maturity of 3 months or less)	366.28	1,230.00
	1,991.63	2,812.92

2. The Consolidated Statement of Cash Flows have been prepared under the indirect method as set out in Ind AS 7 - Statement of Cash Flows.
3. Reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities.

Rupees in lakhs							
Particulars	Note No.	31st March 2018	Cash flows	Non-cash changes			31st March 2019
				Acquisition	Foreign exchange movement	Fair value change	
Borrowings Deferred sales tax loans	18	69.48	(9.03)	-	-	-	60.45

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

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

VIKAS R. KASAT
Partner
Membership No : 105317

Place : Mumbai
Date : May 24, 2019

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN: 00043344

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

Place : Mumbai
Date : May 24, 2019

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

VARSHARANI KATRE
Company Secretary
Membership No : 8948

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019**(A) Equity share capital**

Particulars	No. in lakhs	Rupees in lakhs
Balances as at 1st April 2017	1,786.19	1,786.19
Less: 3,430,000 Equity shares of Re. 1 each bought back	(34.30)	(34.30)
Balances as at 31st March 2018	1,751.89	1,751.89
Changes during the year	-	-
Balances as at 31st March 2019	1,751.89	1,751.89

(B) Other equity

Rupees in lakhs

Particulars	Reserves and Surplus				Other Comprehensive Income		Total Equity
	Retained earnings	General reserves	Securities premium	Capital redemption reserve	Equity instruments through OCI	Foreign currency translation reserve	
Balances as at 1st April 2018	93,958.74	31,582.96	-	34.30	55.22	227.91	125,859.13
Profit for the year	16,978.88	-	-	-	-	-	16,978.88
Other comprehensive income/ (loss) for the year (net of tax) (Refer note 35)	(38.73)	-	-	-	(50.40)	22.83	(66.30)
Total Comprehensive income for the year	16,940.15	-	-	-	(50.40)	22.83	16,912.58
Balances as at 31st March 2019	110,898.89	31,582.96	-	34.30	4.82	250.74	142,771.71

Rupees in lakhs

Particulars	Reserves and Surplus				Other Comprehensive Income		Total Equity
	Retained earnings	General reserves	Securities premium	Capital redemption reserve	Equity instruments through OCI	Foreign currency translation reserve	
Balances as at 1st April 2017	81,590.60	43,515.06	72.90	-	31.20	23.78	125,233.54
Profit for the year	17,350.91	-	-	-	-	-	17,350.91
Other comprehensive income/ (loss) for the year (net of tax) (Refer note 35)	(51.63)	-	-	-	24.02	204.13	176.52
Total Comprehensive income for the year	17,299.28	-	-	-	24.02	204.13	17,527.43
Dividends (including dividend distribution tax) (Refer note 36)	(4,815.83)	-	-	-	-	-	(4,815.83)
Expenses for buyback of equity shares (Refer note 16)	(115.31)	-	-	-	-	-	(115.31)
Premium paid on buyback of equity shares	-	(11,897.80)	(72.90)	-	-	-	(11,970.70)
Transfer from General reserve on equity shares bought back	-	(34.30)	-	34.30	-	-	-
Balances as at 31st March 2018	93,958.74	31,582.96	-	34.30	55.22	227.91	125,859.13

The above statements of changes in equity should be read in conjunction with the accompanying note 17 to the consolidated financial statements.

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

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

VIKAS R. KASAT
Partner
Membership No : 105317

Place : Mumbai
Date : May 24, 2019

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN: 00043344

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

Place : Mumbai
Date : May 24, 2019

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

VARSHARANI KATRE
Company Secretary
Membership No : 8948

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

1.1 CORPORATE INFORMATION

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

These consolidated financial statements comprise of standalone financial statements of the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interest in joint venture for the year ended 31st March 2019.

The Group is principally engaged in the business of Pharmaceuticals.

The consolidated financial statements for the year ended 31st March 2019 were authorised for issue by the Group's Board of directors on 24th May 2019.

The information in relation to subsidiaries and joint venture is provided in note 40.

1.2 BASIS OF PREPARATION AND MEASUREMENT

Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with Section 133 of the Companies Act, 2013, ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amended Rules, 2016, and the relevant provisions and amendments, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention except certain financial instruments and defined benefit plans which have been measured at fair value.

Basis of preparation

These consolidated financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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 consolidated financial statements are prepared in Indian Rupees (INR), which is the Group's functional currency. All financial information have been presented in Indian Rupees (INR) and all amounts have been rounded-off to the nearest lakhs, unless 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.

Consolidation procedure:

- i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- iii. Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 - Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Subsidiaries:

A subsidiary is an entity that is controlled by the Company.

The Company accounts for the investment in equity shares of subsidiaries at cost in accordance with Ind AS 27 - Separate Financial Statements.

Joint Venture:

The Group's interests in joint ventures are accounted for using the equity method (see (iii) below), after initially being recognised at cost in the Consolidated Balance Sheet. Details of the joint venture are set out in note 48.

Equity method:

Under the equity method of accounting, the investments are initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date and the Group's share of other comprehensive income. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually. When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation:

Inter-group balances and transactions, and any unrealised income and expenses arising from inter-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

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 upon transfer of control of goods to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

The Group has adopted Ind AS 115 - Revenue from contracts with customers, with effect from 1st April 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 - Revenue and Ind AS 11 - Constructions contracts.

The Group has adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e 1st April 2018). Accordingly, the comparative information in the Consolidated Statement of Profit and Loss is not restated. Impact on adoption of Ind AS 115 is not material.

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 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 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 returns by recording an allowance for sales returns concurrent with the recognition of revenue at the time of 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 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) as set out in Ind AS 109. 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 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 Group depreciates them separately based on their specific useful lives. All other repair 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 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 profit or loss. Fully depreciated assets still in use are retained in consolidated financial statements.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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.

Gain or loss on disposal

Any gain or losses on disposal of property, plant and equipment is recognised in the Consolidated Statement of Profit and Loss.

Estimated useful life of the assets is as follows:

Nature of Tangible assets	Useful Life (No. of Years) As per Companies Act 2013	Useful Life (No. of Years) As estimated by the Company
Plant and machinery	8	7.5 to 15
Building	30 to 60	30 to 60
Laboratory testing machines	10	10
Office equipments	5	5
Furniture, fixtures and fittings	10	10
Computers and peripherals	3 to 6	3 to 6
Vehicles	8	6
Electrical installations	10	10
Leasehold land	Over the period of lease	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 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 greater of the asset's 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 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. OTHER INTANGIBLE ASSETS

Other 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.

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

Nature of Other intangible assets	Useful Life (No. of years) As estimated by the Company	Amortisation method used
Software and Trademarks	5 to 10	Amortised on straight-line basis

e. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a 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 the case of financial assets not recorded at fair value through profit or 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 or 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 rights to receive cash flows from the asset has expired, or
- The Group 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 '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. This amount is reflected under the head 'Other expenses' in the Statement of Profit and Loss. 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 or 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 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/ declared buyback NAV 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 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 applicable taxes, 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 the parent company's functional and presentation 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.

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 Ind AS 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.

The Group fully contributes all ascertained liabilities to the FDC Limited Gratuity Trust (the Trust). Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by laws of India.

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 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 EXPENSES**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an other 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) 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 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 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 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's chief operating decision maker is the Managing Director of the Company.

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 Statement of Cash Flow, 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.

t. EXCEPTIONAL ITEMS

The Group discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying operating performance of the Group and provides consistency with the Group's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Group. Exceptional items can include, but are not restricted to, impairment loss on investments/ long term loans exchange gain/ (loss) on long term borrowings/ assets and changes in fair value of derivative contracts.

u. POLICY FOR STATEMENT OF CASH FLOWS

The Group's statement of cash flows are prepared using the Indirect method, whereby profit/ loss for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value.

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.

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 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 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 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 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.

Useful life of property, plant and equipment and other intangible assets

As described in Note 1.4 (c and d), the Group reviews the estimated useful lives and residual values of property, plant and equipment and other intangible assets at the end of each reporting period. During the current financial year, the management has reassessed the useful lives of certain property, plant and equipment and other intangible assets and the impact of the change is not material for the year. There were no changes in residual values of the property, plant and equipment and other intangible assets.

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, Capital work-in-progress and Intangible assets under development

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. 3,272.60 lakhs (Previous year - Rs. 3,272.60 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.

The Group has not capitalised any borrowing cost during the current year (Previous year - Rs. Nil).

The Group has not recognised any impairment loss during the current year (Previous year - Rs. Nil).

No property, plant and equipment is pledged as security by the Group.

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. 3,272.60 lakhs (Previous year - Rs. 3,272.60 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies. It includes cost of quoted fully paid shares in various co-operative housing societies - 1,17,040,000 (Previous year - 1,13,040,000) and 1,17,040,000 (Previous year - 1,13,040,000) lakhs.

\$ 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. Building of Rs. 3,272.00 lakhs (previous year - Rs. 3,272.00 lakhs) includes cost of a quoted fully paid shares in various co-operative housing societies.

The Group has not capitalised any borrowing cost during the current year (Previous year - Rs. Nil).

The Group has not capitalised any borrowing cost during the current year (Previous year - Rs. Nil).

No property, plant and equipment is pledged as security by the Group.

3. Investments

		Non-Current	
		31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
UNQUOTED			
Investments stated at amortised cost			
Investments in government securities (Refer note below)			
National Savings Certificates		0.07	0.07
35 (Previous year - 35) Govt. of India		0.02	0.02
G.P. Notes - face value of Rs. 2,000		0.09	0.09
Investments stated at fair value through other comprehensive income			
Investments in fully paid-up equity instruments		0.63	0.63
(A)		0.72	0.72
Investments stated at fair value through profit and loss			
Investments in units of mutual funds		10,120.83	5,250.14
(B)		10,120.83	5,250.14
Sub-Total (C) = (A+B)		10,121.55	5,250.86
QUOTED			
Investments stated at amortised cost			
Investments in fully paid-up bonds		7,634.46	1,951.17
(D)		7,634.46	1,951.17
Investments stated at fair value through other comprehensive income			
Investments in fully paid-up equity instruments		154.68	205.08
(E)		154.68	205.08
Sub-Total (F) = (D+E)		7,789.14	2,156.25
Total (C+F)		17,910.69	7,407.11
Aggregate book value of quoted investments		7,789.14	2,156.25
Aggregate market value of quoted investments		7,789.14	2,156.25
Aggregate value of unquoted investments		10,121.55	5,250.86
Aggregate amount of impairment in value of investments		-	-

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

4. Loans*

		Non-Current	
		31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Unsecured, considered good			
Loans to employees		10.20	11.24
Security deposits		570.02	554.39
		580.22	565.63

* There is no amount due from director, other officers of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

5. Other financial assets

Unsecured, considered good
Margin money deposits

Non-Current	
31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
3.17	33.54
3.17	33.54

6. Income tax assets (net)

Income tax paid [Net of provision - Rs. 21,357.47 lakhs
(Previous year - Rs. 19,375.92 lakhs)]

31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
1,485.26	1,204.06
1,485.26	1,204.06

7. Other non-current assets

Unsecured, considered good
Capital advances
Prepaid expenses

31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
484.91	382.16
67.69	47.28
552.60	429.44

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

Raw materials [Including stock in transit Rs. Nil
(Previous year - Rs. 94.06 lakhs)]
Packing materials [Including stock in transit Rs. Nil
(Previous year - Rs. 21.96 lakhs)]
Work-in-progress
Finished goods [Including stock in transit Rs. 872.21 lakhs
(Previous year - Rs. 233.47 lakhs)]
Stock-in-trade [Including stock in transit Rs. Nil
(Previous year - Rs. 12.30 lakhs)]

31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
4,119.14	5,019.24
1,688.79	1,673.36
2,169.30	1,881.42
7,966.28	6,024.96
1,435.38	1,449.88
17,378.89	16,048.86

During the year ended 31st March 2019, Rs. 722.89 lakhs (Previous year - Rs. 322.34 lakhs) was charged to the Statement of Profit and Loss on account of damaged and slow moving inventories.

9. Investments

UNQUOTED
Investments stated at fair value through profit and loss
Investments in mutual funds
Investments in fully paid-up non convertible debentures

Current	
31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
40,192.57	39,715.75
400.20	-
40,592.77	39,715.75
-	-
-	-
40,592.77	39,715.75
-	-

Aggregate book value of quoted investments
Aggregate market value of quoted investments
Aggregate value of unquoted investments
Aggregate amount of impairment in value of investments

10. Trade receivables

		31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Unsecured, considered good		8,752.98	8,166.45
Credit impaired		122.41	107.08
	(A)	8,875.39	8,273.53
Less : Allowance for credit loss	(B)	122.41	107.08
	(A-B)	8,752.98	8,166.45

Movement in expected credit loss allowance

Particulars		31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Balance at the beginning of the year		107.08	111.27
Less: Amount collected and hence reversal of provision		0.68	0.20
Less: Balance written off during the year		-	3.99
Add: Provision made during the year		16.01	-
Balance at the end of the year		122.41	107.08

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 45.

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

11. Cash and cash equivalents

		31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Cash on hand		8.80	12.10
Balances with banks:			
In current accounts		1,616.55	1,570.82
In deposit accounts (with original maturity of 3 months or less)		366.28	1,230.00
		1,991.63	2,812.92

12. Bank balance other than Cash and cash equivalents

		31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Margin money deposits*		25.69	6.96
On unpaid dividend account		108.23	110.62
		133.92	117.58

* Margin money deposits are given as security against bank guarantee with original maturity of more than 3 months but less than 12 months.

13. Loans

		Current	
		31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Unsecured, considered good			
Inter corporate deposits		-	25.00
Loans/ advances to employees		34.99	47.31
Security deposits		37.62	20.81
Loans to related parties (Refer note 45)		-	281.09
Credit impaired			
Loans to related parties (Refer note 45)		42.40	-
	(A)	115.01	374.21
Less: Impairment of loan to related parties	(B)	42.40	-
	(A-B)	72.61	374.21

14. Other financial assets

		Current	
		31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Unsecured, considered good			
Export benefit receivable		358.34	463.68
Interest accrued on investments and others (Refer note 45)		164.50	76.68
Credit impaired			
Interest accrued on loan to related parties (Refer note 45)		50.39	-
	(A)	573.23	540.36
Less: Impairment of interest accrued on loan to related parties	(B)	50.39	-
	(A-B)	522.84	540.36

15. Other current assets

		31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Unsecured, considered good			
Advances to suppliers		649.69	744.13
Prepaid expenses		608.78	508.18
Balances with statutory/ government authorities		3,295.74	3,185.01
Reimbursement of expenses receivable from FDC SA (Pty) Ltd (Refer note 45)		-	19.23
Credit impaired			
Reimbursement of expenses receivable from FDC SA(Pty) Ltd. (Refer note 45)		18.42	-
Balances with statutory/ government authorities		25.69	25.69
	(A)	4,598.32	4,482.24
Less: Impairment of expenses receivable from FDC SA(Pty) Ltd.	(B)	18.42	-
Less: Allowance for doubtful advances	(C)	25.69	25.69
	(A-B-C)	4,554.21	4,456.55

Break-up of Financial assets carried at amortised cost

	Non-Current		Current	
	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Investments (Refer note 3)	7,634.55	1,951.26	-	-
Loans (Refer note 4 and 13)	580.22	565.63	72.61	374.21
Trade receivables (Refer note 10)	-	-	8,752.98	8,166.45
Cash and cash equivalents (Refer note 11)	-	-	1,991.63	2,812.92
Bank balance other than cash and cash equivalents (Refer note 12)	-	-	133.92	117.58
Other Financial assets (Refer note 5 and 14)	3.17	33.54	522.84	540.36
Total financial assets carried at amortised cost	8,217.94	2,550.43	11,473.98	12,011.52

16. Share capital

	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Authorised share capital		
294,200,000 (Previous year - 294,200,000) Equity shares of Re. 1 each	2,942.00	2,942.00
3,000 (Previous year - 3,000) 8% Non-Cumulative Redeemable Preference shares of Rs. 100 each	3.00	3.00
	<u>2,945.00</u>	<u>2,945.00</u>
Issued share capital		
177,548,084 (Previous year - 177,548,084) Equity shares of Re. 1 each, fully paid-up	1,775.48	1,775.48
	<u>1,775.48</u>	<u>1,775.48</u>
Subscribed and paid-up share capital		
174,403,084 (Previous year - 174,403,084) Equity shares of Re. 1 each, fully paid-up	1,744.03	1,744.03
Add: 3,145,000 (Previous year - 3,145,000) Equity shares forfeited	7.86	7.86
Total	<u>1,751.89</u>	<u>1,751.89</u>

Notes:

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

	31st March 2019		31st March 2018	
	No. in lakhs	Rupees in lakhs	No. in lakhs	Rupees in lakhs
At the beginning of the period	1,744.03	1,744.03	1,778.33	1,778.33
Less: Share capital bought back	-	-	34.30	34.30
Outstanding at the end of the period	<u>1,744.03</u>	<u>1,744.03</u>	<u>1,744.03</u>	<u>1,744.03</u>

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 2019, the amount of per share dividend proposed as distribution to equity shareholders is Rs. Nil (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 2019 No. in lakhs	31st March 2018 No. in lakhs
Equity shares bought back by the Company	34.30	64.30

The Company had completed the buy back of 3,430,000 equity shares having face value of Re.1 each at a price of Rs.350 per share on 29th March 2018. The number of equity shares post buy back stands reduced to 174,403,084 shares having face value of Re.1 each. Accordingly, the paid up share capital also stands reduced to Rs. 174,403,084 excluding forfeited shares.

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

	31st March 2019		31st March 2018	
	No. of Shares	%	No. of Shares	%
Equity shares of Re. 1 each fully paid				
Meera Ramdas Chandavarkar	33,624,370	19.28	33,624,370	19.28
Sandhya Mohan Chandavarkar	Nil	Nil	19,031,473	10.91
Mohan Anand Chandavarkar	Nil	Nil	18,701,621	10.72
Sandhya Mohan Chandavarkar Trust	19,031,473	10.91	Nil	Nil
Mohan Anand Chandavarkar Trust	18,701,621	10.72	Nil	Nil
Leo Advisors Private Limited	15,863,730	9.10	15,863,730	9.10
Virgo Advisors Private Limited	10,575,918	6.06	10,575,918	6.06
Ameya Ashok Chandavarkar	10,540,983	6.04	10,540,983	6.04

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.

17. Other equity

	31st March 2019	31st March 2018
	Rupees in lakhs	Rupees in lakhs
Capital redemption reserve		
Opening balance	34.30	-
Add: Transfer from General reserve on buy back of equity shares	-	34.30
Closing balance (A)	34.30	34.30
Securities premium		
Opening balance	-	72.90
Less: Premium paid on buy back of equity shares	-	(72.90)
Closing balance (B)	-	-
General reserve		
Opening balance	31,582.96	43,515.06
Less: Premium paid on buy back of equity shares	-	(11,897.80)
Less: Transfer to Capital redemption reserve on buyback of equity shares	-	(34.30)
Closing balance (C)	31,582.96	31,582.96
Retained earnings		
Opening balance	93,958.74	81,590.60
Add: Profit for the year	16,978.88	17,350.91
Less: Remeasurement losses of defined benefit plans	(38.73)	(51.63)
Less: Dividend on equity shares (including Dividend distribution tax)	-	(4,815.83)
Less: Expenses relating to buyback of equity shares*	-	(115.31)
Closing balance (D)	110,898.89	93,958.74
Foreign currency translation reserve (Other comprehensive income)		
Opening balance	227.91	23.78
Add: Movement during the year	22.83	204.13
Closing balance (E)	250.74	227.91
FVTOCI reserve (Other comprehensive income)		
Opening balance	55.22	31.20
(Less)/ Add: Net (loss)/ gain on equity shares carried at fair value through OCI	(50.40)	24.02
Closing balance (F)	4.82	55.22
Total (A+B+C+D+E+F)	142,771.71	125,859.13

*Refer note 16

Nature and purpose of Reserves:**(a) Capital redemption reserve**

As per Companies Act, 2013, Capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to Capital redemption reserve.

(b) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(c) General reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by transfer from one component of equity to another and is not item of Other comprehensive income.

(d) Retained earnings

Retained earnings are the profits/ (losses) that the Company has earned till date, less any transfer to General reserve, dividends or other distribution paid to shareholders.

(e) Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in Other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

18. Borrowings

	Non-Current	
	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Deferred sales tax loans (unsecured) (Refer note below)	60.45	69.48
Less: Amount disclosed under "Other financial liabilities" (Refer note 22)	11.44	9.03
	49.01	60.45

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.

19. Other financial liabilities

	Non-Current	
	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Equalisation of lease rent	138.60	152.10
	138.60	152.10

20. Deferred tax liabilities (net)

	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Deferred tax liability		
Depreciation	2,332.60	2,362.37
Less: Deferred tax asset		
Provision for doubtful debts/ advances	51.75	46.39
Provision for impairment of receivables from FDC SA (Pty) Ltd.	138.76	-
Liabilities disallowed under Section 43B of the IT Act, 1961	780.60	645.93
Expenses debited in Statement of Profit and Loss but allowed for tax purpose in the following year	28.99	153.82
	1,000.10	846.14
Net deferred tax liability	1,332.50	1,516.23

21. Trade payables

	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Total outstanding dues of Micro and small enterprises	1,188.21	-
Total outstanding dues of creditors other than Micro and small enterprises	6,573.18	9,731.86
	7,761.39	9,731.86

Note:

- (A) Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 is provided as under for the year 2018-19, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act:

Particulars	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
(a) The principal amount remaining unpaid to any supplier due at end of each accounting year	39.17	-
(b) The interest due on the amount remaining unpaid to any supplier at end of each accounting year	1.09	-
(c) The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the year	1.09	-
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status its suppliers.

- (B) Terms and conditions of the creditors other than Micro and small enterprises:
Trade Payables are non interest bearing and are normally settled on 30-360 days terms.

22. Other financial liabilities

	Current	
	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Other financial liabilities carried at amortised cost		
Current maturities of long-term borrowings (Refer note 18)	11.44	9.03
Unpaid dividend (Refer note below)	108.23	110.62
Sundry deposits	1,149.92	1,183.14
Employee benefit payable	3,228.99	3,604.26
Due to directors	406.81	425.13
Equalisation of lease rent	13.50	13.50
Bank overdraft	12.49	262.23
Other payables (includes disputed liabilities, trade advances, etc.)	588.54	566.07
	5,519.92	6,173.98

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.

23. Other current liabilities

	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Advance from customers	201.77	153.42
Statutory dues payable	445.66	442.52
Other payables (Refer note 48)	-	107.58
	647.43	703.52

24. Provisions

For Employee benefits (Refer note 43)
For Others

31st March 2019
Rupees in lakhs

31st March 2018
Rupees in lakhs

1,010.01
1,504.25

1,302.94
1,490.00

2,514.26

2,792.94

Rupees in lakhs

Balance as on 1st April 2018
Provision made during the year
Provision utilised during the year
Balance as on 31st March 2019

Gratuity
benefits

Compensated
absences

Sales
returns

Total

325.13

977.81

1,490.00

2,792.94

214.07

369.53

1,558.47

2,142.07

(630.47)

(246.06)

(1,544.22)

(2,420.75)

(91.27)

1,101.28

1,504.25

2,514.26

Current
Non-current

(91.27)

1,101.28

1,465.25

2,475.26

-

-

39.00

39.00

Rupees in lakhs

Gratuity
benefits

Compensated
absences

Sales
returns

Total

Balance as on 1st April 2017
Provision made during the year
Provision utilised during the year
Balance as on 31st March 2018

163.17

867.43

1,490.00

2,520.60

252.99

343.19

1,428.20

2,024.38

(91.03)

(232.81)

(1,428.20)

(1,752.04)

325.13

977.81

1,490.00

2,792.94

Current
Non-current

325.13

977.81

1,454.00

2,756.94

-

-

36.00

36.00

25. Current tax liabilities (net)

Tax payable [Net of Income tax paid - Rs. 31,837.71 lakhs
(Previous year - Rs. 26,861.21 lakhs)]

31st March 2019
Rupees in lakhs

31st March 2018
Rupees in lakhs

1,501.75

1,779.14

1,501.75

1,779.14

Income tax expense recognised in Statement of Profit and Loss

Current tax

Current tax on profits for the year

Deferred tax

2018-2019
Rupees in lakhs

2017-2018
Rupees in lakhs

6,868.39
(183.73)

6,933.06
(220.74)

6,684.66

6,712.32

Income tax (expense)/ benefit recognised in Other comprehensive income

2018-2019
Rupees in lakhs

2017-2018
Rupees in lakhs

Tax on remeasurement losses on defined benefit plans

20.80

27.33

20.80

27.33

Income tax expense reconciliation

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
Profit before tax	23,663.54	24,063.23
Applicable tax rate	34.944%	34.608%
Tax as per applicable tax rate of parent company in India	8,268.99	8,327.80
Share of loss of joint venture	205.68	47.72
Tax on income not considered for tax purpose	(584.49)	(323.17)
Tax on tax exempt income	(475.78)	(1,064.14)
Tax on incentives	(623.79)	(385.90)
Tax on additional allowances for capital (gain)/ loss	(120.82)	219.76
Others (net)	23.92	17.67
Effect of tax rate of foreign subsidiaries (net)	(9.05)	(127.42)
Income tax expense charged to the Statement of Profit and Loss	6,684.66	6,712.32

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

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
Increase/ (Decrease) in Deferred tax liability		
Depreciation	(29.77)	(165.65)
	(29.77)	(165.65)
Less: Increase/ (decrease) in Deferred tax asset		
Provision for doubtful debts/ advances	5.36	(1.01)
Provision for impairment of receivables from FDC SA (Pty) Ltd.	138.76	-
Liabilities disallowed under Section 43B of the IT Act, 1961	134.67	49.11
Expenses debited in Statement of Profit and Loss but allowed for tax purpose in the following year	(124.83)	6.99
	153.96	55.09
Net deferred tax (income) recognised in Statement of Profit and Loss	(183.73)	(220.74)

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 2023	115.60
	115.60

Break-up of Financial liabilities carried at amortised cost

	Non-Current		Current	
	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Borrowings (Refer note 18 and 22)	49.01	60.45	11.44	9.03
Trade payables (Refer note 21)	-	-	7,761.39	9,731.86
Other financial liabilities (Refer note 19 and 22)	138.60	152.10	5,508.48	6,164.95
Total Financial liabilities carried at amortised cost	187.61	212.55	13,281.31	15,905.84

26. Revenue from operations

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
Sale of products (Refer note 46 and 55)	108,236.61	107,128.68
Other operating revenue (Refer note 46)	833.14	1,179.89
	<u>109,069.75</u>	<u>108,308.57</u>
<u>Other operating revenue</u>		
Export incentive	580.71	459.52
Other miscellaneous receipts	252.43	720.37
	<u>833.14</u>	<u>1,179.89</u>

27. Other income

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
a) Interest income on financial assets carried at amortised cost		
Current investments	17.73	21.89
Non-current investments	307.12	133.26
Others (Refer note below)	219.39	125.01
b) Dividend income on		
Current investments	1,248.43	3,053.72
Non-current investments	1.87	-
c) Others		
Net gain on sale of investments	345.74	-
Fair value gain on financial instruments at fair value through profit or loss	1,672.64	933.80
Net exchange gain on foreign currency transactions	236.63	335.68
Net gain on disposal of property, plant and equipment	21.44	63.38
Other non operating income (Includes rental income, miscellaneous provisions written back)	275.85	429.71
	<u>4,346.84</u>	<u>5,096.45</u>

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

**28. Cost of materials consumed
(Raw materials and Packing materials)**

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
Inventory at the beginning of the year	6,692.60	4,629.46
Add: Purchases	29,112.69	29,490.56
	<u>35,805.29</u>	<u>34,120.02</u>
Less: Inventory at the end of the year	5,807.93	6,692.60
	<u>29,997.36</u>	<u>27,427.42</u>

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

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
Inventory at the end of the year		
Finished goods	7,966.28	6,172.41
Stock-in-trade	1,435.38	1,302.43
Work-in-progress	2,169.30	1,881.42
	11,570.96	9,356.26
Inventory at the beginning of the year		
Finished goods	6,172.41	6,155.07
Stock-in-trade	1,302.43	1,460.48
Work-in-progress	1,881.42	1,471.33
	9,356.26	9,086.88
	(2,214.70)	(269.38)
Change in Inventories		
Finished goods	(1,793.87)	(17.34)
Stock-in-trade	(132.95)	158.05
Work-in-progress	(287.88)	(410.09)
	(2,214.70)	(269.38)

30. Employee benefits expense

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
Salaries, wages and bonus (Refer note 43)	20,523.50	19,592.16
Contribution to provident and other funds (Refer note 42 and 43)	1,530.76	1,567.91
Staff welfare expenses	503.19	506.56
	22,557.45	21,666.63

31. Finance costs

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
Interest expense	108.01	108.75
Bank charges	35.82	31.74
	143.83	140.49

32. Depreciation and amortisation expense

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
Depreciation on property, plant and equipment	3,152.05	3,340.00
Amortisation of intangible assets	171.83	173.97
	3,323.88	3,513.97

33. Other expenses

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
Processing charges	1,292.12	1,266.26
Power, fuel and water charges	2,461.31	2,200.02
Repairs and maintenance		
Building	663.93	482.26
Plant and machinery	714.85	607.74
Others	1,075.70	900.73
Labour contract expenses	1,253.08	1,153.74
Stores and spares	1,225.42	1,466.46
Pharma Miscellaneous expenses	1,880.96	1,637.18
Rent (including lease rent) (Refer note 47)	543.72	576.61
Rates and taxes	96.83	103.14
Insurance	208.73	232.05
Travelling and conveyance	4,281.29	4,514.31
Communication expenses	233.52	202.23
Carriage, freight and forwarding	2,402.52	2,211.27
Advertisement and sales promotion	1,654.68	1,141.21
Publicity expenses	2,961.14	3,380.63
Sales tax/ Value added tax/ GST paid	177.46	153.34
Commission	696.12	709.92
Auditor's remuneration		
As audit fee	34.00	34.00
For other services	7.03	3.26
Out of pocket expenses	2.62	2.89
Legal and Professional charges	532.03	479.92
Directors sitting fees	5.70	6.27
Bad debts	-	3.99
Allowances for credit loss	16.01	-
Donation	21.43	49.33
CSR Expenditure (Refer note 51)	207.17	117.94
Loss on sale of investments (net)	-	635.01
Miscellaneous expenses	4,247.44	3,692.03
	28,896.81	27,963.74

34. Earnings per share (EPS)

	2018-2019	2017-2018
Profit for the year (Rupees in lakhs)	16,978.88	17,350.91
Weighted average number of shares	174,403,084	177,804,892
Nominal value per share (Rupees)	1.00	1.00
Earnings per share - Basic (Rupees)	9.74	9.76
- Diluted (Rupees)	9.74	9.76

35. Components of Other comprehensive income

During the year ended 31st March 2019

During the year ended 31st March 2019

	Rupees in lakhs			
	Retained earnings	FVTOCI reserve	Foreign currency translation reserve	Total
Remeasurement losses on defined benefit plans (net of tax)	(38.73)	-	-	(38.73)
Loss on FVTOCI financial assets (net)	-	(50.40)	-	(50.40)
Exchange differences in translating financial statements of foreign operations	-	-	22.83	22.83
	(38.73)	(50.40)	22.83	(66.30)

During the year ended 31st March 2018

	Retained earnings	FVTOCI reserve	Foreign currency translation reserve	Rupees in lakhs Total
Remeasurement losses on defined benefit plans (net of tax)	(51.63)	-	-	(51.63)
Gain on FVTOCI financial assets (net)	-	24.02	-	24.02
Exchange differences in translating financial statements of foreign operations	-	-	204.13	204.13
	<u>(51.63)</u>	<u>24.02</u>	<u>204.13</u>	<u>176.52</u>

36. Dividend distribution made and proposed:

	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
The following dividends on equity shares were declared and paid by the Company during the year:		
Final dividend for the year ended 31st March 2017 - Rs. 2.25 per equity share	-	4,001.27
Tax on final dividend	-	814.56
	<u>-</u>	<u>4,815.83</u>
The following dividends on equity shares are proposed by the Company:		
Proposed dividend for the year ended 31st March 2019 - Rs. Nil per equity share	-	-
(Previous year - Rs. Nil per equity share)	-	-
Tax on proposed dividend	-	-
	<u>-</u>	<u>-</u>

37. 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 does not have any exposure to any interest bearing debt instruments.

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 2019	+1% -1%	36.58 (36.58)	23.92 (23.92)
31st March 2018	+1% -1%	18.88 (18.88)	12.35 (12.35)

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 2019			31st March 2018		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Trade payables	7,761.39	-	7,761.39	9,731.86	-	9,731.86
Borrowings	11.44	49.01	60.45	9.03	60.45	69.48
Other financial liabilities	5,508.48	138.60	5,647.08	6,164.95	152.10	6,317.05

38. 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 instruments by categories as at the balance sheet date were as follows:

Particulars	Carrying Value		Fair Value	
	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Financial assets:				
FVTOCI financial investments	155.31	205.71	155.31	205.71
FVTPL financial investments	50,713.60	44,965.89	50,713.60	44,965.89
Total	50,868.91	45,171.60	50,868.91	45,171.60

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 2017	31.20
Re-measurement recognised in OCI	24.02
As at 31st March 2018	55.22
Re-measurement recognised in OCI	(50.40)
As at 31st March 2019	4.82

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 measured at fair value as on 31st March 2019:

Rupees in lakhs

Financial assets:	As on 31st March 2019	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
<u>Investments</u>				
Mutual Funds	50,313.40	50,313.40	-	-
Non-Convertible debentures	400.20	-	400.20	-
Quoted equity instruments	154.68	154.68	-	-
Unquoted equity instruments	0.63	-	-	0.63
Total	50,868.91	50,468.08	400.20	0.63

The following table represents the fair value hierarchy of Financial assets measured at fair value as on 31st March 2018:

Rupees in lakhs

Financial assets:	As on 31st March 2018	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
<u>Investments</u>				
Mutual Funds	44,965.89	44,965.89	-	-
Quoted equity instruments	205.08	205.08	-	-
Unquoted equity instruments	0.63	-	-	0.63
Total	45,171.60	45,170.97	-	0.63

There have been no transfers between Level 1 and Level 2 during the period.

39. 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 2019 and 31st March 2018.

The Group maintains a strong capital base and the primary objective of 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.

40. 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 Pharmaceuticals SA (Pty) Ltd.	Republic of South Africa	49% (Previous year – 49%)

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

	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
<u>Contingent Liabilities</u>		
a. <u>Disputed tax matters</u>		
Income tax (Appealed by the Company)	926.81	1,160.77
Excise duty (Appealed by the Company)	140.21	116.02
Sales Tax (Appealed by the Company)	120.46	120.46
b. In respect of guarantees given by banks	348.48	519.36
c. Letter of credit issued by bankers	67.64	303.15
d. Estimated amount of duty payable on export obligation against outstanding advance licences	31.59	25.36
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 had filed writ petition before the Hon'ble Supreme Court of India for stay of 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.	559.29	517.02
<u>Commitments</u>		
Estimated amount of capital contracts remaining to be executed and not provided for (net of advances paid)	894.59	428.09

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 statements. 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 2019 (Previous year – Rs. 2,250.00 lakhs).

42. Contribution to Provident Fund as per Supreme Court Judgment

The Hon'ble Supreme Court of India ("SC") by their order dated 28th February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purpose of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. As per the Group's management, the liability for the period from date of the SC order to 31st March 2019 is not significant. Further, in view of the pending decision on the subject review petition filed and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the books accounts.

43. Disclosure of Employee benefits:

As per IndAS 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 30) as under:

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
Employer's Contribution to Provident Fund	425.90	411.26
Employer's Contribution to Pension Scheme	452.65	477.00
Employer's Contribution to Superannuation Fund	67.91	63.85

Defined Benefit Plan

The employees' gratuity fund scheme managed by trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The Company irrevocably contributes funds to a separate Gratuity Trust which is recognised by Income tax authorities.

	Rupees in lakhs	
	Gratuity	
	Funded Plan	
	31st March 2019	31st March 2018
I. Change in Benefit Obligation		
Liability at the beginning of the year	1,914.93	1,620.59
Interest Cost	137.49	108.09
Current Service Cost	190.73	171.51
Past Service Cost	-	70.61
Benefit Paid	(159.54)	(155.08)
Actuarial (gain)/ loss arising from changes in demographic assumptions	(24.95)	-
Actuarial (gain)/ loss arising from changes in financial assumptions	112.55	(33.14)
Actuarial (gain)/ loss arising from changes in experience adjustments	2.08	132.35
Liability at the end of the year	2,173.29	1,914.93
II. Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	1,589.80	1,457.42
Return on Plan assets	114.15	97.21
Contributions	690.00	170.00
Benefit Paid	(159.54)	(155.08)
Actual gain/ (loss) on Plan Assets	30.15	20.25
Fair Value of Plan Assets at the end of the year	2,264.56	1,589.80
III. Amount recognised in the Consolidated Balance Sheet		
Liability at the end of the year	(2,173.29)	(1,914.93)
Fair Value of Plan Assets at the end of the year	2,264.56	1,589.80
Amount recognised in the Consolidated Balance Sheet	91.27	(325.13)
IV. Net Interest Cost for Current Period		
Interest Cost	137.49	108.09
Interest Income	(114.15)	(97.21)
Net Interest Cost for Current Period	23.34	10.88

	Gratuity	
	Funded Plan	
	31st March 2019	31st March 2018
V. Expense recognised in the Consolidated Statement of Profit and Loss		
Current Service Cost	190.73	171.51
Net Interest Cost for current period	23.34	10.88
Past Service Cost	-	70.61
Expense recognised in the Consolidated Statement of Profit and Loss	214.07	253.00
VI. Expense recognised in the Consolidated Other Comprehensive Income (OCI)		
Actuarial (gain)/ loss on Obligations for the period	89.68	99.21
Return on Plan Assets excluding Interest Income	(30.15)	(20.25)
Net Expense recognised in the Consolidated OCI	59.53	78.96
VII. Investment Details		
Government of India Assets	112.27	112.27
Corporate Bonds	15.00	30.24
Public Sector Bonds	619.92	628.63
State Government	1,299.30	670.51
Equity	166.87	136.87
Others	51.20	11.28
Total	2,264.56	1,589.80
VIII. Actuarial Assumptions		
Discount Rate Current	6.96%	7.18%
Rate of Return on Plan Assets Current	6.96%	7.18%
Employee Attrition rate - Field	20% to 40%	30.00%
Employee Attrition rate - Others	10% to 30%	15.00%
Salary Escalation Current	8.00%	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	376.34	448.33
Between 2 and 5 years	1,001.00	1,020.19
Sum of 6 to 10 years	960.24	705.42
Sum of 11 years and above	921.26	379.47
X. Sensitivity Analysis for significant assumptions		
Benefit Obligation as at the end of the year	2,173.29	1,914.93
Increase/ (decrease) in Present Value of Benefit Obligation as at the end of the year:		
Effect of +1% change in Rate of Discounting	(97.22)	(61.17)
Effect of -1% change in Rate of Discounting	107.68	66.29
Effect of +1% change in Rate of Salary Increase	99.23	62.62
Effect of -1% change in Rate of Salary Increase	(92.14)	(59.26)
Effect of +1% change in Rate of Employee Turnover	(9.01)	(3.90)
Effect of -1% change in Rate of Employee Turnover	9.55	3.90
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 Group expects to contribute Rs. 117.09 lakhs to gratuity in next year (Previous year – Rs. 515.85 lakhs).		

The liability for leave encashment as at the year end is Rs. 990.15 lakhs (Previous year – Rs. 871.17 lakhs) and provision for sick leave as at the year end is Rs. 111.13 lakhs (Previous year – Rs. 106.64 lakhs).

44. 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	2018-2019	90,334.14	18,735.61	109,069.75
	2017-2018	93,641.68	14,666.89	108,308.57
Carrying amount of Non-Current Assets by location of assets	31st March 2019	69,637.82	371.45	70,009.27
	31st March 2018	68,689.11	389.11	69,078.22

Non Current Assets for this purpose consists of Property, plant and equipment, Capital work-in-progress, Other intangible assets and Other non-current assets.

The Group does not have any customer with whom revenue from transactions is more than 10% of Group's total revenue.

45. 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 Pharmaceuticals SA (Pty) Ltd.

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

- | | |
|---|-----------------------------------|
| - Mr. Mohan A. Chandavarkar | Managing Director |
| - Mr. Ashok A. Chandavarkar | Executive Director |
| - Mr. Nandan M. Chandavarkar | Joint Managing Director |
| - Mr. Ameya A. Chandavarkar | Executive Director |
| - Ms. Nomita R. Chandavarkar | Executive Director |
| - Dr. Rahim H. Muljani (Resigned w.e.f. 01.04.2019) | Independent Director |
| - Dr. Satish S. Ugrankar (Resigned w.e.f. 01.04.2019) | Independent Director |
| - Mr. Vinod G. Yennemadi (Resigned w.e.f. 01.04.2019) | Independent Director |
| - Ms. Swati S. Mayekar | Independent Director |
| - Mr. Uday Kumar Gurkar | Chairman and Independent Director |
| - Mr. Sanjay Jain | Chief Financial Officer |
| - Ms. Varsharani Katre | Company Secretary |

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

- Anand Chandavarkar Foundation
- Leo Advisors Private Limited
- Virgo Advisors Private Limited
- SFA Events Private Limited
- Shree Trust

Post-employment benefit plans:

- FDC Employees Gratuity Fund
- FDC Employees Superannuation Fund

Nature of transactions:

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
1 <u>Interest income</u>		
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	16.12	18.36
2 <u>Donation paid</u>		
Anand Chandavarkar Foundation	20.00	8.00
3 <u>Corporate Social Responsibility</u>		
Shree Trust	75.00	-
4 <u>Sales Promotional expenses incurred</u>		
SFA Events Private Limited	22.15	14.00
5 <u>Managerial remuneration*</u>		
Mr. Mohan A. Chandavarkar	218.95	211.03
Mr. Ashok A. Chandavarkar	148.75	148.53
Mr. Nandan M. Chandavarkar	174.68	175.54
Mr. Ameya A. Chandavarkar	121.16	121.46
Ms. Nomita R. Chandavarkar	58.79	59.31
Dr. Rahim H. Muljiani	3.40	3.55
Dr. Satish S. Ugrankar	2.45	2.60
Mr. Vinod G. Yennemadi	3.40	3.55
Ms. Swati S. Mayekar	3.40	3.55
Mr. Uday Kumar Gurkar	3.05	2.95
Mr. Sanjay Jain	70.77	64.68
Ms. Varsharani Katre	23.67	20.56
	832.47	817.31
6 <u>Dividend on equity shares paid</u>		
Mr. Mohan A. Chandavarkar	-	427.96
Mr. Nandan M. Chandavarkar	-	122.53
Mr. Ameya A. Chandavarkar	-	241.21
Ms. Nomita R. Chandavarkar	-	127.87
Dr. Rahim H. Muljiani	-	0.09
Dr. Satish S. Ugrankar	-	9.04
Mr. Vinod G. Yennemadi	-	0.31
Ms. Sandhya M. Chandavarkar	-	435.50
Ms. Meera R. Chandavarkar	-	769.26
Ms. Aditi C. Bhanot	-	27.00
Leo Advisors Private Limited	-	363.02
Virgo Advisors Private Limited	-	242.01
	-	2,765.80
7 <u>Buyback of Shares</u>		
Mr. Mohan A. Chandavarkar	-	1,115.23
Mr. Nandan M. Chandavarkar	-	319.31
Mr. Ameya A. Chandavarkar	-	628.59
Ms. Nomita R. Chandavarkar	-	333.21
Dr. Satish S. Ugrankar	-	22.34
Mr. Vinod G. Yennemadi	-	1.22
Ms. Sandhya M. Chandavarkar	-	1,134.90
Ms. Meera R. Chandavarkar	-	2,005.11
Ms. Aditi C. Bhanot	-	70.36
Leo Advisors Private Limited	-	946.00
Virgo Advisors Private Limited	-	630.67
	-	7,206.94
8 <u>Loan granted</u>		
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	86.11	-

Note: * Including perquisites, contribution to Provident fund and other funds but excludes gratuity and compensated absences as the provision is computed for the Company as a whole and separate figures are not available.

Outstanding amount of Related Parties:

	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
1 <u>Outstanding balances against loan granted included in Current portion of Financial Assets – Loans</u>		
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.**	*42.40	281.09
2 <u>Outstanding balances against interest on loan granted included in Current portion of Other Financial Assets</u>		
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.**	50.39	40.42
3 <u>Outstanding Reimbursement of expenses receivable included in Other Current Assets</u>		
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.**	18.42	19.23
4 <u>Outstanding balances payable included in Other Financial Liabilities</u>		
Mr. Mohan A. Chandavarkar	116.41	118.61
Mr. Ashok A. Chandavarkar	92.20	94.89
Mr. Nandan M. Chandavarkar	93.07	94.89
Mr. Ameya A. Chandavarkar	69.57	71.17
Ms. Nomita R. Chandavarkar	35.32	35.58
Dr. Rahim H. Muljani	2.00	2.00
Dr. Satish S. Ugrankar	2.00	2.00
Mr. Vinod G. Yennemadi	2.00	2.00
Ms. Swati S. Mayekar	2.00	2.00
Mr. Uday Kumar Gurkar	2.00	2.00
Mr. Sanjay Jain	3.30	-
Ms. Varsharani Katre	1.44	-
	421.31	425.14

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. 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.

*The amount shown as "Outstanding balances against loan granted" is after adjusting negative carrying amount of interests in Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd. of Rs. 274.60 lakhs.

**For the year ended 31st March 2019, the Group has recorded for impairment of Rs. 111.21 lakhs receivables from Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd. relating to amounts owed by related parties (Previous year – Rs. Nil).

46. Disclosure under Ind AS 115 - "Revenue from contracts with customers"

The Group is engaged into manufacturing of pharmaceutical products. There is no impact on the Group's revenue on applying Ind AS 115 from the contract with customers.

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
A) Disaggregation of revenue from contracts with customers		
1) <u>Revenue from contracts with customers</u>		
<u>Sale of products (transferred at point in time)</u>		
Domestic Sales		
Formulation	89,346.97	92,372.07
Bulk Drugs	303.14	213.94
Sub total (a)	89,650.11	92,586.01
Export Sales		
Formulation	10,248.30	8,156.50
Bulk Drugs	5,108.21	3,924.69
	15,356.51	12,081.19
Profit share – Formulation	3,229.99	2,461.48
Sub total (b)	18,586.50	14,542.67
Total (a+b)	108,236.61	107,128.68
2) <u>Other operating revenue</u>		
Export incentives	580.71	459.52
Other miscellaneous receipts	252.43	720.37
	833.14	1,179.89
Total Revenue	109,069.75	108,308.57
B) Sales by performance obligations		
Upon shipment	8,664.77	3,916.32
Upon delivery	96,341.85	100,750.88
Profit share – Formulation	3,229.99	2,461.48
	108,236.61	107,128.68
C) Reconciliation of revenue from contract with customer		
Revenue from contract with customer as per the contract price	110,864.50	110,147.95
Adjustments made to contract price on account of :		
a) Discounts/ Rebates/ Incentives/ Late delivery charges	798.11	1,262.50
b) Sales Returns/ Credits/ Reversals	1,829.78	1,756.77
Revenue from contract with customer	108,236.61	107,128.68
Other operating revenue	833.14	1,179.89
Revenue from operations	109,069.75	108,308.57

47. 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 33). Lease rent debited to Statement of Profit and Loss is Rs. 543.72 lakhs (Previous year – Rs. 576.61 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 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Within one year	526.50	526.50
After one year but not more than five years	1,206.56	1,733.06
More than five years	-	-

48. 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 2019	Percentage of Ownership Interest as on 31st March 2018
1.	Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	Republic of South Africa	49%	49%

Summarised financial information of the joint venture is given below:

	31st March 2019 Rupees in lakhs	31st March 2018 Rupees in lakhs
Non-current assets	37.12	53.82
Current assets [including Cash and cash equivalents – Rs. 25.04 lakhs (Previous year - Rs. 5.05 lakhs)]	160.49	574.48
Non-current liabilities	-	-
Current liabilities	(758.01)	(874.85)
Net Assets	(560.40)	(219.55)
Group's share of Net Assets (49%)	(274.60)	(107.58)
Carrying amount of interests in joint venture	(274.60)	(107.58)

The negative carrying amount of interests in joint venture of Rs. 274.60 lakhs is adjusted against loan given by FDC Limited to joint venture of Rs. 317.00 lakhs shown as “Loans to related parties” under “Current financial assets” in the Consolidated Balance Sheet. In the previous year, 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 2019 in relation to the Group's interest in the joint venture along with the other venturers (Previous year – Rs. Nil).

	2018-2019 Rupees in lakhs	2017-2018 Rupees in lakhs
Revenue	305.38	467.16
Depreciation and amortisation	4.99	4.03
Interest expense	35.94	34.84
Income tax expense	3.69	(1.52)
Profit/ (Loss)	(116.13)	(97.39)
Other Comprehensive Income/ (Loss)	(303.62)	-
Total Comprehensive Income/ (Loss)	(419.75)	(97.39)
Group's share of Profit/ (Loss) (49%)	(56.90)	(47.72)
Group's share of OCI (49%)	(148.77)	-
Group's share of Total Comprehensive Income/ (Loss) (49%)	(205.68)	(47.72)

49. Exceptional items

Exceptional items in the Consolidated Statement of Profit and Loss for the year ended 31st March 2019 includes an impairment loss of Rs. 111.21 lakhs towards investment made, loan given and other receivables from the joint venture, being excess of its carrying value over the estimated recoverable amount considering the business outlook.

50. Revenue expenditure on research and development (including depreciation and amortisation) aggregating to Rs. 2,901.07 lakhs (Previous year - Rs. 2,487.02 lakhs) is included under relevant heads in the Consolidated Statement of Profit and Loss.

51. Amount spent towards Corporate Social Responsibility activities are as under:

- Gross amount required to be spent by the Company during the year is Rs. 448.69 lakhs (Previous year - Rs. 415.97 lakhs).
- Amount spent during the year is given hereunder:

Rupees in lakhs			
Sr. No.	Particulars of Activity	2018-2019	2017-2018
(i)	Construction/ acquisition of any asset	-	-
(ii)	On purpose other than (i) above	207.17	117.94
	Total	207.17	117.94

52. 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 2019		31st March 2018	
	Loan Given	Outstanding	Loan Given	Outstanding
<u>Intercompany Deposit given and utilised for business operation by recipient</u> - Oboi Laboratories Limited (repayable within 12 months with interest @ 11% p.a.)	-	-	25.00	25.00
<u>Loan given to joint venture for working capital/ business operations</u> - Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.* (repayable on demand)	86.11	317.00	-	281.09
<u>Investments</u> Details required under Section 186(4) have been disclosed in note 4 and 13 of the consolidated financial statements. *For the year ended 31st March 2019, the Group has recorded for impairment of loan given to Fair Deal Corporation Pharmaceuticals SA(Pty) Ltd. (Refer note 45 and 49).				

53. The Group does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

54. Amendments to the Indian Accounting Standards (Ind AS)

The MCA vide notification dated 11th October 2018 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. The Group has incorporated appropriate changes in the above results.

Ind AS 116 – Leases

The new standard on leases sets out the principles for the recognition, measurement, presentation and disclosure of the leases. The core objective of this standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions.

The Group is required to adopt Ind AS 116 - Leases from 1st April 2019. Ind AS 116 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17 - Leases.

The Group has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the consolidated financial statements in the period of initial application is not reasonably estimable as at present.

- the total assets and liabilities on the balance sheet will increase with a decrease in net total assets, due to the depreciation of right of use assets being on a straight line basis whilst the lease liability reduces by the principal amount of repayments;
- Interest expense will increase due to the unwinding of the effective interest rate implicit in the lease liability. Interest expense will be greater earlier in a lease's life, due to the higher principal value, causing profit variability over the term of lease. This effect may be partially mitigated due to the number of leases held by the Group at various stages of their terms; and
- operating cash flows will be higher and financing cash flows will be lower, as repayment of the principal portion of all lease liabilities will be classified as financing activities.

The Group plans to apply Ind AS 116 initially on 1st April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1st April 2019, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1st April 2019 and identified as leases in accordance with Ind AS 17.

Additional amendments to Ind AS

In addition to the above, the following amendments to existing standards have been issued, are not yet effective and are not expected to have a significant impact on the Groups's consolidated financial statements:

- Amendments to Ind AS 103 - Business Combinations, and Ind AS 111 - Joint Arrangements: This interpretation clarifies how an entity accounts for increasing its interest in a joint operation that meets the definition of a business.
- Amendments to Ind AS 109 - Financial Instruments: Amendments relating to the classification of particular pre payable financial assets.
- Amendments to Ind AS 12 - Income Taxes, clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income or equity. Further Appendix C, uncertainty over income tax treatments has been added to clarify how entities should reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination.
- Amendment to Ind AS 19 - Employee Benefits: The amendment to Ind AS 19 clarifies that on amendment, curtailment or settlement of a defined benefit plan, the current service cost and net interest for the remainder of the annual reporting period are calculated using updated actuarial assumptions – i.e. consistent with the calculation of a gain or loss on the plan amendment, curtailment or settlement. This amendment also clarifies that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. The entity then determines the effect of the asset ceiling after plan amendment, curtailment or settlement. Any change in that effect is recognised in Other comprehensive income (except for amounts included in net interest).
- Amendments to Ind AS 23 - Borrowing Costs, clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction.
- Amendments to Ind AS 28 - Long-term Interests in Associates and Joint Ventures: The amendments clarify that an entity applies Ind AS 109 - Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any long-term interests in associates and joint ventures.

The impact on adoption of above changes in standards is not material.

55. Effective from 1st July 2017, Sales are recorded net of GST whereas earlier sales were recorded gross of excise duty which formed part of expenses.
56. The disclosures regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December 2016 has not been made in this consolidated financial statement since the requirement does not pertain to financial year ended 31st March 2019.
57. Previous year figures have been regrouped/ reclassified wherever necessary to correspond with current year classification/ disclosures.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

VIKAS R. KASAT
Partner
Membership No : 105317

Place : Mumbai
Date : May 24, 2019

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN: 00043344

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

Place : Mumbai
Date : May 24, 2019

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

VARSHARANI KATRE
Company Secretary
Membership No : 8948

Rupees in lakhs

Name of the entity	31st March 2019								31st March 2018							
	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 Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount
Parent FDC Limited	99.06%	143,161.41	96.07%	16,311.54	100.00%	(66.30)	96.06%	16,245.24	98.81%	126,091.99	96.44%	16,733.50	100.00%	176.52	96.48%	16,910.02
Subsidiaries Foreign 1. FDC																
International Limited	0.90%	1,307.91	5.15%	874.23	0.00%	-	5.17%	874.23	1.23%	1,574.48	3.84%	666.24	0.00%	-	3.80%	666.24
2. FDC Inc.	0.04%	54.28	-0.01%	(1.21)	0.00%	-	-0.01%	(1.21)	0.04%	52.13	-0.01%	(1.11)	0.00%	-	-0.01%	(1.11)
Joint Ventures (Accounted as per equity method)																
Foreign Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	0.00%	-	-1.21%	(205.68)	0.00%	-	-1.22%	(205.68)	-0.08%	(107.58)	-0.27%	(47.72)	0.00%	-	-0.27%	(47.72)
	100.00%	144,523.60	100.00%	16,978.88	100.00%	(66.30)	100.00%	16,912.58	100.00%	127,611.02	100.00%	17,350.91	100.00%	176.52	100.00%	17,527.43

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR Managing Director DIN: 00043344	ASHOK A. CHANDAVARKAR Director DIN: 00042719
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VIKAS R. KASAT
Partner
Membership No : 105317

Place : Mumbai
Date : May 24, 2019

Notes:

[illegible]



FDC Limited

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