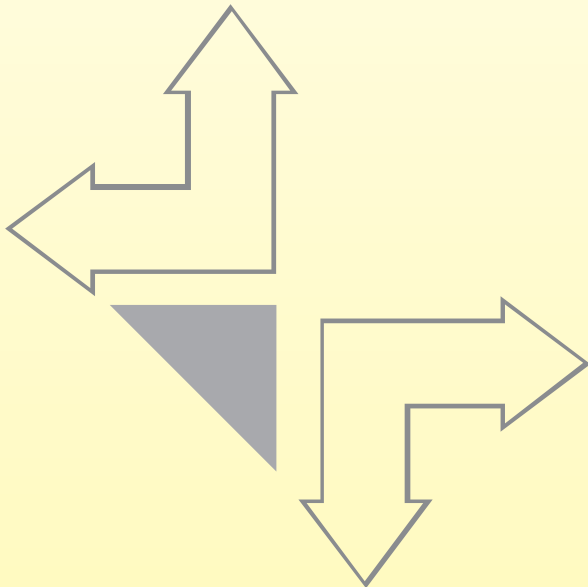
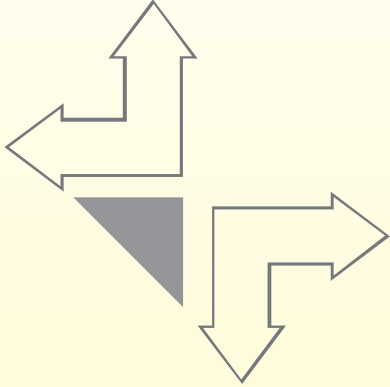




Carol Info Services Limited



**ANNUAL REPORT
2009-10**

Carol Info Services Limited

BOARD OF DIRECTORS

DR. G. B. PARULKAR
Chairman & Managing Director

ANIL KAMATH
Director

JAYANT MANMADKAR
Director

SURESH SHENOY
Director

AMRUTA AVASARE
Company Secretary

BANKERS

State Bank of India (CAG Branch)
ICICI Bank Ltd.
Bank of Baroda
HDFC Bank Ltd.

AUDITORS

M. P. Chitale & Co.

REGISTERED OFFICE

City Survey No. 681,
Village Nahur,
Mulund-Goregaon Link Road,
Bhandup (West),
Mumbai-400 078

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Carol Info Services Limited

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Thirtieth Annual Report of the Company and audited Accounts for the year ended March 31, 2010.

FINANCIAL PERFORMANCE

The summary of financial results for the year is given below:

	Year ended 31.03.2010	Year ended 31.03.2009
Operating Income	240,772	268,713
Other Income	2,863	4,397
Interest Income	305,869	221,441
Depreciation	55,902	56,747
Profit Before Exceptional Items & Tax	344,357	283,852
Exceptional Items – Income/(Expenses)	579,007	663,891
Profit Before Tax and After Exceptional Items	923,364	947,743
Provision for Tax	(256,581)	(138,306)
Deferred Tax (Liability)/Asset	9,306	(51,210)
Fringe Benefit Tax	—	(437)
Net Profit for the Year	676,089	757,790

(₹ in thousands)

SUBSIDIARIES AND OPERATIONS

There are no subsidiaries of the Company.

DIVIDEND AND RESERVES

Your Board has recommended a dividend of ₹ 2/- per equity share of face value ₹ 10/- each for the year ended March 31, 2010. It is recommended that an amount of ₹ 200,000 thousand be transferred to General Reserve and the Balance of ₹ 464,230 thousand be retained in Profit and Loss Account.

BOARD OF DIRECTORS

Mr. Rajiv Gandhi resigned from directorship of the Company on March 31, 2010. The Board of Directors wish to place on record their sincere appreciation for the valuable contribution made by Mr. Gandhi during his tenure of the office.

Mr. Suresh Shenoy retires by rotation as a Director at the upcoming Annual General Meeting and being eligible offers himself for re-appointment. Mr. Shenoy is graduated with Honours in Arts with Mathematics. He has pursued various professional courses like Data Communications and Networking and Emerging Trends in IT from Indian Institute of Management (IIM) – Ahmedabad. He has worked with IBM, Lupin, Unichem Labs and is presently providing consultancy to Wockhardt Ltd. His contribution & achievements have been appreciated in the field of Information Technology. He does not hold Directorship and committee position in any other company. He does not hold any shares/convertible instruments of the Company. The Board recommends his re-appointment at the forthcoming Annual General Meeting.

The Board appointed Mr. Jayant Manmadkar as an Additional Director on May 7, 2010 and he holds office upto the ensuing Annual General Meeting. The resolution for his appointment as a Director is being moved at the ensuing Annual General Meeting. The details of his appointment together with nature of his expertise in specific functional areas and names of the companies in which he holds office of a Director and/or the Chairman/Membership of committees of the Board, are provided in the notice of the ensuing Annual General Meeting. The Board recommends his appointment.

APPOINTMENT OF AUDITORS

M/s. M. P. Chitale & Co., Chartered Accountants retire as auditors of the Company at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

DEPOSITS

The Company has not accepted any deposits from the public during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217 (2AA) of the Companies Act, 1956, in relation to the financial statements for the year ended March 31, 2010, the Board of Directors state that:

- (i) the applicable accounting standards have been followed in preparation of the financial statements and there are no material departures from the said standards;
- (ii) in order to provide a true and fair view of the state of affairs of the Company as on March 31, 2010 and the profits for the year ended on that date, reasonable and prudent judgments and estimates have been made and generally accepted accounting policies have been selected and consistently applied;
- (iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the financial statements have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956

The Company does not have any employees to whom provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 apply.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are annexed to this report.

SECRETARIAL AUDIT

As directed by Securities and Exchange Board of India (SEBI), secretarial audit is being carried out at the specified periodicity by a practicing Company secretary. The findings of the secretarial audit were entirely satisfactory.

MANAGEMENT DISCUSSION & ANALYSIS REPORT AND CORPORATE GOVERNANCE

A detailed report on Corporate Governance along with the certificate on compliance with the conditions of corporate governance under clause 49 of the Listing Agreement and Management Discussion and Analysis Report are given separately in this Annual Report.

ACKNOWLEDGEMENTS

Your Directors acknowledge the impeccable service rendered by the employees of the Company at all levels. The Directors also take this opportunity to place on record their appreciation to the stakeholders, bankers and all others for their continued support to the Company.

For and on behalf of the
Board of Directors

Place : Mumbai
Date : May 27, 2010

DR. G. B. PARULKAR
Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2010.

I. CONSERVATION OF ENERGY

(1) **Energy conservation measures taken:**

No new energy conservation measures were taken during the year 2009-10.

(2) **Additional Investments and proposals being implemented for reduction of energy consumption:**

Replacement of Variable Frequency Drive at Homogenizer and Metal Halide Lamps in place of HPMV lamps is being carried out in Raw Material Stores, which will give a substantial saving.

(3) **Impact of measures taken at (1) above:**

N.A.

(4) **Total energy consumption and Energy Consumption per unit of production:**

	Year Ended 31.03.2010	Year Ended 31.03.2009
(A) Power & Fuel Consumption:		
1. Electricity		
a. Purchased		
Units (in millions)	1.684	1.618
Total Amount (in millions)	7.772	6.739
Rate/Unit (₹)	4.615	4.165
b. Own Generation Through Diesel Generator		
Units (in millions)	0.771	0.563
Units per litre of Diesel oil	3.37	3.32
Cost/Unit (₹)	8.52	9.32
2. Coal		Not Applicable
Quantity	—	—
Total Cost	—	—
Average Rate	—	—
3. Furnace Oil & LSHS		
Quantity (Kilo-litres)	1224.833	947.21
Total Amount (in million)	33.518	25.915
Average Rate	27.36	27.36
4. Natural Gas		Not Applicable
Quantity (unit NM ³)	—	—
Total Amount (in million)	—	—
Average Rate (₹/100 NM ³)	—	—

(B) **Consumption per unit of production:**

The consumption per unit depends on the product mix since it consists of different types of products. Hence there is no specific standard.

II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Imported Technology (imported during the last 5 years reckoned from the beginning of the financial year)

No technology has been imported during the last 5 years.

III. FOREIGN EXCHANGE EARNINGS & OUTGO

Total Foreign Exchange Used and Earned

	Year Ended 31.03.2010	Year Ended 31.03.2009
(₹ in thousand)		
(A) Total Foreign Exchange used		
(i) On input of raw materials, spare parts & capital goods	NIL	NIL
(ii) Expenditure in foreign currency for business travels, books & periodicals membership subscription, commission on sales and R & D expenses	NIL	NIL
(iii) Others	174	167
(B) Total Foreign Exchange Earned	NIL	NIL

REPORT ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) ushered in a formal code of corporate governance (hereafter the Code) through clause 49 in the listing agreement executed by the Company with stock exchanges. Clause 49 lays down several corporate governance practices which listed companies are required to adopt. The Code has been periodically upgraded to ensure the adoption of best corporate governance practices by the corporate. While most of the practices laid down in clause 49 require mandatory compliance, others are recommendatory in nature. This report sets out the compliance status of the Company with the requirements of corporate governance, as set out in clause 49, for the financial year 2009-10.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Carol Info Services Limited is committed to uphold the core values of transparency, integrity, honesty and accountability. The Company adopts the best practices in Corporate Governance in letter and spirit endeavoring to enhance shareholders value and interest of all other stakeholders.

BOARD OF DIRECTORS

As on March 31, 2010, the Board comprises of 3 directors of which 2 are independent & non-executive directors. The composition of the Board complies with the requirements of the Code.

The Board of Directors of the Company met nine times during the year viz on April 30, 2009, June 30, 2009, July 28, 2009, July 31, 2009, August 24, 2009, August 28, 2009, October 31, 2009, December 17, 2009 and January 29, 2010.

The composition of the Board of Directors along with the number of outside directorships and committee positions as on March 31, 2010, attendance of directors at the Board meetings and at the Annual General Meeting held during the year under review are given in the table below:

Name of the Director	Category of Directorship	No. of other Directorships Held ⁽²⁾	No. of other Board Committees of which Member/Chairman ⁽³⁾	Number of Board meetings attended	Attendance at the last AGM
Dr. G. B. Parulkar, Chairman & Managing Director	Whole-time Director (Executive)	1	Nil	9	Yes
Mr. R. B. Gandhi ⁽¹⁾	Non-Executive (Independent)	2	1 (as Chairman)	9	Yes
Mr. Anil Kamath	Non-Executive (Independent)	6	2 (as Member)	8	Yes
Mr. Suresh Shenoy	Non-Executive (Independent)	None	None	9	No

(1) Resigned w.e.f. March 31, 2010.

(2) The number of other directorships is calculated as per Section 275 of the Companies Act, 1956. It excludes Private Limited Companies, Foreign Companies, Companies under Section 25 of the Companies Act, 1956 and Alternate directorships.

(3) This includes the Chairmanship/Membership only in the Audit Committee and Shareholders' Grievance Committee of all listed and unlisted public limited companies.

Mr. Jayant Manmadkar was appointed on the Board as a Non-Executive (Independent) Director w.e.f. May 7, 2010 and hence the present strength of the Board is Four.

None of the Non-executive Directors hold any shares/convertible instruments of the Company. Further, none of the directors are related inter-se.

The details of the Director seeking re-appointment at the forthcoming Annual General Meeting as required under Clause 49(IV)(G) of the Listing Agreement are given in the Directors' Report.

AUDIT COMMITTEE

The Terms of Reference of the Audit Committee are in accordance with Section 292A of the Companies Act, 1956 and the guidelines set out in the listing agreements with the Stock Exchanges that *inter alia* include a review of financial reporting process, draft financial statements and auditors' report (before submission to the board), accounting policies and practices, internal controls and internal audit systems, risk management policies and practices, related party transactions, internal audit reports and adequacy of internal audit function.

The role of the audit committee includes recommending the appointment and removal of external auditor, discussion of audit plan, fixation of audit fee and also approval for payment of any other services.

During the year under review, six meetings of the Audit Committee were held on April 30, 2009, June 30, 2009, July 31, 2009, August 28, 2009, October 31, 2009 and January 29, 2010.

Carol Info Services Limited

The composition of the Audit Committee as on March 31, 2010 and the particulars of attendance at the committee meetings during the year under review are given below:

Name of Director/Member	Category of Directorship	Qualification/Competence	No. of Meetings Attended
Mr. Anil Kamath, (Chairman) ⁽¹⁾	Non-Executive (Independent)	B.Com. (Hons.), MIMA, AMRSH (Lon.), MBIM (Lon.), FCA	5
Mr. R. B. Gandhi ⁽²⁾	Non-Executive (Independent)	B.Com. (Hons.), FCA, ACS	6
Mr. Suresh Shenoy	Non-Executive (Independent)	BA (Hons.) with Mathematics	6
Dr. G. B. Parulkar ⁽³⁾	Executive	M.D. Internationally acclaimed Cardio Vascular Surgeon	N.A.

(1) Mr. Anil Kamath was appointed as Chairman of the committee w.e.f. March 31, 2010. He was a member of the committee till March 31, 2010.

(2) Mr. Rajiv Gandhi ceased to be Chairman/Member of the committee w.e.f. March 31, 2010.

(3) Dr. G. B. Parulkar was appointed as Member of the committee w.e.f. March 31, 2010 and he ceased to be a member w.e.f. May 7, 2010.

Mr. Jayant Manmadkar was appointed as Chairman of the Audit committee w.e.f. May 7, 2010 and the committee was re-constituted. The re-constituted Audit committee consists of 3 members with Mr. Jayant Manmadkar (Chairman), Mr. Anil Kamath (member) and Mr. Suresh Shenoy (member).

Mr. Vijay Khetan was secretary of the Audit committee till May 7, 2010 and with effect from May 7, 2010, Ms. Amruta Avasare, Company Secretary acts as a Secretary of the Audit Committee.

The statutory auditors, head of internal audit and finance are invited to attend and participate at the meetings from time to time.

INVESTORS GRIEVANCE COMMITTEE

The Investors Grievance Committee which specifically looks into redressing of shareholders and investors complaints such as transfer of shares, non-receipt of shares, non-receipt of dividends and to ensure expeditious share transfer process. During the year ended March 31, 2010, four meetings of the Investor Grievance Committee were held on April 30, 2009, July 31, 2009, October 31, 2009 and January 29, 2010.

The composition of the Investor Grievance Committee as on March 31, 2010 and the particulars of attendance at the committee meetings during the year under review are given below:

Name of Director/Member	Category	No. of Meetings Attended
Mr. Anil Kamath, (Chairman) ⁽¹⁾	Non-Executive (Independent)	3
Mr. R. B. Gandhi ⁽²⁾	Non-Executive (Independent)	4
Mr. Suresh Shenoy	Non-Executive (Independent)	4
Dr. G. B. Parulkar ⁽³⁾	Executive	N.A.

(1) Mr. Anil Kamath was appointed as Chairman of the committee w.e.f. March 31, 2010. He was a member of the committee till March 31, 2010.

(2) Mr. Rajiv Gandhi ceased to be Chairman/Member of the committee w.e.f. March 31, 2010.

(3) Dr. G. B. Parulkar was appointed as Member of the committee w.e.f. March 31, 2010 and he ceased to be a member w.e.f. May 7, 2010.

Mr. Jayant Manmadkar was appointed as Chairman of the Investor Grievance Committee w.e.f. May 7, 2010 and the committee was re-constituted. The re-constituted Investor Grievance Committee consists of 3 members with Mr. Jayant Manmadkar (Chairman), Mr. Anil Kamath (member) and Mr. Suresh Shenoy (member).

The Board has designated Ms. Amruta Avasare as Compliance Officer of the Company w.e.f. May 7, 2010. Mr. Vijay Khetan was acting as Compliance Officer of the Company till May 7, 2010.

During the year under review, the Company received and resolved 27 communications from the shareholders as per the summary given below:

Nature of communication	Received	Resolved
Non-receipt of demat credit/remat credit	0	0
Non-receipt of dividend warrants	4	4
Non-receipt of share certificates	15	15
Non-receipt of rejected DRF	1	1
Non-receipt of annual report	1	1
Non-receipt of exchange certificates	3	3
Others	3	3

As on March 31, 2010, no complaint was pending.

REMUNERATION OF DIRECTORS

(a) Remuneration of Chairman & Managing Director

The remuneration of Dr. G. B. Parulkar, Chairman & Managing Director was fixed by the Board and approved by the shareholders at the Annual General Meeting held on September 28, 2007. The remuneration of ₹ 200,000/- has been paid to Dr. G. B. Parulkar for the year 2009-10 as per the shareholder's resolution.

(b) Independent Non-Executive Directors (INEDs)

During the year, the INEDs were neither paid any remuneration or sitting fees nor granted any loans or advances.

GENERAL BODY MEETINGS

Details of last three Annual General Meetings are as under:

AGM	Day, Date and Time of AGM	Venue	Special Resolutions Passed
27th AGM	Friday, September 28, 2007 at 3.00 p.m.	Merind Limited, Mulund-Goregaon Link Road, Bhandup (W), Mumbai-400 078	One special resolution was passed unanimously by show of hands for approval of appointment of Dr. G. B. Parulkar as Managing Director and fixing his remuneration.
28th AGM	Tuesday, September 30, 2008 at 3.00 p.m.	Merind Limited, Mulund-Goregaon Link Road, Bhandup (W), Mumbai-400 078	None
29th AGM	Wednesday, September 30, 2009 at 3.00 p.m.	Merind Limited, Mulund-Goregaon Link Road, Bhandup (W), Mumbai-400 078	None

Postal Ballot:

During the year under review, no special resolution was passed through postal ballot. Further, no special resolutions are proposed to be passed through postal ballot at the ensuing Annual General Meeting.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

As required by Clause 49 of the listing agreement, a separate report on Management Discussion and Analysis Report is published separately in this Annual Report.

DISCLOSURES

(a) Legal Compliances

The Company follows a formal management policy and system of legal compliance & reporting to facilitate periodical review by the Board of compliance status of laws applicable to the Company and steps taken to rectify non-compliances, if any.

There were no instances of material non-compliance and no strictures or penalties were imposed on the Company either by SEBI, Stock Exchanges or any statutory authorities on any matter related to capital markets during the last three years.

The Managing Director and Chief Financial Officer (CFO) have certified to the Board with regards to the Financial Statements and other matters as required in the Listing Agreement.

(b) Code of Business Conduct and Ethics

The Code of Business Conduct and Ethics adopted by the Company has been posted on the web site of the Company. The members of the Board and senior management of the Company have submitted their affirmation on compliance with the Code of Business Conduct for the effective period. The declaration by the Managing Director to that effect forms part of this report as Annexure 1.

(c) Related Party Transactions

The Independent directors on the Company's Board do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or their relatives, which in the judgment of the Board affect the independence of judgment of the Directors or which may have a potential conflict with interests of the Company. Transactions with related parties are disclosed in detail in Schedule 23 annexed to the financial statements for the year. The register of contracts containing the transactions in which the Directors are interested, if any, is placed before the Board regularly.

Carol Info Services Limited

(d) Mandatory & Non-Mandatory Clauses

The Company has complied with all mandatory requirements laid down by the Clause 49. So far, the Company has not adopted the non-mandatory clauses of the clause 49 of the listing agreement.

(e) Risk Management Policy

The Company has defined and adopted a Risk Management Policy, which not only assesses the risks but also helps in timely rectification and minimization of these risks associated with strategic, operational, financial and compliance operations across all business operations. These control procedures and systems ensure that the Board is periodically informed on the material risks faced by the Company and the steps taken by the Company to alleviate those risks.

MEANS OF COMMUNICATION

The Company regularly intimates unaudited as well as audited financial results to the stock exchanges immediately after being approved by the Board. The quarterly, half yearly and annual results of the Company are generally published in one English daily newspaper (The Free Press Journal) and one Marathi newspaper (Navshakti). The quarterly, half yearly and annual results are also posted on Company's website, www.carolinfoservices.com.

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

The Certificate from Mr. Virendra Bhatt, Practicing Company Secretary regarding compliance of corporate governance for the year ended March 31, 2010 is enclosed along with this report as Annexure 2.

GENERAL SHAREHOLDER INFORMATION

1. 30TH ANNUAL GENERAL MEETING

Date & Time	Thursday, September 30, 2010 at 3.00 p.m.
Venue	Shagun Banquet Hall, Devidayal Road, L.B.S. Cross Road, Behind Fire Brigade Office, Mulund- West, Mumbai - 400 080.

2. TENTATIVE FINANCIAL CALENDAR FOR THE YEAR 2010-11

Financial Year	April 1 to March 31
First Quarter results	End of 15th August 2010
Second Quarter results	End of 15th November 2010
Third Quarter results	End of 15th February 2011
Results for year-end	End of May 2011
Annual General Meeting for the year ending March 31, 2011	End of September 2011

3. DATE OF BOOK CLOSURE FOR ANNUAL GENERAL MEETING AND FINAL DIVIDEND FOR THE YEAR ENDED MARCH 31, 2010

September 23, 2010 to September 30, 2010 (both days inclusive)

4. DIVIDEND PAYMENT DATE

The proposed dividend, if approved at the ensuing Annual General Meeting will be distributed at the end of October 2010.

5. LISTING ON STOCK EXCHANGES AND SECURITY CODES

Name of Stock Exchange	Security Code
<i>(A) Equity Share</i>	
Bombay Stock Exchange Limited (BSE)	500446
National Stock Exchange of India Limited (NSE)	CAROLINFO
<i>(B) Global depository Receipt (GDRs)</i>	
Luxembourg Stock Exchange	

The Company has paid the annual listing fees for the year 2010-11 to all of the above stock exchanges.

6. CORPORATE IDENTITY NUMBER (CIN)

L74999MH1979PLC021942

7. MARKET PRICE DATA

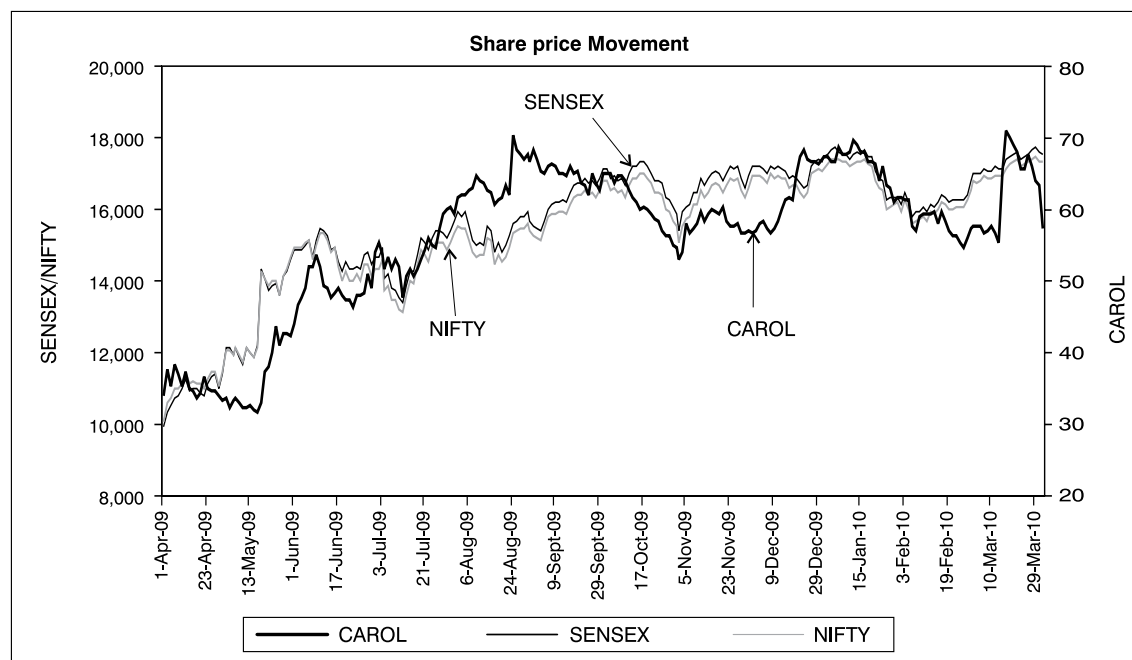
The closing market price of equity share on March 31, 2010 (last trading day of the year) was ₹ 57.45 on BSE and ₹ 61.55 on NSE.

The monthly movement of equity share prices during the year at BSE & NSE is summarized as herein below:

Monthly Share Price movement during 2009-10 at BSE & NSE						
Month	B S E			N S E		
	High	Low	Monthly Volume	High	Low	Monthly Volume
April 2009	39.90	32.95	192,888	39.80	33.20	157,521
May 2009	45.65	27.50	466,755	46.85	31.10	391,399
June 2009	58.80	42.05	2,596,199	58.05	42.00	1,814,862
July 2009	65.00	47.50	1,126,283	65.40	44.65	1,018,828
August 2009	74.50	56.10	1,931,686	74.90	58.25	1,990,176
September 2009	72.85	61.50	960,630	76.00	59.10	1,287,772
October 2009	69.80	53.95	797,898	74.50	53.50	978,028
November 2009	61.95	51.60	246,376	60.50	51.10	234,521
December 2009	72.80	56.25	1,662,217	75.00	56.00	1,632,530
January 2010	78.00	59.00	969,815	77.40	59.65	2,744,810
February 2010	63.85	53.80	209,638	64.00	54.35	1,055,880
March 2010	73.60	54.70	1,341,612	73.15	54.65	1,830,098

Source: Website of BSE & NSE

8. STOCK PERFORMANCE INDEX (2009-10)



Source: Website of BSE & NSE

9. DISTRIBUTION OF SHAREHOLDING AS AT MARCH 31, 2010

Slab of Shareholdings No. of Shares	No. of Shareholders	% to total No. of Shareholders	Amount in ₹	% to total paid-up capital
1 – 500	22523	93.11	30,704,750	8.67
501 – 1000	915	3.78	7,650,900	2.16
1001 – 2000	400	1.66	6,146,650	1.73
2001 – 3000	116	0.48	2,971,600	0.84
3001 – 4000	54	0.22	1,942,180	0.55
4001 – 5000	55	0.23	2,635,960	0.74
5001 – 10000	61	0.25	4,534,140	1.28
Above 10000	65	0.27	297,778,540	84.03
Total	24,189	100.00	354,364,720	100.00

Carol Info Services Limited

SHAREHOLDING PATTERN AS ON MARCH 31, 2010

Categories	Number of shares	Amount in ₹	% to total paid-up capital
Promoters	22,584,758	225,847,580	63.73
Directors & relatives	600	6,000	0.00
Financial Institutions & Banks	5,500	55,000	0.02
Mutual Funds	1,300	13,000	0.00
Insurance Companies	137,100	1,371,000	0.39
Foreign Institutional Investors/OCB's	700	7,000	0.00
Bodies Corporate	4,025,321	40,253,210	11.36
Non-resident Indians	2,340,245	23,402,450	6.60
Shares Representing GDRs	179,446	1,794,460	0.51
Other Public	6,161,502	61,615,020	17.39
Total	35,436,472	354,364,720	100.00

10. DEMATERIALISATION OF SECURITIES

The Equity shares of the Company are traded compulsorily in the dematerialized segment of all the stock exchanges and are under rolling settlement. As on March 31, 2010, out of the public shareholding of 12,672,268 equity shares, 11,634,377 equity shares, representing 91.81% of public holding, are in dematerialised form. The demat security (ISIN) code for the equity share is INE198A01014.

11. SHARE TRANSFER SYSTEM

To expedite the transfer of shares held in physical mode, the powers to authorize transfers have been delegated to Ms. Amruta Avasare, Company Secretary of the Company. The transfers that are complete in all respects are taken up for approval generally every ten days and the transferred securities dispatched to the transferor within 21 days.

The Company has signed necessary agreements with two depositories currently functional in India. viz. National Securities Depository Limited and Central Depository Services (India) Limited. The transfer of shares in depository mode need not be approved by the Company.

12. INVESTOR RELATIONS

All complaints received from shareholders have been cleared within the financial year. The complaints are generally replied to within 10 days from their lodgment with the Company. No complaint was pending as on March 31, 2010.

13. OUTSTANDING GDRs/ADRs/WARRANTS/ANY OTHER CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The Number of outstanding Global Depository Receipts (GDRs) as on March 31, 2010 is 179,446. The Company does not have any other outstanding instruments of the captioned type except GDRs. There will be no impact of conversion of GDR's as the Company has allotted underlying shares.

14. REGISTERED OFFICE

City Survey No. 681, Village Nahur, Mulund-Goregaon Link Road, Bhandup (W), Mumbai-400 078

15. FACTORY ADDRESS

Ambala – Chandigarh Highway, Village Sarsini, Lalru P.O., Dist. Patiala-140 501, Punjab

16. COMPLIANCE OFFICER

Ms. Amruta Avasare, Company Secretary,
City Survey No. 681, Village Nahur, Mulund-Goregaon Link Road, Bhandup (West), Mumbai-400 078

17. INVESTOR SERVICES

E-mail: investorrelations@carolinfoservices.com

18. REGISTRARS & TRANSFER AGENT

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai 400 078
Tel: 022 2594 6970-78
Fax: 022 2594 6969
E-mail: rnt.helpdesk@linkintime.co.in

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 27, 2010

DR. G. B. PARULKAR
Chairman & Managing Director

ANNEXURE 1 TO CORPORATE GOVERNANCE REPORT

AFFIRMATION OF COMPLIANCE WITH CODE OF BUSINESS CONDUCT & ETHICS

The Board of Directors of the Company has adopted the Code of Conduct for Directors and Senior Management of the Company.

All the Board Members and the Senior Management Personnel have affirmed their Compliance with the respective Code for the year ended on March 31, 2010.

Place : Mumbai
Date : May 27, 2010

DR. G. B. PARULKAR
Chairman & Managing Director

ANNEXURE 2 TO CORPORATE GOVERNANCE REPORT

CERTIFICATE OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,

The Members of **Carol Info Services Limited**

We have examined the compliance of Corporate Governance by Carol Info Services Limited for the year ended March 31, 2010, as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the company's management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the Compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

In our opinion and to the best of our information and according to the explanation given to us and based on the representations, made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreements.

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

Place : Mumbai
Date : May 27, 2010

Sd/-
VIRENDRA BHATT
Practicing Company Secretary
ACS No.: 1157; CP No.: 124

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

The Company is engaged in service segment. The primary activities are contract manufacturing and renting of immovable property. The property portfolio, although a non-core activity, generates substantial income.

The Company provides contract manufacturing service for nutraceutical and milk-based products. Many global pharmaceutical majors are looking to outsource manufacturing from Indian companies, which enjoy much lower costs (both capital and recurring) than their western counterparts. India's attractiveness as a global location for both pharma contract services and as a place to set up operations can also be attributed to the growing pool of skilled professionals in this sector, as well as low cost base, providing firms with increased competitiveness and profitability.

OUTLOOK ON OPPORTUNITIES

Contract manufacturing in India is growing rapidly catering to both domestic and international companies. The Company's plant in Lalru, Punjab is well placed to meet this need. It is operating near to capacity, and will continue to do so in the foreseeable future.

The contract services market in India is set to register 33-34% growth on yearly basis and likely to attain US\$ 6 billion by the end of 2013 from US\$ 900 million in 2007 (Source: F & S report). Of this Contract manufacturing represents 71% share. In this, work is sub-contracted to a manufacturer by a company that owns the product design and IPR. In some cases, the manufacturer takes the responsibility of marketing the products using the vendor's brand and provides after-sales support.

The Indian nutraceutical market is about US\$ 740 million is expected to grow at approximately 21%. Though nutraceuticals in India are considered drugs, unlike the over-the-counter status they have in western countries, the industry estimates global sales to reach \$195 billion in 2010. The Infant formulae and follow-on segment, Weaning Cereals and Protein Supplements market are expanding rapidly. Increasing awareness and rising disposable incomes is leading growth of this market.

The need of the industry is to have an empowered body that will enforce strict regulations on companies but allow them to bypass the medical channels. Currently, companies have to approach doctors to promote their products. Industry sources also feel that OTC status might be better to boost the segment rather than a drug status, as people associate drugs with curative measures rather than preventive ones.

The manufacturing unit at Lalru has been established for more than ten years now and it is necessary to make additional investment in the said facility for expansion and upgradation. Considering that the margins in the contract manufacturing business are not expanding, management is exploring various options regarding the business.

OUTLOOK ON THREATS, RISKS AND CONCERNS

The Company does not foresee any commercial or other threats, which could disrupt the operations of its business and or its manufacturing facility.

SEGMENT-WISE PERFORMANCE

The Company is in service segment and also derives income from the properties owned by it. Income from contract manufacturing amounted to ₹ 143,279 thousand and rent income amounted to ₹ 91,985 thousand.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has set up internal control procedures commensurate with its size and nature of the business. These business procedures ensure optimum use and protection of the resources and compliance with the policies, procedures and statutes. The internal control systems provide for well-defined policies, guidelines, authorizations and approval procedures. The prime objective of such audits is to test the adequacy and effectiveness of the internal controls laid down by management and to suggest improvements.

FINANCIAL PERFORMANCE

The income from sales and services for the year ended March 2010 amounted to ₹ 240,772 thousand and the total income for the year ended March 2010 is ₹ 1,102,458 thousand as compared to ₹ 713,253 thousand for the previous year thereby recording a growth of 55%.

During the year ended March 2010, total expenditure amounted to ₹ 758,101 thousand as compared to ₹ 429,401 thousand during the year ended March 2009. This is mainly due to increase in interest by ₹ 334,252 thousand. However the increase in interest cost has been compensated by increase in interest income by ₹ 418,680 thousand.

The Company has earned net Exceptional income of ₹ 579,007 thousand for the year ended March 31, 2010 which mainly comprises of profit on sale of commercial premises.

The profit before tax for the year ended March 31, 2010 is ₹ 344,357 thousand, compared with profit before tax for the year ended March 2009 of ₹ 283,852 thousand, thereby recording growth of 21%. However, the profit after tax for the year has reduced to ₹ 676,089 thousand as compared to ₹ 757,790 thousand for the year ended March 2009. The reason for reduction in profit after tax is due to increase in current tax from ₹ 138,306 thousand to ₹ 256,581 thousand and decrease in deferred tax by ₹ 60,516 thousand.

HUMAN RESOURCES

The Company has 90 employees. Through various interventions like training and development, self learning initiatives, communication channels, cross-functional interventions for nurturing creativity and multi-rate feedback, there has been a continuous effort to build and enhance competencies of employees at every level of the organization.

AUDITORS' REPORT

To

The Members of Carol Info Services Limited

1. We have audited the attached Balance Sheet of Carol Info Services Limited as at March 31, 2010 and also the relative Profit and Loss Account and Cash Flow Statement for the financial year ended on that date all of which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report as follows:
 - (i) As required by the Companies (Auditor's Report) Order 2003 and as amended by Companies (Auditors' Report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 - (ii) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (iii) In our opinion, proper books of account as required by the law have been kept by the Company, so far as appears from our examination of those books.
 - (iv) The Balance Sheet and Profit and Loss Account dealt with in this report are in agreement with the books of account.
 - (v) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account read with notes thereon comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
 - (vi) On the basis of the written representations received from the Directors as on March 31, 2010, which have been taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2010 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956.
 - (vii) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give true and fair view:
 - in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - in the case of the Profit and Loss Account, of the profit for the year ended on that date;
 - in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **M. P. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 101851W

ASHUTOSH PEDNEKAR
Partner
ICAI Membership No. 41037

Place : Mumbai
Date : May 27, 2010

ANNEXURE TO AUDITORS' REPORT

Annexure referred to in paragraph 3.i of the Auditors' Report to the members of **Carol Info Services Limited**.

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) The Company has a program for phased physical verification of all its fixed assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Accordingly, certain fixed assets have been physically verified by the management during the year. As informed, no material discrepancies were noticed on such verification.
- (c) During the year, Company has not disposed of any substantial/major part of fixed assets.
- ii. (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us, the Company has not granted nor taken any loans from parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and for sale of goods and services. Further on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weakness in the aforesaid internal control procedures.
- v. In our opinion, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that there are no transactions that need to be entered into the register maintained under Section 301 of the Act.
- vi. According to the information and explanations given to us and as represented to us, the Company has not accepted deposits from public and therefore directives issued by the Reserve Bank of India, and the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 are not applicable to the company.
- vii. The Company has an internal audit system commensurate with the size and nature of its business.
- viii. On the basis of records produced before us, we are of the opinion that, prima facie, the cost records prescribed by the Central Government of India under Section 209(1)(d) of the Act have been maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- ix. (a) According to the records of the Company and information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service tax, Customs Duty, Excise Duty and cess etc. with the appropriate authorities. Further, no undisputed statutory dues were in arrears, as of March 31, 2010 for a period of more than six months from the date they became payable.
- (b) As at the year-end according to the records of the Company and information and explanations given to us, there are no disputed dues on account of income tax, sales tax, customs duty, excise

duty, cess, wealth tax, service tax which have not been deposited with respective authorities except as under.

Name of the Statute	Nature of the dues	Amount (Rs. in thousands)	Period to which the amount relates	Forum where dispute is pending
Bombay Sales Tax Act, 1959	Sales Tax Dues	1,219.43	A.Y. 93-94	Appellate Tribunal
		3,794.05	A.Y. 94-95	Appellate Tribunal
		3,404.56	A.Y. 95-96	Appellate Tribunal
		2,714.41	A.Y. 96-97	Appellate Tribunal
		2,773.14	A.Y. 97-98	Appellate Tribunal
Kerala General Sales Tax Act, 1963	Sales Tax Dues	410.00	A.Y. 94-95	Appellate Tribunal

- x. The company has neither accumulated losses at the end of the financial year nor incurred cash losses during the year and in the immediately preceding financial year.
- xi. This Company has not defaulted in repayment of dues to banks and debenture holders.
- xii. According to the information and explanations, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. According to the information and explanations, the Company is not a chit fund/nidhi/mutual benefit fund/society. Hence, the provisions of any special statute as specified under clause (xiii) of Paragraph 4 of the Order are not applicable to the Company.
- xiv. According to the information and explanations, the Company is not a dealer or trader in securities.
- xv. According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- xvi. To the best of our knowledge and belief and according to the information and explanations given to us, since all term loans have been repaid during the year this clause is not applicable to the Company.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, funds raised on short term basis have, prima facie, not been used for long term investment.
- xviii. The Company has not made any preferential allotment of shares to parties/companies covered in the register maintained u/s 301 of the Companies Act, 1956.
- xiv. The Company had created security for debentures issued including those issued during the year. The Company has repaid the entire debentures during the year and does not have any debentures outstanding at the year end.
- xx. Based on information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the year.

For **M. P. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 101851W

ASHUTOSH PEDNEKAR
Partner
ICAI Membership No. 41037

Place : Mumbai
Date : May 27, 2010

Carol Info Services Limited

BALANCE SHEET AS AT MARCH 31, 2010

(All amounts in thousands of Indian ₹)

	Notes	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	3	354,365	354,365
Reserves and surplus	4	4,694,619	4,101,174
		<u>5,048,984</u>	<u>4,455,539</u>
LOAN FUNDS			
Secured loans	5	—	2,988,400
Unsecured loans	6	369,282	43,474
		<u>369,282</u>	<u>3,031,874</u>
DEFERRED TAX LIABILITY (Net)	2 (g) & 7	101,333	110,639
		<u>5,519,599</u>	<u>7,598,052</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
	2(a) & 8		
Gross block		2,011,866	2,146,530
Accumulated depreciation		(724,151)	(711,571)
Net block		<u>1,287,715</u>	<u>1,434,959</u>
Capital work-in-progress and advances		1,239	15,609
		<u>1,288,954</u>	<u>1,450,568</u>
INVESTMENTS	2(c) & 9	209,493	209,493
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	2(d) & 10	5,974	5,068
Sundry debtors	11	4,230	4,340
Cash and bank balances	12	10,797	3,161
Loans and advances	13	4,589,086	6,496,064
	A	<u>4,610,087</u>	<u>6,508,633</u>
CURRENT LIABILITIES AND PROVISIONS	14		
Current liabilities		(501,892)	(483,496)
Provisions		(87,043)	(87,146)
	B	<u>(588,935)</u>	<u>(570,642)</u>
NET CURRENT ASSETS	(A-B)	<u>4,021,152</u>	<u>5,937,991</u>
		<u>5,519,599</u>	<u>7,598,052</u>

The accompanying notes 1 to 28 are an integral part of this Balance Sheet.

As per our report of even date attached

For **M. P. Chitale & Co.**,
Chartered Accountants

Ashutosh Pednekar
Partner

Place : Mumbai
Date : May 27, 2010

A. N. Avasare
Company Secretary

For and on behalf of the Board of Directors

G. B. Parulkar
Chairman and Managing Director

A. V. Kamath
Jayant B. Manmadkar
Suresh Shenoy

} Directors

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2010

(All amounts in thousands of Indian ₹)

	Notes	For the year ended 31.03.2010	For the year ended 31.03.2009
INCOME			
Sales and services	2(f) & 15	240,772	268,713
Other income	16	2,863	4,397
Interest income	17A	858,823	440,143
		1,102,458	713,253
EXPENDITURE			
Purchase of finished goods		731	2,009
Operating and other expenses	18	148,514	151,943
Depreciation	2(a) & 8	55,902	56,747
Interest expense	17B	552,954	218,702
		758,101	429,401
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		344,357	283,852
<i>Add:</i> Exceptional Items – Income/(Expenses), net	26	579,007	663,891
PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEMS		923,364	947,743
Provision for tax		(256,581)	(138,306)
Deferred tax	2 (g) & 7	9,306	(51,210)
Fringe benefit tax		—	(437)
NET PROFIT FOR THE YEAR		676,089	757,790
Profit and Loss Account, beginning of the year		70,785	12,580
AMOUNT AVAILABLE FOR APPROPRIATION		746,874	770,370
APPROPRIATIONS			
Proposed Dividend on Equity Shares		70,873	70,873
Tax on Dividend		11,771	12,045
Debenture Redemption Reserve		—	416,667
Transferred to general reserve		200,000	200,000
PROFIT AND LOSS ACCOUNT, end of the year		464,230	70,785
		746,874	770,370
Earnings per share	20		
Basic & Diluted ₹		19.08	21.38
Nominal value of share ₹		10.00	10.00

The accompanying notes 1 to 28 are an integral part of this Profit and Loss Account.

As per our report of even date attached

For **M. P. Chitale & Co.,**
Chartered Accountants

Ashutosh Pednekar
Partner

Place : Mumbai
Date : May 27, 2010

A. N. Avasare
Company Secretary

For and on behalf of the Board of Directors

G. B. Parulkar
Chairman and Managing Director

A. V. Kamath
Jayant B. Manmadkar
Suresh Shenoy

} Directors

Carol Info Services Limited

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2010

(All amounts in thousands of Indian ₹)

	31.03.2010	31.03.2009
A. CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES:		
Profit before tax	923,364	947,743
Adjustments to reconcile profit before tax to cash provided by operations:		
Depreciation	55,902	56,747
Amortisation of expenses/write off of fixed assets	394	647
Advance no more recoverable	—	13,467
Liabilities no more payable	(767)	(15,063)
(Profit)/loss on sale of fixed assets, net	(579,110)	(582,026)
Interest expense	552,954	218,702
Interest income	(858,823)	(440,143)
Operating profit before working capital changes	93,914	200,074
(Increase)/decrease in current assets, loans and advances		
Inventories	(906)	998
Sundry debtors	109	22,184
Loans and advances	95,529	(104,131)
Increase/(Decrease) in current liabilities and provisions	109,257	73,012
Cash provided by operations	297,903	192,137
Tax paid	(165,394)	(139,257)
Net cash provided by operating activities	132,509	52,880
B. CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:		
Purchase of fixed assets including capital work-in-progress	(1,298)	(18,349)
Proceeds from sale of fixed assets	685,726	630,261
Proceeds from sale of investments	—	220
Loan to Companies, net	2,056,209	(3,892,419)
Interest received	858,823	440,143
Net cash provided by investing activities	3,599,460	(2,840,144)
C. CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES:		
(Repayment)/Proceeds from long-term borrowings, net	(2,998,540)	2,980,096
Interest paid	(643,634)	(128,022)
Dividend paid	(82,159)	(82,192)
Net cash used in financing activities	(3,724,333)	2,769,882
NET INCREASE IN CASH AND BANK BALANCES	7,636	(17,382)
CASH AND BANK BALANCES, beginning of year	3,161	20,543
CASH AND BANK BALANCES, end of year	10,797	3,161

The accompanying notes 1 to 28 are an integral part of this Cash Flow Statement.

As per our report of even date attached

For **M. P. Chitale & Co.,**
Chartered Accountants

Ashutosh Pednekar
Partner

Place : Mumbai
Date : May 27, 2010

A. N. Avasare
Company Secretary

For and on behalf of the Board of Directors

G. B. Parulkar
Chairman and Managing Director

A. V. Kamath
Jayant B. Manmadkar
Suresh Shenoy

} Directors

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

(All amounts in thousands of Indian ₹ unless otherwise stated)

1. BACKGROUND

Carol Info Services Limited ('CISL' or 'the Company') is a subsidiary of Khorakiwala Holdings and Investments Private Limited. The Company is engaged in service segment. The primary activities are contract manufacturing and renting of immovable property. The Company provides contract manufacturing service for nutraceutical and milk based products. Contract manufacturing in India is growing rapidly catering to both domestic and international pharmaceutical companies. The Company's plant in Lalru, Punjab is well placed to meet this need. It is operating near to capacity and will continue to do so in the foreseeable future.

The Company is also engaged in renting of immovable property activity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India (GAAP) to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The management has made certain estimates and assumptions in conformity with the GAAP in preparing these financial statements.

The significant accounting policies are as follows:

(a) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. The Company capitalizes all costs relating to the acquisition and installation of fixed assets.

Depreciation is provided, using the straight line method, pro-rata to the period of use of assets, at the rates specified in Schedule XIV of the Companies Act, 1956 or based on the useful life of the assets whichever is higher. The rates used by the Company are as follows:

Assets	Percentage over the period of lease
Leasehold land	1.63 – 3.34
Buildings	4.75 – 5.88
Plant & Machinery	6.33
Furniture & Fixtures	4.75 – 25
Office Equipments	33.33
Information Technology Equipments	20
Vehicles	

Fixed assets whose aggregate cost is ₹ 5,000 or less are depreciated fully in the year of acquisition.

(b) Foreign currency transactions

Foreign currency transactions during the year are recorded at rates of exchange prevailing on the date of the transaction. Foreign currency denominated assets and liabilities are translated into rupees at the rates of exchange prevailing on the date of the balance sheet. All exchange differences are dealt with in the statement of profit and loss.

In respect of transactions covered by forward exchange contracts, the difference between the contract rate and the spot rate on the date of the transaction is charged to the profit and loss account over the period of the contract.

(c) Investments

Long term investments are stated at cost. Provision is made to recognise a diminution, other than temporary, in the value of investments. Current investments are stated at lower of cost and fair value.

(d) Inventories

Inventories of stores and spare parts are valued at cost.

(e) Employee benefits

The liability on account of gratuity and leave encashment are provided based on valuation by an independent actuary. Contributions to provident fund and family pension fund are charged to the profit and loss account as incurred.

(f) Revenue recognition

The Company recognises revenues on dispatch of goods to customers. Revenues are recorded at invoice value net of sales tax, excise, returns and trade discounts.

Revenue from services are recognized on completion of such services.

(g) Income-tax

Provision for current income-taxes is made on the assessable income at the tax rate applicable to the relevant assessment year.

Deferred income taxes are recognised for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the statement of Profit and Loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(h) Leases

Operating leases

Lease payments for operating leases are recognised as expense over the lease term. Lease income from operating leases is recognised as income over the lease term. Initial direct costs are recognised immediately as an expense.

(i) Financing/Borrowing cost

Financing/Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets, up to the date such assets are ready for their intended use. Other financing/borrowing costs are charged to Profit & Loss account. Initial direct costs are recognised immediately as an expense.

Expenses incurred in connection with raising of funds are amortised over the tenure of the borrowing.

(j) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue to existing shareholders and share split.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares from the exercise of options on unissued share capital. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares, which would be issued on the conversion of all the dilutive potential equity shares into equity shares. Options on unissued equity share capital are deemed to have been converted into equity shares.

	As at 31.03.2010	As at 31.03.2009
3. SHARE CAPITAL		
AUTHORISED		
100,000,000 (Previous Year – 100,000,000) Unclassified shares of ₹ 10 each	<u>1,000,000</u>	<u>1,000,000</u>
ISSUED		
35,519,797 (Previous Year – 35,519,797) Equity Shares of ₹ 10 each fully paid up	<u>355,198</u>	<u>355,198</u>
	<u>355,198</u>	<u>355,198</u>
SUBSCRIBED & PAID UP		
35,436,472 (Previous Year – 35,436,472) Equity Shares of ₹ 10 each fully paid up	<u>354,365</u>	<u>354,365</u>
	<u>354,365</u>	<u>354,365</u>
Of the above equity shares:		
(a) 21,210,400 (Previous Year – 21,210,400) fully paid up equity shares are held by Khorakiwala Holdings and Investments Private Limited, the Holding Company.		
(b) 25,900,976 (Previous Year – 25,900,976) Equity shares are allotted as fully paid by way of Bonus shares by capitalisation of General Reserve, Capital Redemption Reserve and Share Premium.		
(c) 374,820 (Previous Year – 374,820) equity shares are allotted as fully paid up pursuant to amalgamation of Wockhardt Health Care Limited with the Company.		
4. RESERVES AND SURPLUS		
Capital redemption reserve	<u>297,500</u>	<u>297,500</u>
	<u>297,500</u>	<u>297,500</u>
Securities premium account	<u>2,716,000</u>	<u>2,716,000</u>
	<u>2,716,000</u>	<u>2,716,000</u>
Debenture redemption reserve		
Opening balance	416,667	—
Add: Transferred from profit and loss account	—	416,667
Less: Transferred to general reserve	<u>(416,667)</u>	<u>—</u>
	<u>—</u>	<u>416,667</u>
General reserve		
Opening balance	600,222	400,222
Transferred (to)/from Profit and Loss Account	200,000	200,000
Transferred from debenture redemption reserve	416,667	—
Balance at the end of the year	<u>1,216,889</u>	<u>600,222</u>
Profit and Loss Account	<u>464,230</u>	<u>70,785</u>
	<u>4,694,619</u>	<u>4,101,174</u>

(₹ in Thousands)

	As at 31.03.2010	As at 31.03.2009
5. SECURED LOANS		
(A) Nil (Previous Year – 1,250) Redeemable Non-Convertible Debentures of ₹ 1,000,000 each	—	1,250,000
(B) Term Loan from Banks	—	1,738,400
	<u>—</u>	<u>2,988,400</u>
(a) Non-Convertible Debentures ('NCDs'):		
Interest on debentures was payable semi-annually. Interest rate was linked to MIBOR plus spread of 15% with floor rate of 20% and cap of 21% p.a. Entire debentures were redeemed during the year.		
(b) Non-convertible debentures and term loan from banks were secured by escrow and hypothecation of all lease rentals receivable from property situated at Bandra-Kurla Complex, Mumbai and non agricultural land hereditaments and premises including building situated at Bandra Kurla Complex, Mumbai and pledge of significant equity shares held by the promoters in the Company and in another group company and corporate guarantee given by the Holding Company.		
6. UNSECURED LOANS		
Long term		
Sales Tax Deferral Loan	29,834	39,974
[out of the above ₹ 9,487 thousand (Previous Year – ₹ 10,140 thousand) is repayable within one year]		
Short term (repayable within one year)		
Loan from company	339,448	3,500
	<u>369,282</u>	<u>43,474</u>
7. DEFERRED TAX LIABILITY		
Deferred tax liabilities		
Depreciation on fixed assets	102,828	112,076
Total (A)	<u>102,828</u>	<u>112,076</u>
Deferred tax assets		
Provision for Gratuity	743	658
Provision for Leave Encashment	752	779
Total (B)	<u>1,495</u>	<u>1,437</u>
Deferred tax liability (A-B)	<u>101,333</u>	<u>110,639</u>
Net deferred tax liability as of the year end	101,333	110,639
Less: Opening Deferred Tax Liability	110,639	59,429
Deferred tax (credit)/charge for the year	<u>(9,306)</u>	<u>51,210</u>
8. FIXED ASSETS		

BLOCK OF ASSET	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK		
	As at 01.04.2009	Additions during the year	Deletions/ Adjustments during the year	As at 31.03.2010	As at 01.04.2009	Charge for the year	Deletions/ Adjustments during the year	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009	
Freehold land	30,701	—	22,858	7,843	—	—	—	—	7,843	30,701	
Leasehold land	195,141	—	—	195,141	24,338	2,634	—	26,972	168,169	170,803	
Buildings	1,139,251	13,715	109,201	1,043,765	185,374	20,402	25,443	180,333	863,432	953,877	
Plant and machinery	521,733	—	3,395	518,338	283,933	25,995	3,001	306,927	211,411	237,800	
Furniture and fixtures	104,061	1,605	—	105,666	63,300	6,471	—	69,771	35,895	40,761	
Office equipments	49,100	277	4,412	44,965	48,413	284	4,412	44,285	680	687	
Information Technology equipments	95,797	71	8,433	87,435	95,467	116	8,433	87,150	285	330	
Vehicles	10,746	—	2,033	8,713	10,746	—	2,033	8,713	—	—	
Total	2,146,530	15,668	150,332	2,011,866	711,571	55,902	43,322	724,151	1,287,715	1,434,959	
Capital Work-In-Progress (inclusive of Capital advances)									1,239	15,609	
Grand Total	2,146,530	15,668	150,332	2,011,866	711,571	55,902	43,322	724,151	1,288,954	1,450,568	
As at 31.03.2009	2,165,181	41,812	60,463	2,146,530	666,405	56,747	11,581	711,571	1,450,568		

Out of the above assets, following are the details of assets given on lease:

Assets given on lease	2010			2009		
	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block
Buildings	830,734	126,215	704,519	892,869	121,501	771,368
Furniture and fixtures	66,740	43,095	23,645	66,740	38,889	27,851
Office equipments	28,301	28,080	221	28,540	28,256	284
Plant and machinery	156,177	108,129	48,048	156,177	99,562	56,615
Total	1,081,952	305,519	776,433	1,144,326	288,208	856,118

Carol Info Services Limited

(₹ in Thousands)

	As at 31.03.2010	As at 31.03.2009
9. INVESTMENTS (AT COST)		
LONG TERM INVESTMENTS		
TRADE:		
UNQUOTED:		
Others		
(a) 6,750,000 (Previous Year – 6,750,000) Equity shares of ₹ 10 each fully paid up in Wockhardt Hospitals Limited	50,000	50,000
(b) 4,270,000 (Previous Year – 4,270,000) equity shares of CHF 1 each fully paid up in Swiss Biosciences AG	141,910	141,910
NON-TRADE:		
UNQUOTED:		
Others		
780,000 (Previous Year – 780,000) Equity shares of ₹ 10 each fully paid up in Al Barr Finance House Limited.	17,583	17,583
	<u>209,493</u>	<u>209,493</u>
10. INVENTORIES		
(As Taken, Valued and Certified by the Management)		
Stores and spare parts	5,974	5,068
	<u>5,974</u>	<u>5,068</u>
11. SUNDRY DEBTORS (Unsecured)		
Outstanding for more than six months		
Considered good	278	966
Considered doubtful	100	—
	<u>378</u>	<u>966</u>
Less: Provision for doubtful debts	(100)	—
	<u>278</u>	<u>966</u>
Other debts		
Unsecured, considered good	3,952	3,374
	<u>4,230</u>	<u>4,340</u>
12. CASH AND BANK BALANCES		
Cash on hand	414	126
Balances with scheduled banks		
— in current accounts	10,283	2,905
— in margin accounts	100	130
	<u>10,797</u>	<u>3,161</u>
13. LOANS AND ADVANCES (Unsecured, considered good)		
Loans to Companies		
Considered good	4,500,671	6,220,933
Considered doubtful	117,664	117,664
	<u>4,618,335</u>	<u>6,338,597</u>
Less: Provision for doubtful advances	(117,664)	(117,664)
	<u>4,500,671</u>	<u>6,220,933</u>
Loans to others	428	428
Share application money	255	255
Advances recoverable in cash or in kind or for value to be received	4,474	86,620
Balance with customs, excise and sales tax authorities	189	146
Other Deposits	5,979	19,406
Advance tax, net of provision for tax	77,090	168,276
	<u>4,589,086</u>	<u>6,496,064</u>

(₹ in Thousands)

	As at 31.03.2010	As at 31.03.2009
14. CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry creditors – Micro and small enterprises [see note 19 (f)]	—	—
– Others	16,813	22,856
Security deposits	275,744	301,259
Investor Education and Protection Fund shall be credited as and When due by the following amount namely:		
– Unclaimed dividends	2,283	1,524
Interest accrued but not due	—	90,680
Other liabilities	207,052	67,177
	501,892	483,496
PROVISIONS		
Proposed dividend	70,873	70,873
Tax on proposed dividend	11,771	12,045
Provision for gratuity	2,187	1,937
Provision for leave encashment	2,212	2,291
	87,043	87,146
	588,935	570,642
	For the year ended 31.03.2010	For the year ended 31.03.2009
15. SALES AND SERVICES		
Sale of goods	926	2,728
Processing charges received	143,279	108,857
Services	4,582	5,421
Rent Income	91,985	151,707
	240,772	268,713
16. OTHER INCOME		
Profit on sale of assets	102	250
Miscellaneous income *	2,761	4,147
	2,863	4,397
* Miscellaneous income to the extent of ₹ 767 thousand (Previous Year – ₹ 1,596 thousand) is net of advances no more recoverable ₹ Nil (Previous Year – ₹ 13,467 thousand) and liabilities no more payable ₹ 767 thousand (Previous Year – ₹ 15,063 thousand).		
	For the year ended 31.03.2010	For the year ended 31.03.2009
17A. INTEREST INCOME		
Interest Received [TDS ₹ 85,653 thousand (Previous Year – ₹ 99,726 thousand)]	—	7
Investments	—	—
Others	858,823	440,136
	858,823	440,143
17B. INTEREST EXPENSE		
Fixed	357,182	120,116
Debentures	185,259	85,903
Others	10,513	12,683
	552,954	218,702
18. OPERATING AND OTHER EXPENSES		
Salaries, wages and bonus	28,037	25,322
Retirement benefits	617	588
Company's contribution to provident and other funds	1,113	1,094
Staff welfare expenses	3,671	4,860
Travelling expenses	693	781
Power and fuel	51,930	40,317
Rent	18,408	20,412
Rates and taxes	7,081	20,346
Maintenance and repairs		
Machinery	3,407	3,066
Buildings	5,354	3,910
Stores and spare parts consumed	3,742	3,026
Insurance	1,003	1,078
Provision for doubtful debts	100	—
Legal and professional charges	7,705	12,436
Consultancy charges	2,651	2,794
General expenses	13,002	11,913
	148,514	151,943

Carol Info Services Limited

19. (a) Break-up of Materials and Stores & Spare Parts consumed

	For the year ended 31.03.2010		For the year ended 31.03.2009	
	Value ₹ in thousands	%	Value ₹ in thousands	%
Stores and Spare Parts Imported	—	—	—	—
Indigenously Procured	3,742	100%	3,026	100%
	<u>3,742</u>	<u>100%</u>	<u>3,026</u>	<u>100%</u>
(b) Installed capacity				
Powder (in Kgs.)	<u>4,000,000</u>		<u>4,000,000</u>	
			<u>Apr. 09- Mar. 10</u>	<u>Apr. 08- Mar. 09</u>
(c) Auditor's Remuneration:				
Audit Fees*			540	485
Tax Audit Fees			110	61
Out of pocket expenses			—	8
			<u>650</u>	<u>554</u>
*Includes ₹ Nil (Previous Year – ₹ 169 thousand) for previous year.				
(d) Expenditure in Foreign Currency				
Others			<u>174</u>	<u>167</u>
(e) Remuneration to Managing Director – Salary			<u>200</u>	<u>200</u>
(f) Principal amount including interest, if any payable to micro and small enterprises as per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 as at March 31, 2010 ₹ Nil (Previous Year – ₹ Nil). The above information is given to the extent information available with the Company in respect of parties who have confirmed their status under MSMED Act, 2006 and relied upon by the auditors.				

20. EARNINGS PER SHARE

	31.03.2010 ₹ in thousands	31.03.2009 ₹ in thousands
Reconciliation of earnings		
Net profit attributable to equity shareholders		
Profit after tax for the year	<u>676,089</u>	<u>757,790</u>
Reconciliation of weighted average number of shares		
	Shares in thousands	Shares in thousands
For basic/diluted earnings per share	<u>35,436</u>	<u>35,436</u>
	<u>35,436</u>	<u>35,436</u>
Earnings per share (nominal value ₹ 10 each)	₹	₹
Basic/Diluted	<u>19.08</u>	<u>21.38</u>

21. SEGMENT INFORMATION

Primary Segments

The Company is operating in loan licensee and renting of immovable property segment. All activities are of services nature. Management is of the opinion that all the activities undertaken by the Company involve the same amount of risks.

22. LEASES

(a) Where the Company is lessor:

The Company has given on operating lease various office and residential premises. These lease and license agreements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms. The company has taken refundable interest free security deposits in accordance with the agreed terms. The aggregate of rentals receivable are recognised as revenue under schedule 15 – Sales and services. Future lease rentals receivable are as follows:

	Year	For the year	(₹ in thousands)		
			Not later than one year	Later than One Year and not later than five years	Later than five years
Lease Rent Receivable	2010	62,854	2,671	6,759	—
	2009	128,557	72,508	4,503	—

(b) Where the Company is lessee:

The Company has taken on operating lease various office premises. These lease and license agreements are usually renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms. The aggregate rentals payable are charged as rent under Schedule 18 – Operating and other expenses. Future lease rentals payable are as follows:

	Year	For the year	Not later than one year	Later than One Year and not later than five years	Later than five years
Lease Rent Payable	2010	18,408	455	760	—
	2009	20,412	20,279	82,074	28,794

23. RELATED PARTY DISCLOSURES

(a) Parties where control exists

Fellow Subsidiary: Wockhardt Limited

Holding company: Khorakiwala Holdings and Investments Private Limited

Enterprise that directly or indirectly through one or more intermediaries control or are controlled by the company:
Vinton Healthcare Limited

Individuals having direct or indirect control over the Company: H. F. Khorakiwala

Relative of individual having direct or indirect control over the Company: Ms Zahabiya Khorakiwala

Enterprises over which Individuals having direct or indirect control over the Company, have significant influence:

Palanpur Holdings and Investments Private Limited

Wockhardt Hospitals Limited

Merind Limited

Sharanya Chemicals & Pharmaceuticals Private Limited

Holmdene Constructions

Key Managerial Personnel: G. B. Parulkar

(b) Related party relationships where transactions have taken place during the year

Holding company: Khorakiwala Holdings and Investments Private Limited

Fellow Subsidiary enterprises: Wockhardt Limited

Enterprises over which Individuals having direct or indirect control over the Company, have significant influence:

Palanpur Holdings and Investments Private Limited

Wockhardt Hospitals Limited

Merind Limited

Sharanya Chemicals & Pharmaceuticals Private Limited

Holmdene Constructions

Enterprise that directly or indirectly through one or more intermediaries control or are controlled by the company:

Vinton Healthcare Limited

Relative of Individual having direct or indirect control over the Company: Ms Zahabiya Khorakiwala

(c) Transactions with related parties during the year

	Apr. 09- Mar.10	Apr. 08- Mar. 09
<i>Holding company</i>		
Rent paid	100	100
Dividend paid	42,421	42,421
Interest received	247,100	82,701
Loan given	265,200	1,722,363
Loan repaid	102,000	402,500

Note: Maximum loans given to holding company at any point of time was ₹ 1,789,391 thousand (Previous Year – ₹ 1,403,802 thousand)

Carol Info Services Limited

	Apr. 09- Mar. 10	Apr. 08- Mar. 09
<i>Fellow Subsidiary companies</i>		
Rent received	51,732	51,525
Processing charges received	143,279	108,857
<i>Transactions with enterprises over which Individuals having direct or indirect control over the Company, having significant influence</i>		
Dividend paid	2,102	2,102
[Palanpur Holdings and Investments Private Limited ₹ 2,102 thousand (Previous Year – ₹ 2,102 thousand)]		
Rent received	32,125	25,498
[Wockhardt Hospitals Limited ₹ 32,125 thousand (Previous Year – ₹ 25,498 thousand)]		
Loan given	798,646	2,146,681
[Palanpur Holdings and Investments Private Limited ₹ 6,650 thousand (Previous Year – ₹ 121,536 thousand), Merind Limited ₹ 60,150 thousand (Previous Year – ₹ 91,215 thousand), Wockhardt Hospitals Limited ₹ 731,846 thousand (Previous Year - ₹ 1,933,930 thousand)]		
Loan repaid	3,492,623	355,334
[Palanpur Holdings and Investments Private Limited ₹ 1,300 thousand (Previous Year – ₹ 300 thousand), Merind Limited ₹ 466,779 thousand (Previous Year – ₹ 3,900 thousand), Wockhardt Hospitals Limited ₹ 3,024,544 thousand (Previous Year – ₹ 351,134 thousand)]		
Loan taken	156,807	857,485
[Wockhardt Hospitals Limited ₹ 32,096 thousand (Previous Year – ₹ 857,485 thousand), Merind Limited ₹ 124,711 thousand (Previous Year – ₹ Nil)]		
Loan repaid	1,345	857,485
[Wockhardt Hospitals Limited ₹ 345 thousand (Previous Year – ₹ 857,485 thousand), Merind Limited ₹ 1,000 thousand (Previous Year – ₹ Nil)]		
Interest received	466,336	222,888
[Palanpur Holdings and Investments Private Limited ₹ 116,442 thousand (Previous Year – ₹ 84,461 thousand), Merind Limited ₹ 28,929 thousand (Previous Year – ₹ 29,741 thousand), Wockhardt Hospitals Limited ₹ 320,965 thousand (Previous Year – ₹ 108,686 thousand)]		
Interest paid	4,056	9,512
[Wockhardt Hospitals Limited ₹ 96 thousand (Previous Year – ₹ 9,512 thousand), Merind Limited ₹ 3,960 thousand (Previous Year – ₹ Nil)]		
<i>Enterprise that directly or indirectly through one or more intermediaries control or are controlled by the company</i>		
Loan taken	172,600	—
[Vinton Healthcare Limited ₹ 172,600 thousand (Previous Year – ₹ Nil)]		
Loan repaid	1,000	—
[Vinton Healthcare Limited ₹ 1,000 thousand (Previous Year – ₹ Nil)]		
Interest paid	5,816	—
[Vinton Healthcare Limited ₹ 5,816 thousand (Previous Year – ₹ Nil)]		
<i>Transaction with relative of individual having direct or indirect control over the Company</i>		
Fees Paid	—	1,524
[Ms Zahabiya Khorakiwala ₹ Nil (Previous Year – ₹ 1,524 thousand)]		
(d) <i>Managerial remuneration payable/paid to Key managerial personnel</i>	200	200
(e) <i>Related party balances outstanding</i>		
Receivable from holding company	1,789,513	1,403,858
Payable to fellow subsidiaries	(200,516)	(34,905)
Security deposit payable to fellow subsidiary company	275,000	275,000
Receivable from Enterprises where significant influence exists	1,164,692	1,054,544
[Palanpur Holdings and Investments Private Limited ₹ 1,164,264 thousand (Previous Year – ₹ 1,054,116 thousand), Holmdene Constructions ₹ 428 thousand (Previous Year – ₹ 428 thousand)]		
(Payable to)/Receivable from Enterprises where significant influence exists	(159,113)	2,384,423
[Merind Limited ₹ 127,275 thousand (Previous Year – ₹ 380,593 thousand), Wockhardt Hospitals Limited ₹ 31,838 thousand (Previous Year – ₹ 2,003,830 thousand)]		

24. EMPLOYEE BENEFITS

(A) Defined benefit plans –

	31.03.2010 Gratuity (Non-funded)	31.03.2009 Gratuity (Non-funded)
I. Expenses recognised during the year ended March 31, 2010		
1. Current Service Cost	277	275
2. Interest cost	152	156
3. Actuarial Losses/(Gains)	(91)	(174)
Total Expenses	<u>338</u>	<u>257</u>
II. Net Asset/(Liability) recognised in the Balance Sheet as at March 31, 2010		
1. Present value of defined benefit obligation	2,187	1,937
2. Net Asset/(Liability)	(2,187)	(1,937)
III. Reconciliation of Net Asset/(Liability) recognised in the Balance Sheet as on March 31, 2010		
1. Net Asset/(Liability) at the beginning of year	(1,937)	(1,680)
2. Expense as per I above	338	257
3. Employer contributions	88	—
Net asset/(liability) at the end of the year	<u>(2,187)</u>	<u>(1,937)</u>
IV. Actuarial Assumptions:	31.03.2010	31.03.2009
1. Discount rate	8%	7%
2. Expected rate of salary increase	6%	6%
3. Attrition rate	2%	2%
4. Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

Note:

- (a) Amounts recognized as an expense and included in the Schedule 18:
“Retirement benefits” are gratuity ₹ 364 thousand (Previous Year – ₹ 257 thousand), leave encashment ₹ 253 thousand (Previous Year – ₹ 331 thousand).
- (b) Actuarial valuation is worked out considering attrition rate and estimates of future salary increase taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (c) Accordingly, the Company has provided for gratuity and leave encashment based on actuarial valuation done as per Projected Unit Credit Method.

(B) Defined contribution plan –

Amount recognised as an expense and included in the schedule 18 – “Contribution to provident and other funds” of Profit and Loss Account ₹ 1,113 thousand (Previous Year – ₹ 1,094 thousand).

25. In respect of unsecured loan of ₹ 3,500 thousands, obtained in earlier year by the Company, interest has not been provided for and written confirmation from the party as on March 31, 2010 has not been received.
26. Exceptional items for the year ended March 31, 2010 comprises of profit on sale of commercial premises amounting to ₹ 652,634 thousands, loss on relinquishment of tenancy rights ₹ 12,647 thousand and interest cost of ₹ 60,980 thousand payable on early closure of loan.

Exceptional items of previous year comprises of profit on sale of commercial premises amounting to ₹ 581,776 thousand and received consideration of ₹ 82,115 thousand for sale of Intra-venous Fluids business during earlier years as full and final settlement on fulfilling the prescribed conditions.

27. CONTINGENT LIABILITIES

- (a) Demands for ₹ 14,316 thousand (Previous Year – ₹ 14,316 thousand) have been raised by Sales Tax Authorities. The Company has filed appeals against the said demand.
- (b) Claims against the Company not acknowledged as debts ₹ Nil (Previous Year – ₹ 9,134 thousand).

28. PRIOR YEAR COMPARATIVES

Prior year figures have been re-classified wherever necessary to conform with current year’s presentation.

For and on behalf of the Board of Directors

G. B. Parulkar
Chairman and Managing Director

A. V. Kamath
Jayant B. Manmadkar
Suresh Shenoy } Directors

Place : Mumbai
Date : May 27, 2010

A. N. Avasare
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE (₹ IN THOUSANDS)

(a) Registration details:

Registration No.	:	L74999MH1979PLCO21942
State Code	:	11
Balance Sheet Date	:	31.03.2010

(b) Capital raised during the year:

Public Issue	:	Nil
Rights Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	Nil

(c) Position of mobilisation and deployment of funds:

Total liabilities and shareholders funds	:	5,519,599
Total assets	:	5,519,599

Sources of funds

Paid-up capital	:	354,365
Reserves and surplus	:	4,694,619
Secured loans	:	—
Unsecured loans	:	369,282
Deferred tax liability	:	101,333

Application of funds

Net fixed assets	:	1,287,715
Capital work-in-progress including advances	:	1,239
Investments	:	209,493
Net current assets	:	4,021,152
Accumulated losses	:	—

(d) Performance of Company:

Turnover	:	1,102,458
Total expenditure	:	758,101
Profit/(Loss) before tax, after exceptional item	:	923,364
Profit/(Loss) after tax	:	676,089
Earnings per share	:	19.08
Dividend rate %	:	20%

(e) Generic names of three principal products/services of the Company:

Product Description	:	—
Product Description	:	—
Product Description	:	—

Registered Office : City Survey No. 681, Village Nahur, Mulund-Goregaon Link Road,
Bhandup (W), Mumbai 400 078. Tel : 2566 3959.
